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Before the Committee on Appropriations

Department of Defense Appropriations

Fiscal Year 2006

109th CONGRESS, FIRST SESSION

H.R. 2863

DEPARTMENT OF DEFENSE
NONDEPARTMENTAL WITNESSES

Department of Defense Appropriations, 2006 (H.R. 2863)

**DEPARTMENT OF DEFENSE APPROPRIATIONS FOR
FISCAL YEAR 2006**

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
ONE HUNDRED NINTH CONGRESS

FIRST SESSION

ON

H.R. 2863

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006, AND FOR
OTHER PURPOSES

**Department of Defense
Nondepartmental witnesses**

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**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

WEDNESDAY, MARCH 2, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Burns, Allard, and Dorgan.

DEPARTMENT OF DEFENSE

UNDER SECRETARY OF DEFENSE FOR POLICY

**STATEMENT OF TINA W. JONAS, UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

**ACCOMPANIED BY ADMIRAL ROBERT F. WILLARD, DIRECTOR, FORCE
STRUCTURE, RESOURCES, AND ASSESSMENTS, OFFICE OF THE
CHAIRMAN, JOINT CHIEFS OF STAFF**

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good morning. We're pleased to have you appear before us, Ms. Jonas. And I see you're accompanied by Admiral Willard, the Director of the Force Structures, Resources, and Assessments of the Joint Chiefs. We look forward to your testimony. I appreciated our visit before the hearing.

We remain in some very critical missions around the globe, and totally involved in this war on terrorism. We are truly grateful for the commitment of the forces under the Department of Defense, and their commitment to duty and the values we stand for. We've received this request for supplemental funding and are reviewing that request. I had an occasion last night to discuss it with Members of the House, also. We're going to do our best to move as rapidly as possible on this request.

This is the first of 10 hearings that we will hold on the total request of the Department for fiscal year 2006. The President's request includes \$419.3 billion for the Department of Defense, which is a 4.8 percent increase over last year.

We will make your statement part of the record in full, Ms. Jonas, and I would leave room in the record for a statement from our co-chairman, if he wishes to make one.

Would the chairman of the full committee wish to make a statement?

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I'm glad to be here to help welcome the Under Secretary and Admiral Willard to the hearing. We appreciate very much your assistance to our committee's inquiry into the budget request submitted by the administration. We are very impressed—I'm very impressed with the military's performance in these very difficult and challenging times in Afghanistan, Iraq, the southern Indian Ocean and elsewhere around the world. I think the military has distinguished itself in a way that reflects great credit on all of the men and women who serve in the military, and who support the military directly in the Department of Defense. We appreciate that good work and the outstanding bravery and sacrifice of the families, and for all who are contributing to the successful operations around the world in our behalf.

I also happened to observe a letter I got from a pilot, who was on the *Abraham Lincoln*, describing his firsthand impressions of the relief efforts that were spontaneously provided by our military forces in the region of the tsunami disaster that struck without warning and with such great unbelievable damage. The military forces who were involved voluntarily in reacting to that, and the leadership provided by the military in some of those areas of the world, was truly outstanding. And I commend you all who have had a role in helping make available resources to that operation.

We're interested in understanding the budget request and making sure that what we do in terms, of appropriating funds to support your efforts, continues us on this path toward contributing, like no one else can, to world peace and security and the protection of our homeland.

Thank you very much.

Senator STEVENS. Well, thank you very much, Mr. Chairman.
Senator Allard.

STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. Mr. Chairman, thank you. I appreciate you allowing me to join you this morning. And I don't have any opening comments or anything, and I'll save most of my time for when we get to the question and comment.

Senator STEVENS. Thank you.

I would say, to my two colleagues, that Senator Inouye and I had occasion to visit with Admiral Fargo and listen to him in describing some of his impressions about the way the commander of the Pacific reacted after the tsunami disasters. And we were very impressed with the total commitment that was made and the swiftness of the organization to respond to that terrible incident.

As I said, we have printed your statement in the record. Ms. Jonas, we'd be pleased to have your comments.

OPENING STATEMENT OF TINA W. JONAS

Ms. JONAS. Thank you very much, Mr. Chairman. I won't take much time here this morning, but just to thank the subcommittee for inviting us here to discuss the President's fiscal year 2006 Defense budget request.

As you have noted, the request is \$419.3 billion. This is a 4.8 percent increase over the fiscal year 2005 enacted level, and we look forward to working with you on this request as we move forward, and also appreciate the subcommittee's consideration of our fiscal year 2005 supplemental request.

I would simply like to point out a few of the highlights in this budget. Some of the highlights of this budget include our commitment to supporting the global war on terror. In conjunction with the supplemental funds, we have included significant funds for readiness. Our operation and maintenance (O&M) funds are at \$147.8 billion. This is up \$11 billion over the fiscal year 2005 enacted level. Four billion dollars of that increase directly goes toward readiness. And so, that's an important feature of the budget. We've included additional funds for chemical and biological defense. Funding for fiscal year 2006 is \$1.6 billion. We added \$2.1 billion to the program for fiscal years 2006–2011.

We continue our commitment to the special operations forces (SOF), sustaining that and including additional personnel, about 1,400 new personnel. And the funding for special operations forces is about \$4.1 billion for fiscal year 2006.

We have included a request for special operations forces retention funds in this budget, as well as requested some funds in the fiscal year 2005 supplemental. And I would just note that, since 2001, we're up 73 percent on our SOF budget, so we continue our commitment there.

A key feature of this budget is also the restructuring of our ground forces. As many of you have heard, we have made a commitment to the Army to provide about \$48 billion for their modularity program, using a combination of supplemental and baseline funds to do that.

I would also note that we have \$1.9 billion in the budget to implement the 2005 Base Realignment and Closure (BRAC) Commission recommendations, which is very important to restructure our installations at home. And, in conjunction with that, we are funding the global posture initiative, about \$400 million for that. The key is that these two initiatives are intertwined, and the BRAC recommendations will be informed by the global posture initiative. Under the global posture initiative, we expect to bring home to the United States (U.S.) about 70,000 military personnel, and about 100,000 families. So that's very important.

Also key in our investment areas, we are developing joint military capabilities. We've got a \$78 billion procurement budget, and this is \$3 billion higher than our fiscal year 2005 President's budget request. I would just note that this is about double what it was during the mid 1980s, so we continue our investment there. And procurement does increase over the program plan, reaching \$119 billion by 2011.

We continue our commitment to missile defense. We have about \$8.8 billion in the program, and \$7.8 billion in the Missile Defense Agency.

We continue investment in shipbuilding and in aircraft, and I have some of those details in my prepared statement.

Finally, I'd just like to mention that we have a strong commitment to our military families and our military members. We in-

creased the base pay by 3.1 percent. We're increasing our benefits. For our healthcare benefits, we added \$1.6 billion to the defense health program to make sure that the program is fully funded.

We continue our no-out-of-pocket-cost commitment on basic allowance for housing. Most servicemembers will receive about a 4 percent increase to that allowance in this budget. And we are on track to fund the elimination of all inadequate housing by 2007.

PREPARED STATEMENT

I just would like to close and, again, thank you. I know you've heard from the Secretary on the fiscal year 2005 supplemental request, and I'd be happy to answer any questions.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF TINA W. JONAS

Mr. Chairman, members of the committee, it is my pleasure to be here to discuss President Bush's fiscal year 2006 defense budget request. You have received extensive materials on the budget, which I do not want to duplicate in my statement. Instead I will briefly underscore some of the most important features of our request.

First, I want to thank this committee for its strong support for our men and women in uniform. We look forward to continuing to work with you to ensure that our armed forces have everything they need to carry out their difficult and dangerous missions.

The President's budget request for the Department of Defense (DOD) for fiscal year 2006 is \$419.3 billion in discretionary budget authority, a \$19.2 billion increase (4.8 percent) over the fiscal year 2005 enacted level. Combined with fiscal year 2005 supplemental appropriations, this request includes sufficient funding to sustain the President's pledges to defeat global terrorism, restructure America's armed forces and global defense posture, develop and field advanced warfighting capabilities, and take good care of our forces.

SUPPORTING THE GLOBAL WAR ON TERROR

The fiscal year 2006 budget supports the Global War on Terror (GWOT) by keeping U.S. forces combat ready and strengthening our overall defense capabilities. Readiness is especially critical in this time of war because forces must be prepared to deploy on short notice. Reflecting this importance, the fiscal year 2006 budget includes \$147.8 billion in Operation and Maintenance (O&M) accounts—where training, maintenance, and other readiness essentials are funded—nearly \$11 billion over the fiscal year 2005 enacted amount.

Critical to the fight against terror, the President's plan adds \$2.1 billion in fiscal year 2006–2011 for chemical and biological defense —achieving total funding of \$1.6 billion for fiscal year 2006. We sustain our commitment to our Special Operations Forces (SOF) capabilities, providing \$4.1 billion for fiscal year 2006. We are adding 1,200 military personnel, including 4 SEAL platoons, and 200 civilians. We also are adding \$50 million for programs to boost SOF retention. (The fiscal year 2005 supplemental includes \$62 million for SOF retention.) Since 2001, our investment in SOF capabilities is up by \$1.7 billion or 73 percent. The budget includes \$9.5 billion for activities related to homeland security—such as detection and protection against weapons of mass destruction, emergency preparedness and response, and protection of critical infrastructure.

RESTRUCTURING U.S. FORCES AND GLOBAL DEFENSE POSTURE

The fiscal year 2006 budget provides funding to continue to work to restructure U.S. forces and our global defense posture and basing.

Restructuring Ground Forces.—The Department has made a major commitment to restructuring the Army—adding \$35 billion over 7 years (fiscal year 2005–2011) to the \$13 billion in the Army baseline budget. In fiscal year 2005 and fiscal year 2006, the Department proposes to fund Army restructuring through supplemental appropriations because acceleration of this effort is urgent and vital to the war on terror. The funds requested in supplementals will accelerate the restructuring of the ground forces moving into the theater and reset those forces rotating out of theater. This effort will expand the operating combat force of the Army—making our forces

more effective in the Global War on Terror and reducing the demand and strain on our military units and troops. Beginning in fiscal year 2007, we will request funding in the baseline budget to restructure the rest of the Army.

Restructuring will increase the number of Army brigades and convert them into brigade combat teams (BCTs) that are capable of independent operations. The Active Army will expand from 33 maneuver brigades in fiscal year 2003 to 43 BCTs in fiscal year 2007.

The Marine Corps is restructuring to add two active infantry battalions and other combat and support units—increasing its warfighting power and reducing stress on capabilities that are currently in high demand.

Base Realignment and Closure (BRAC).—The President's budget also includes \$1.9 billion in fiscal year 2006 to implement the 2005 BRAC Commission recommendations. The previous BRAC rounds eliminated about 21 percent of DOD infrastructure and generated savings of about \$7 billion per year.

Global Posture.—Closely linked to the BRAC process is the President's global posture restructuring, which will ensure that U.S. forces and equipment are located where they can best respond to likely requirements in today's security environment. It will return 70,000 military personnel and 100,000 family members to the United States, and relocate forces and equipment that must remain overseas. As the 2005 BRAC Commission considers how to streamline and restructure the Department's installations, it will have the benefit of this global posture restructuring plan.

DEVELOPING AND FIELDING JOINT MILITARY CAPABILITIES

The fiscal year 2006 budget funds a balanced combination of programs to develop and field the capabilities most needed by America's military—today and well into the future.

Procurement funding in fiscal year 2006 is \$78 billion, \$3 billion higher than the President's fiscal year 2005 budget request of \$74.9 billion. This \$78 billion is almost double the low point of \$42.6 billion provided in fiscal year 1996. Future procurement funding will steadily increase and reach \$119 billion in fiscal year 2011.

Missile Defense.—The fiscal year 2006 budget includes \$7.8 billion for the Missile Defense Agency to continue to strengthen U.S. missile defenses, focusing more intensely on the most promising technologies. The fiscal year 2006 budget supports the continuing acquisition of Ground-Based Interceptors, Standard Missile 3 missiles, and increased radar capabilities in California and Alaska. As you know we just had a successful test of an interceptor missile launched from an Aegis cruiser—the fifth successful sea-based intercept in six tests.

Shipbuilding.—The budget includes \$9.4 billion in fiscal year 2006 for shipbuilding. This funding supports procurement of four ships: a Virginia class submarine, an LPD-17 San Antonio class amphibious transport dock ship, a Littoral Combat Ship, and a T-AKE dry cargo and ammunition ship. The Navy's restructuring under its Fleet Response Plan has made more of its ships available for rapid deployment. In addition, with precision weapons and newer platforms, today's ships and naval aircraft are far more capable. For example, the Navy now measures targets destroyed per sortie rather than the number of sorties per target. These changes are increasing the effective size and capability of the Navy.

Army Modernization.—The modernization of the Army and the development of new combat capability are critical to the future of its restructured modular force. Most critical is the Future Combat Systems (FCS) program, which will develop a family of advanced, networked, air and ground systems—combat and support, manned and unmanned. FCS funding is \$3.4 billion in fiscal year 2006. The program has been restructured to deliver transformational technologies to today's force as soon as they mature. The advantage of this change is that it will accelerate the upgrading and increased joint operability of current Army forces.

Aircraft.—The fiscal year 2006 budget continues our investment in the new generation of tactical aircraft, including \$5.0 billion for the Joint Strike Fighter, \$4.3 billion for the F/A-22, \$2.9 billion for the F/A-18E/F, and \$1.8 billion for the V-22 Osprey. Under current plans the Air Force is scheduled to procure F/A-22s through fiscal year 2008 to reach a total of 179 aircraft. The budget also includes \$3.7 billion for the C-17 and \$1.5 billion for unmanned aerial vehicles. The 2005 Quadrennial Defense Review will assess U.S. capabilities for sustaining air dominance and other aircraft requirements as part of its broader analysis.

TAKING CARE OF OUR FORCES

Most importantly, the fiscal year 2006 budget maintains the President's commitment to take good care of our military people and their families. It reflects our conviction that people are the nation's most important defense asset. The budget in-

cludes a 3.1 percent increase in military base pay and provides significant funding to ensure high quality health care for our military families. The fiscal year 2006 budget provides about \$20 billion for the Defense Health Program and \$7 billion for the military personnel who support the health care program. The budget sustains our commitment to no out-of-pocket costs for military members living in private housing, by increasing the Basic Allowance for Housing by an average of 4 percent. And the budget keeps the Department on track to fund by fiscal year 2007 the elimination of all inadequate military family housing units in the United States, and to fund by fiscal year 2009 the elimination of all inadequate units worldwide.

FISCAL YEAR 2005 SUPPLEMENTAL APPROPRIATIONS

Before closing, I want to thank this committee for beginning work quickly on the President's fiscal year 2005 supplemental appropriations request of \$74.9 billion for the Department of Defense. Rapid and full approval of the request is crucial to fulfilling our military's requirements for the rest of this fiscal year.

Two-thirds of the supplemental is to cover costs for ongoing military operations in Iraq and Afghanistan. In addition, the supplemental includes \$11.9 billion to restore or replace equipment damaged or destroyed in combat. This funding is crucial to ensure the readiness of the force. It consists of \$3.2 billion for depot maintenance, \$5.4 billion to replace military items destroyed or expended during combat operations, and \$3.3 billion to improve protection of our forces.

The supplemental also funds the vital strategic goal of training and equipping military and security forces in Iraq and Afghanistan. Strengthening these forces is essential to the long-term security and stability in both nations, and will enable them to become more self-sufficient and less reliant on U.S. and coalition forces.

CLOSING

In conclusion, the President's fiscal year 2005 supplemental request and fiscal year 2006 budget provide the funds necessary to support the global war on terror, restructure our forces and America's global defense posture, develop and field advanced military capabilities, and maintain the well-being of our military people and their families. I urge your support for this request, as well as for the President's proposed fiscal year 2005 supplemental appropriations. Thank you.

Senator STEVENS. Well, thank you very much.

I know the chairman has another hearing at Homeland Security. Would you have any questions, Senator?

Senator COCHRAN. Mr. Chairman, the only question I have relates to the supplemental.

You know, that we have had a review of that supplemental, and it will be coming to the floor soon. We understand that it is a matter of some urgency, although when we were having our initial hearing and reviewing the request, there was some question about when the money actually was needed. Some said in March; others, April or later. What is the situation with the need for this supplemental for some \$75 to \$76 billion for the Department of Defense?

WHEN SUPPLEMENTAL IS NEEDED

Ms. JONAS. Well, first of all, Mr. Chairman, I appreciate the cooperation of this subcommittee and the full committee with respect to moving that legislation along. We can get through the second quarter fairly easily. Getting into the third quarter, we begin to have some difficulty. And, as you may know, the services have to then make plans in anticipation of their funding flows. So I would say once we start getting into the third quarter, we begin to have some issues.

Senator COCHRAN. Okay.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you.

And I share the chairman's comments about that. I'm still not clear what you said, however. You said you could get through the second quarter. That ends in March. And you have difficulties in the third quarter.

Ms. JONAS. I think—

Senator STEVENS. When do you really need the money?

Ms. JONAS. Certainly by April or May, sir.

Senator STEVENS. Can you draw a line in the sand?

Ms. JONAS. April would be better than May, sir.

Senator STEVENS. We're concerned about the stress on the total force and what this means to retention. I'm informed that—this is an all-volunteer force, of course—that the Army retention was retained last year at the 10 percent goal, but the ability to maintain their contribution to the total force is still of some concern, and that the marines missed their requirement by a small amount, the first time in 9 years. Can you tell us what initiatives are contained in this program for fiscal year 2006 that would help reduce the stress on the military and their families and help us with retention and recruitment?

REDUCING STRESS ON THE MILITARY

Ms. JONAS. Certainly, Mr. Chairman. I would note, in the fiscal year 2005 supplemental, we are asking to increase our bonuses for those who are willing to join the Reserves, and asking to pay for a maximum up to \$10,000. So that relief would be helpful.

Senator STEVENS. That's for people who decide to become regular? They're in the Reserves; they want to sign up—you want them to sign up and become regular forces?

Ms. JONAS. This is encouraging Active duty to sign up for the Reserves.

Senator STEVENS. Oh, the other way around.

Ms. JONAS. Yes, sir.

Senator STEVENS. Would they remain on Active duty, then?

Ms. JONAS. They would be joining the Reserve. And I'll defer here to Admiral Willard on that.

ACTIVE/RESERVE RECRUITING

Admiral WILLARD. Sir, these are Active duty that are ending their terms in Active duty and would transfer into the Reserve force, with a likelihood that they would, under their current circumstances, be called up to continue to perform.

Senator STEVENS. How is that program going? Is it underway now?

Admiral WILLARD. It's currently in the budget, so, yes, sir, in that sense, it is. As you point out, there are challenges, and they're more widespread than just incentivizing transfers from Active to Reserve. I would comment that, within the supplemental, there are a variety of efforts underway to reduce stress on the force. The reorganization of our ground forces, the modularity program for the Army, is one method of doing that, in trying to increase the number of brigade combat teams that are deployable. So we are attempting to reduce the ratio that—for deployment—that we are currently encountering. And that will happen over time. So, once again, a number of incentives to try and reduce the stress on the

force. As you point out, the retention and recruitment numbers for the Army are down; and, for the Marine Corps, are very slightly down.

I would note that, in the Active force, we are in pretty good shape in recruitment and retention, and that this is the time of year when we typically have a downturn in monthly recruitment/retention. And following schools getting out in the summertime, we normally make the upturn, so that at the end of the year this evens out. We have more concern in our Reserve component with regard to recruitment and retention. And, there, we're monitoring the trends very closely. And the incentives, as Secretary Jonas points out, are going to be an important factor in attempting to maintain the numbers there.

Senator STEVENS. Thank you.

PHASING IN NEW FUNDING FOR OPERATIONS

Ms. Jonas, the supplemental that we have before the full committee is \$42.5 billion to support military operation and equipment. I'm informed that the operating funds will expire on September 30 under that proposal, and that the estimated recurring military operational costs average \$4.3 billion a month for operations, and \$800 million a month for Operation Enduring Freedom, in Afghanistan. Now, tell us how these fit together. Your current funds, are they exhausted for 2005? And when does the money from the supplemental have to phase into those operations?

Ms. JONAS. Thank you, Senator.

First of all, if I hadn't mentioned it, we appreciate the help that we got from the Congress—and your subcommittee, specifically—on the \$25 billion that has been appropriated. Seventeen billion of that has been allocated to the services for operations. The \$3 billion has been also allocated for force protection matters, and they are currently using those funds.

I can certainly get you, for the record, the exact obligation rates, but they are using those funds currently.

[The information follows:]

As of February 28, 2005, \$30.4 billion has been obligated in support of the Global War on Terror from funds appropriated in Title IX (\$25 billion) and from cash flowing of fiscal year 2005 baseline funds. A summary of the amount obligated is shown below:

[In millions of dollars]

	Baseline Funds	Title IX Funds	Total
Operation Iraqi Freedom	16,287	9,558	25,845
Operation Enduring Freedom	2,528	1,072	3,600
Operation Noble Eagle	905	.....	905
Total	19,720	10,630	30,350

Ms. JONAS. We would certainly hope to have this supplemental legislation that we've put before you, the \$74.9 billion, as soon as possible to help alleviate the concerns of the services. Again, I would say probably April would be better than May, with respect to getting those funds. I don't have the exact obligation rates for

you this morning. I would be happy to provide that for the record on the \$25 billion, though.

Senator STEVENS. Well, what I'm really trying to get at is, we gave you \$25 billion, which was, sort of, a cushion to take you—a bridge funding to take you through this year. It sounds like you've allocated them—all of that money to operations and equipment maintenance. Is that right?

Ms. JONAS. The preponderance of the funds; \$17 billion is the right figure.

Senator STEVENS. And that, plus the funds that are already in 2005 are such that you've now got \$42½ billion in addition to that, that you need before October 1, right?

Ms. JONAS. Correct, sir. Yes, sir.

Senator STEVENS. Well, I don't think it takes a rocket scientist to figure out that you're spending it faster than the rate you've given us in the past, then. What is the rate that is being expended in operations and maintenance, on a monthly basis?

Ms. JONAS. Our current operations in Iraq are running us about \$4.1 billion. It's \$800 million in Afghanistan per month.

Senator STEVENS. Well, I think we need to understand this cash flowing a little bit better, because we're going to get some questions about this supplemental if we're not careful.

Let me turn this over, however, to the chairman, if he has any additional requests, and then to—Senator Burns, I think, came in before Senator Allard.

Senator, do you have any additional questions?

Senator COCHRAN. I have no further questions.

Senator STEVENS. Senator Burns.

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

GAINING MORE RAPIDLY DEPLOYABLE UNITS

Monday, I was out in San Diego and did a little tromping around out there. And I was reminded that, 50 years ago, right now, I was a boot out there in that Marine Corps Recruit Depot (MCRD). And I didn't have to get my nose broke this time to remind me. I know how you can save a little money in this budget. I noticed that there's a big push now for restructuring ground forces, focusing on Army brigade light units for quick strike force in the United States Army. I would suggest you've already got it. I would suggest you've got a United States Marine Corps that is a strike force, and the best in the world. Mobile. So why are we training people to do this redundancy? If I noticed anything in the supplemental that came up, both in the State Department and for Defense, we identified some areas where there is some redundancy.

My question is, How come we're not looking in that direction, rather than restructuring a unit that is designed to do other things? Can I get a response to that?

ARMY MODULARITY

Admiral WILLARD. Yes, sir, you can. The Army is reorganizing to try and make itself more rapidly deployable, flexible, more self-sustaining, in terms of the units that they put in the field. At the same time, the Marine Corps is restructuring itself—to a lesser extent, but, nonetheless, restructuring itself—with the addition of in-

fantry battalions, combat support, and combat service support elements.

I'm not sure "redundancy" is the term that I would use. But, rather, the variety of our ground forces, whether it be Army, Marine Corps, special operations, are all undergoing an evolution right now to try and reorganize themselves and optimize themselves. And the question we would ask is whether the capacity for the country is there among those ground forces. And we believe that it will require reorganization across the board and an understanding of not only roles and missions, but a capabilities mix across the board that will get this right. It's intended that that is one of the study areas in the upcoming Defense review. But, again, the supplemental makes an effort to establish that organization across our ground forces, specifically targeting Army and Marine Corps, right now.

Senator BURNS. Well, I just thought there was some redundancy. And it appears, as you know, if you read where the money is going, and how it's going, that would seem to be something that we would take interest with up here on the taxpayer dollar. And I'm not one of these that think that we can get it done on nothing. But we know that we're in a different kind of a world now. We are in a different kind of a challenge to this country and its freedoms. And so, there has to be some things redundant that some of us up here might not understand. But I appreciate your comments on that.

That's the only thing that I have right now. I think, in this budget, we've got the opportunity to do right. I usually visit military installations that are in Montana, and will be coming to you for a little problem we've got up there, but that's for another day. And it's not a problem; it's just another challenge that we have, as far as our defense and capabilities and our concerns.

PREPARED STATEMENT

So, thank you for coming today. And I thank the chairman.

And I have a statement that I would like to be part of the record, and I will ask unanimous consent that it be so.

Senator STEVENS. Without objection, so ordered.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Thank you, Mr. Chairman.

Ms. Jonas, Admiral Willard, thank you for being here this morning to testify on the Department of Defense's (DOD) fiscal year 2006 Budget. I will keep my statement brief and retain the remainder of my remarks for the record.

I note that the President's budget request for the Department of Defense for fiscal year 2006 is \$419.3 billion—excluding the supplemental, also before this committee for consideration—representing a \$19.2 billion increase (or 4.8 percent) over last year's fiscal year 2005 level. I think the fiscal year 2006 budget on the whole, is a good one. Your job is not an easy one—especially in the current environment, with military operations around the world and in the midst of the ongoing War on Terror. I do think, however, despite all of the competing interests at hand, you were able to strike a fairly good balance between all accounts and competing needs. This budget appears to be one that funds core needs to allow troops currently engaged, to do so safely and to the best of their ability.

I am pleased to see that this budget also prepares our military forces for future engagements, where battlefields will look much different than they have in years past. We must ensure our military transforms in such a way as to have the right military capabilities for any future engagement. An overall Research and Development (R&D) request of \$69.4 billion helps get us there.

As you know, the men and women of our active, Guard and Reserve components have seen an increased operations tempo (optempo) over the past few years in particular. In my State of Montana, we have over 40 percent of the Guard's total force mobilized. While I know these men and women love what they do and love serving their country, this increased optempo does not, however, come without costs—costs not only to guardsmen and reservists themselves, but also to their families and employers, too.

I am pleased to see that the budget addresses this issue and looks at ways to rebalance our forces and reduce the need for involuntary reserve mobilization. I do think it is important to look at ways to add folks to areas where we currently have a shortage, such as military police, transportation and civilian affairs. I see we are doing exactly this, in this budget.

Increased operations also wear and tear on the military's already aging equipment. This year's budget proposes \$147.8 billion for the Operation and Maintenance (O&M) account, up from \$137 billion in fiscal year 2005. The procurement account has been proposed at \$78 billion, just slightly down from the fiscal year 2005 enacted level of \$78.1 billion.

The United States military would not be the best fighting force in the world without the great people who wear the uniform. It is important that we take care of our military men and women and ensure their quality of life is good. I am pleased to see this is a priority in the fiscal year 2006 budget. The Military Personnel account is funded at \$108.9 billion in fiscal year 2006, while the Military Construction and Family Housing accounts request is a total of only \$12 billion. I note the 3.1 percent increase in military base pay and the 2.3 percent increase in civilian pay included in the President's budget. I am also pleased to see the 4 percent increase in the Basic Housing Allowance, and that DOD appears to be on track to eliminate all inadequate military family housing in the United States by fiscal year 2007. The budget also includes the expansion of TRICARE benefits, to allow health care coverage up to 90 days prior to activation for certain Reserve Components, with post-mobilization coverage of 180 days.

Our military has performed nobly in all of its missions—especially in Afghanistan and the continuing conflict in Iraq. This country's fighting force is extremely skilled and capable, and it is our responsibility to ensure our brave military men and women have the tools and equipment needed to do their job so they may return home to their loved ones safely and as quickly as possible.

You will continue to have my full support in making sure our brave military men and women—wherever they may be engaged—have the tools, training and equipment to do the dangerous jobs with which they have been tasked.

Again, thanks for coming before our subcommittee today. I look forward to your testimony this morning.

CHEMICAL DEMILITARIZATION

Senator STEVENS. Senator Allard.

Senator ALLARD. Thank you, Mr. Chairman.

Ms. Jonas, I had a chance to visit with you and Mr. Wolfowitz yesterday. And you were sitting on his right hand when I was drilling him about the Chemical Weapons Convention Treaty.

Ms. JONAS. That's right, sir.

Senator ALLARD. And so, I don't know as I need to go over that too much. I would like to put some in the record in this subcommittee, though, and the fact that the President's budget, Defense budget, provides for \$1.4 billion for chemical weapons, the demilitarization program. Now, that's consistent with previous requests, but it doesn't measure up to the full cost of the program, as we see it. And, you know, I look out as to what dates we're expected to comply with that convention, and the plant in Colorado, for example, is a decade past the deadline. I know Kentucky has a special problem, just like we do, so you'll probably hear from Senator McConnell also, on this very issue. We had testimony from Secretary of State Condoleezza Rice who said that when we sign into those treaties it's important that—in fact, she was unequivocal about this—she said that it's important that we comply with the

treaties. We're pretty well behind on the dates of expected compliance on the treaty. And so, we'll be asking some tough questions. It seems to me like the program has been backsliding. And I know we have special problems in both Kentucky and Colorado, and we want to work with that.

And the question I have—Mr. Wolfowitz, yesterday, said that he's going to reexamine where we are, as far as that program is concerned. I appreciate his willingness to do that. But what I failed to get from him was a timeline.

Ms. JONAS. Okay.

Senator ALLARD. When does he expect to get back—or when you would expect to have the reexamination completed and get back to me and also the Kentucky delegation?

Ms. JONAS. Certainly. Senator, we'd be happy to work with you, as the Deputy Secretary indicated yesterday, and also with the other concerned Senators and delegations.

I don't know that I have a timeline for you this morning, but I would certainly be able to do that and find out soon and get back with you and your staffs. We will continue to work closely with you as you consider this legislation and as we work to figure out some of the cost issues that the Deputy talked about yesterday.

[The information follows:]

As directed by the December 23, 2005 Acquisition Decision Memorandum the Program Manager, Assembled Chemical Weapons Alternatives and Director, Chemical Material Agency developed an assessment of alternatives for meeting the Chemical Weapons Convention extended 100 percent deadline of April 2012. On April 15, 2005 the Under Secretary of Defense for Acquisition, Technology & Logistics made a decision to exclude transportation for the time being and to proceed with the alternatives that balanced cost, schedule, and performance. The Program Manager, Assembled Chemical Weapons Alternatives and Director, Chemical Material Agency will provide the program plan by mid-May that includes the design effort schedule. The Under Secretary of Defense for Acquisition, Technology & Logistics will review and approve the critical designs based on the schedule submitted in mid-May.

Senator ALLARD. Yes, I've got a lot of concerns about the program. I appreciate your being willing to work with the deadline. You know, if we looked at the GPRA, you know, Government Performance and Results Act, their evaluation of that program was an ineffective rating in the last budget. I haven't had a chance to look at it on this budget. There are so many questions on that program, I think it needs to be examined. You can expect me to be there.

Ms. JONAS. Yes, sir.

MISSILE DEFENSE PROGRAM

Senator ALLARD. The other thing that I have concern on is the Missile Defense Program. I use to chair the subcommittee that had oversight in Armed Services on missile defense. I noted in the President's budget that he has cut it by \$1 billion. We're also looking at, perhaps, some additional cuts in the future. I think somebody suggested that in the Department of Defense. So I would like to hear some of your thoughts and what your plans are for missile defense.

Ms. JONAS. Okay. I may turn some of the planning piece over to the Admiral to talk to. I would say this budget maintains a commitment to the Block 2004 and the Block 2006 programs, which are substantial. The Block 2004 program has 20 ground-based intercept-

tors, 10 sea-based interceptors. And, of course, the Block 2006 program would add an additional 20 ground-based interceptors and an additional 40 sea-based, and with the accompanying radars and infrastructure on that.

So the President remains committed to this program. We remain committed to the program. And maybe the Admiral can fill in a little bit on the rest of the program.

Senator ALLARD. Okay.

Admiral.

MISSILE DEFENSE

Admiral WILLARD. And I think the points that Secretary Jonas brings up, with regard to achieving our milestones with regard to interceptors, is an important element of this, to represent the fact that this budget supports the missile defense levels of effort, ongoing.

General Obering has been asked to look for efficiencies within his organization, and he's done that, and that's been part of the savings that we've seen. In addition, his methodology for achieving his missile defense objectives dealt with a number of different programs, varieties of options, to attain those missile defense objectives that he was intending to neck down over time as some of those options became more promising than others. And he is doing that.

And, frankly, the savings that were taken from missile defense has had him invest in that option sooner rather than later. And, in a fairly recent summary of his missile defense activity, it's evident to us that he has both achieved the efficiencies and has laid out his milestones to attain the President's objectives in missile defense with this savings intact.

So, we're confident that General Obering has the plan to achieve what we hope to achieve objectively out of missile defense.

SUSTAINING MISSILE DEFENSE TESTING AND QUALITY CONTROL

Senator ALLARD. Well, I'm pleased to hear that, you know, you're getting more missiles in the ground and you're going ahead with that. I do think that we need to make sure we don't back off on our testing, because, as you know, the last two failures we had—as far as I'm concerned, weren't because of new technology. The gates aren't opening right or there's a misfiring of some type on the ground, and we haven't even gotten an interceptor in the air. So we've got to have some controls in that, because every time you have a failure in something like that—and particularly when it's older technology and it ought to be operating—it's difficult to explain up here to those people who oppose missile defense. It's a great program. We need to have it, and we need to make sure that it doesn't stumble.

And so, I would hope that we have the testing part of it, so we don't have the old technology, so we could test out the new technology, find out how it performs in the air. We have had a lot of good tests, that succeeded. Then we've had some of these failures. They've been disappointments to me, because it hasn't been on the new technology side; it's been on the old technology side.

So, again, I just raise some concerns about that and would hope that, if you're cutting back on the spending on that, that where we've got enough quality control in there that we're not losing sight of our older technology. We know it works. We just have to make sure the mechanics of it are there so we get a successful firing. So I just wanted to share that with you.

Mr. Chairman, I don't want to abuse my time here. I don't have a time limit here. So I will yield back. And if there's more time later on, I may have some more questions. Thank you.

Senator STEVENS. Well, since there are so few of us, I decided not to put a time limit on, but we'll come back to you, Senator.

Senator Dorgan.

MONTHLY SPENDING IN IRAQ AND AFGHANISTAN

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

I have read the statement. I was detained this morning. I'm sorry I wasn't here for your presentations. But I would like to ask a couple of questions.

We have had questions, previously, about the amount of money that is being spent on a monthly basis in Iraq and Afghanistan. My understand is, you were asked that question this morning, and the answer is about \$4.9 billion—

Ms. JONAS. That's correct—

Senator DORGAN [continuing]. Per month?

Ms. JONAS [continuing]. Senator.

WHAT OPERATIONS FUNDING IS INCLUDED IN SUPPLEMENTAL

Senator DORGAN. Questions have been raised previously about what is in your budget request for the next fiscal year and what is left out of the request. I want to just take you through this issue of why the request does not include funds for ongoing operations in Iraq and Afghanistan. I've raised this the last two successive years. And the Congress also included a provision, as you will recall, last year, asking that the President's budget should include a request for funds for Iraq and Afghanistan operations.

Having said that as a precursor, tell me, the supplemental request that is now before the Congress includes funding for what kind of operations that have not been requested in your annual budget?

Ms. JONAS. Certainly, the funds that are included in the supplemental are those related to Operation Enduring Freedom and Operation Iraqi Freedom. In the past, we've asked for Operation Noble Eagle costs in the supplemental. We've included those in the baseline budget this year, which is a change.

Senator DORGAN. But if I can try to understand this, the costs for an operation, the costs would include the cost of the soldiers. Obviously, the cost of the soldiers—

Ms. JONAS. For personnel—

Senator DORGAN [continuing]. Exists whether you have the operation or don't have the operation. So that's a cost that I assume is in your regular budget request.

Ms. JONAS. Yes. Our estimates are based on a cost model, which includes a number of different things, including personnel, transportation, other special pays, depending upon the deployment.

Senator DORGAN. Okay, personnel—we have the personnel, whether they're in Iraq or not in Iraq. We're paying for them. So are they not in the regular budget? I'm just trying to understand—

Ms. JONAS. They're incremental costs, Senator.

Senator DORGAN. What's that?

Ms. JONAS. Incremental costs of personnel including special pays—for example, hazardous duty pay, danger pay, other types of things.

PERSONNEL COSTS

Admiral WILLARD. Additionally, there are personnel overage right now that is attendant to the war, and in the Army, in particular, and that is captured, as well, in the supplemental.

Senator DORGAN. And those costs are something like \$75 billion a year, over and above that which is in the regular budget for the cost of personnel, the cost of transportation, the cost of weapons and so on? It's \$75 billion a year?

Ms. JONAS. The military personnel costs are about \$16.9 billion. The operations costs are \$31.1 billion. We've requested \$16.1 billion for procurement. This is different from past supplementals, and that is associated with what we call wear and tear on the equipment. We include about \$3.2 billion for depot maintenance. These are readiness-related matters.

As the Admiral pointed out earlier, we've asked for some funds for the Army's restructuring or modularity.

Senator DORGAN. Right.

Ms. JONAS. And that, of course, is related to units that are rotating into the theater, and then they're reset when they come out. So we want to make sure that those that are going in are prepared and ready to go, and those that come out are—their equipment is up to standard.

Senator DORGAN. Let me ask, then, on—how much did you say for wear and tear on equipment?

Ms. JONAS. Well, we've got about \$16 billion in the procurement account, which includes about \$12 billion for the wear and tear, and also includes some force protection.

Senator DORGAN. And that's in the supplemental.

Ms. JONAS. Yes, sir.

Senator DORGAN. How much is in next year's budget for wear and tear on equipment?

Ms. JONAS. We can get that number for the record.

[The information follows:]

The wear and tear on equipment due to deployments in Iraq and Afghanistan are generally costs over and above the on-going baseline equipment maintenance program. The fiscal year 2005 supplemental includes \$5.3 billion to finance the incremental (that is, above the baseline appropriation) costs of equipment maintenance. The additional funding requested for fiscal year 2005 is: \$1.4 billion for organizational level maintenance; \$0.7 billion for intermediate level maintenance and \$3.2 billion for depot level maintenance. This work is required to bring weapons and weapon system platforms up to ready levels after the wear and tear of combat operations in Iraq, Afghanistan, and other areas elsewhere in support of OIF and OEF.

The Department anticipates that an fiscal year 2006 Supplemental request will include funding for maintaining equipment returning from theater. The fiscal year 2006 cost has not yet been estimated but is likely to be in a similar range as reflected in the fiscal year 2005 supplemental.

Ms. JONAS. We have normal depot maintenance that we do in the—

Senator DORGAN. All right.

Ms. JONAS [continuing]. In the regular budget.

APPROPRIATENESS OF USING SUPPLEMENTALS

Senator DORGAN. Whether it's personnel or wear and tear on equipment, it seems to me like this is a kind of a game, unfortunately, that no money is requested for these extraordinary expenses for Iraq and Afghanistan in the regular budget, anticipating that we'll do a supplemental later, on an emergency basis, not paid for. And we do that each year.

Now, the year before last, I asked this question. Last year I asked this question. I asked the question again this year. To use Secretary Rumsfeld's terms, it is certainly not unknowable that we will have expenditures from the regular budget next year with respect to ongoing operations in Iraq and Afghanistan. You can argue, we don't know exactly what the expenditures will be, but it is also the case that we know they will not be zero. So won't there, at some point, be a requirement for you to give us your best estimates of what we expect to expend in the coming year?

Ms. JONAS. Well, certainly, I understand there is a significant amount of discussion between the Congress and the administration on the appropriateness of using supplemental funding for the war. I would note that Director Bolten testified a few weeks ago before the Senate Budget Committee and articulated his position, which is that these funds are one-time, not permanent costs, and that his position was that they should be funded in supplementals.

So we clearly work very closely with the Office of Management and Budget on that, and we will work with them in the future on any future requirements.

Senator DORGAN. But with—you know, only in Washington could Mr. Bolten say that, without evoking some sort of laughter. We understand that these are more than one-time knowable costs. We understand that from the year previous, the year previous to that. At some point, it becomes a game. And I understand why some want it perpetuated; but it would make much sense, it seems to me, for the Congress to receive from you what you expect to expend in the coming year, given the circumstances that you face.

We certainly are going to support, and I'm going to vote for, the request for the urgent supplemental. I'm not going to suggest, and I don't think my colleagues will, that we should commit our troops and then not give you everything that is requested to support those troops. But I think when you get to the third or fourth year, where your contention is we're going to spend zero in the next year, or at least you have no knowledge of what we will spend, therefore, you will request zero for the specific operations, I think the Congress will be better served if you would say, "Look, here's our best estimate. And we understand things can change, but here's what we think we will have to spend."

Ms. JONAS. I understand your concern, sir.

Senator DORGAN. And Congress has put that, as you know, in the statute and requested that you do that. And you have not, this

year. Why not? As you know, the statute exists that says you should.

Ms. JONAS. Sir, we are constantly working with the Office of Management and Budget on a number of these things. We are working with them on the particular provision that you cited.

Senator DORGAN. All right.

Let me just ask, for a moment, about missile defense. Do I have a couple of more minutes?

Senator STEVENS. Yes.

MISSILE DEFENSE REDUCTIONS

Senator DORGAN. About missile defense. You know, I'm one of those that's skeptical. I think we're spending a great deal of money on something that, at the moment, is not demonstrated to work. And it's very unusual, in any circumstance, to be buying products that are not demonstrated to have worked. But the \$8.8 billion in fiscal year 2006 is down from the current spending level, is that correct?

Ms. JONAS. Yes, sir.

Senator DORGAN. And that relates to, Admiral, efficiencies in the program or to—can you describe to me the circumstances of the \$1 billion reduction?

MISSILE DEFENSE

Admiral WILLARD. Yeah. General Obering came back to the building to discuss the restructuring of his program, as would be necessary in order to incorporate those savings. And, in that, he showed a combination of efficiencies and decision points that he was making in order to neck down the number of options that he had for particular capabilities that he was seeking, based on their research and development programs, and the ones that appeared to be most promising. And he demonstrated his ability to deliver the interceptors, as Secretary Jonas pointed out earlier. So it's a combination of both in his plan.

Senator DORGAN. Admiral, is there an open question of whether, at some point, this will be determined to be either a project or a program that works or doesn't work? And if there's a potential that we may decide, at some point, that it doesn't work—the last two tests, the missiles remained in the silo, for example—if there's a potential that, at some point, we may decide this doesn't work, would we then expect, on this subcommittee, a substantially reduced level of expenditure?

Admiral WILLARD. I think, right now, that we're committed to the fact that it will work, and is working. And Senator Allard's point and disappointment with regard to the efforts that have occurred, the two test failures that have occurred that were really outside the high technology, new technologies areas, were a disappointment for all of us. I would point out that, on the maritime side, there was a successful test this past week in missile defense, and we are seeing progress made, both in terms of the technologies and in terms of those that are most promising in the concept of operations and in attaining this capability.

So, first, I think the commitment that we're making in this budget to missile defense is based on a level of confidence that we have

that we're on the right track. That said, we're constantly reviewing the appropriateness of all of our capabilities, to include missile defense, and will continue to do that. And we'll make adjustments along the way if, in those reviews, we determine that either the security environment has changed, or will change in the future, or our capabilities are more or less attainable.

Senator DORGAN. My State housed the only antiballistic missile program that was ever deployed in this country. It was operational for only 30 days. But my own view is that the threat meter that would describe the threats against this country would provide that the least likely threat would be a rogue nation or a terrorist organization would use an intercontinental ballistic missile to deliver a nuclear warhead.

Having said all that, we're spending a massive amount of money on this program at a time when we don't have quite as much money as we had hoped to try to deal with our fiscal policy issues. And I hope that we take a hard look at this program, with a critical eye. And if, at some point, we determine hitting a bullet with a bullet is not going to work, that we don't pursue this with tens and tens of billions of dollars.

Let me—

Senator STEVENS. Senator, we're going to have to move on, I think.

Senator DORGAN. Yeah, let me—Mr. Chairman, let me thank our witnesses.

The first line of questioning is only to try to elicit, as best we can, what our total obligation and costs are going to be, not whether we support our troops or whether we support missions. I do, and want to be helpful, but I think, in the longer term, it is better for the Congress if we put all of these estimated costs on the table so that we can evaluate them. And I appreciate very much your service. Thank you for being here.

Senator STEVENS. Well, thank you very much, Senator.

One of these days, we'll have to have a debate about that missile defense system, because I certainly disagree with what you said. The Aegis system worked four and five times. The system in your State would have worked. The decision was made to put it in my State, and we have had some malfunctioning, in terms of the test—launching the test vehicles from Kwajalein. But we still have every confidence that the system will work.

Senator DORGAN. I think a debate of that type would be meritorious for this subcommittee, as a matter of fact.

DEPARTMENT OF DEFENSE HEALTHCARE FACILITIES

Senator STEVENS. Senator Byrd is not here, Ms. Jonas, but he is very concerned about the status of the medical care facilities that are available. And he has had the good fortune of establishing, in West Virginia, a system to bring about a healthcare tool for the country at the country's leading military hospitals. It's Walter Reed's facility that is in West Virginia, called HealtheForces, and he was the one who initiated the cooperation between the two.

Incidentally, I would like to talk to you about carrying out the commitments that were made in Alaska when we moved the Hospital of the Pacific to Anchorage from Clark Field. It was our un-

derstanding that such a facility would be established in Alaska, but it never has been established. And the people from Korea and all over the Pacific, fly all the way into the mainland rather than come to Alaska, which is a day short, really, almost, in terms of flying time, as far as people that need healthcare.

But Senator Byrd's agreement between Walter Reed and Marshall University and the National Technology Transfer Center, with regard to diabetics and chronic disease sufferers, has been established. It is called the Byrd Center. And he has some—he believes this is a shining example of linking national healthcare advancements with local expertise to meet healthcare needs, a very worthwhile concept.

How is this program progressing toward implementation in West Virginia now?

Ms. JONAS. Senator, I would have to provide the details of that program's status for the record.

[The information follows:]

The Marshall's Byrd Center is currently implementing HEALTHeFORCES to selected facilities within West Virginia. The HEALTHeSURVEY module was implemented at Marshall University Medical Center in June 2004. HEALTHeCARD and HEALTHeNOTE modules were implemented in March 2005. Pre-implementation activities are currently underway at Tug River Health Clinic, McDowell County, WV.

Ms. JONAS. I'd be happy to talk to the Army and to Dr. Winkenwerder about the program. I would simply say that—healthcare is absolutely a critical and vital area for our military members and their families. We'd be very happy to work closely with Senator Byrd and his staff to make sure that the program is proceeding as intended by Congress.

EXPANDED USE OF INFORMATION TECHNOLOGY TO REDUCE HEALTHCARE COSTS

Senator STEVENS. Well, the Senator has asked me to ask this specific question. Given the fact that President Bush has pointed to an expanded use of information technology as a primary way to reduce healthcare costs in America, and given the fact that the HealthForces has proved to be incredibly cost efficient and consumer friendly, what steps will the Department take, in conjunction with the National Technology Transfer Center (NTTC), to expand the use of this healthcare forces technology to other States? And I would invite it to Alaska, obviously.

Ms. JONAS. Certainly, Senator. Again, I would be happy to provide the details of where we are with our information technology in the medical healthcare arena, particularly for those programs that you cited. I would be delighted to work with you and your staff, and Senator Byrd's staff, on that matter.

Senator STEVENS. Perhaps we will visit with some other representatives of the Department at a later date. I'm increasingly disturbed at the number of veterans in my State that have to fly to Seattle or Portland or San Francisco or Los Angeles, at their own expense, to deal with these problems of chronic diseases, and particularly diabetes and cancer, because there are no facilities in Alaska. But the people fly right over them that come in from Korea and from the bases in the Pacific—the North Pacific, I'm talking

about now, rather than the South Pacific, going to Hawaii, obviously. But it's something that I would like to explore, also.

Senator, do you have any further questions?

Senator ALLARD. Mr. Chairman, I do have a couple of questions, if it's possible, that I would like to pursue, just briefly. It shouldn't take too long.

Senator STEVENS. I was urged to finish this by 11 o'clock. Why don't you take part of the time and I'll finish with the questions for the full committee.

Senator ALLARD. Thank you, Mr. Chairman.

I just want to, for the record, make the point that where we've shot a bullet with a bullet, or a rocket with a rocket, is a successful program. It's the Patriot advanced capability-3 (PAC-3). It has been very successful. Our issues are with the long-term things, and a lot of that's coordinating communication and all of that.

MILITARY SPACE PROGRAMS

But to move on to—I notice, in your written testimony, you didn't discuss any of the military space programs. And so, my question is, To what extent does the budget reflect the importance of military space programs, and particularly the ones—the Air Force is focused on developing a number of advanced satellites, including space-based radar, transformational communications satellites and space-based infrared radar system-High (SBIRS). Is there sufficient funding in the future year defense plan to sustain these programs?

Ms. JONAS. Certainly, Senator, space is a very important aspect of our program. I can provide a lot of detail for the record, if you would like. On the SBIRS-High program, we have about \$757 million in the program now; for the transformational satellite, about \$836 million; for the space-based radar, about \$226 million for that. We also have commitments to other programs, like the advanced extremely high frequency satellite. We've got about \$1.2 billion in the program for that.

So space is a fair amount of our investment, and we agree with the importance of space.

[The information follows:]

The fiscal year 2006 President's Budget request for the Space Based Infrared System (SBIRS)-High Program is \$761 million; the request for Space Radar is \$226 million; the request for the Transformation Satellite (TSAT) Communications program is \$836 million; and for the Advanced Extremely High Frequency (AEHF) Program is \$1.2 billion. There is currently sufficient funding in the future year defense plan to sustain these programs.

BASE REALIGNMENT AND CLOSURE COMMISSION SAVINGS

Senator ALLARD. The second issue I want to discuss briefly is the BRAC process that's going into effect this year. And so, now we're beginning to talk about the 2006 budget. And so, I would assume it would have a little bit of an impact on the 2006, maybe even more on 2007. So I'm interested in what you anticipate might be the savings with the BRAC in the early years here, and then as we progress over time. And to what extent, with our global posture, will that reduce the size and scope—do you think it will occur?

Ms. JONAS. I can certainly talk to what we have experienced, in terms of savings in past BRAC rounds. We eliminated about 21

percent of our excess capacity in past BRAC rounds, and got about \$17 billion worth of savings, and recurring savings of about \$7 billion annually.

Senator ALLARD. What was that? How many billion?

Ms. JONAS. Seventeen billion dollars.

Senator ALLARD. Seventeen billion dollars.

Ms. JONAS. I believe that's a General Accounting Office (GAO) and Congressional Budget Office (CBO) estimate on that. But that's what we've done.

Senator ALLARD. This is with past rounds.

Ms. JONAS. With past BRAC rounds. I cannot speak to what we would expect. I'm not part of the group that is considering BRAC issues.

With respect to global posture, certainly the BRAC Commission will be informed by the global posture initiative. Again, I cannot speak to the details of that; I'm not involved in that. But certainly it will have an impact.

Senator ALLARD. Very good.

Thank you, Mr. Chairman, for allowing me that extra time.

Senator STEVENS. Thank you very much.

ACHIEVING SUFFICIENT ARMOR PROTECTION

Secretary Rumsfeld announced that we are really proceeding as rapidly as possible on appropriate armor for all vehicles in the war zone. I'm told that the Army has spent \$4.1 billion on vehicle armoring, and this has provided armor packages for about 60 percent of the 35,000 tactical wheeled vehicles in the theater. I was further told that those that have not been up-armored are kept within secure bases.

Now, the Marine Corps has spent \$290 million, so far, on, I think, 30,000-plus Humvees. Is the funding in this request now sufficient to ensure that we can tell people that all vehicles operating outside of protected compounds will have the appropriate armor protection soon? And how soon?

VEHICLE ARMOR

Admiral WILLARD. Sir, the statement that was made by the Secretary during testimony was that General Casey had assured him that by February 15—so already past date—that, with few classified exceptions, no vehicles would be utilized outside their garrisons within Iraq without appropriate armor on them. So we are past that deadline date at this point, and the expectation is that our uniformed personnel that are transported around Iraq are in appropriately up-armored vehicles and convoys when they do it.

Senator STEVENS. Does this include helicopters? Have we included some additional armor on helicopters?

HELICOPTER PROTECTION

Admiral WILLARD. Sir, the helicopters—the rotary-winged assets that are in theater are armored. And when we have referred to “up-armor” in the past, we’re referring to up-armor on our wheeled vehicles, by and large; and there are up-armored kits, and they range from, literally, steel to composite-material up-armor, which

is significantly lighter, but, nonetheless, affording some protection. So there are various tiers of armor, but it's generally the wheeled vehicles that we're talking about.

Senator STEVENS. Well, the last time I managed a bill on the floor, I faced substantial questions from Members about whether this amount was sufficient to up-armor the vehicles. Can you assure us the money that's in this bill will take care of the demands for up-armorings in the balance of this fiscal year?

Ms. JONAS. Senator, we have \$2.7 billion in the supplemental request. And, to our knowledge, that meets the requirement that U.S. Central Command (CENTCOM) has, at this point. We've also asked for about \$200 million in the baseline 2006 budget. Just to note, up to this point we've spent about \$5.4 billion from the funds that were provided through the \$25 billion that this subcommittee helped with, and also reprogrammed about \$2.6 billion. So we think we're fairly well covered, to this point.

PROPOSED AIRCRAFT PROCUREMENT REDUCTIONS

Senator STEVENS. All right. The 2006 budget produces the planned buys for both the C-130J and the F/A-22. Secretary Rumsfeld has testified that both reductions may be reversed. And the QDR that's coming out, the Quadrennial Defense Review, will address, specifically, the F-22, I am informed. The Air Force initially planned to buy 168 C-130J's and signed a contract to buy 62. But the 2006 budget proposes to end that program after buying 53 aircraft. The 2006 budget also called for ending production of the F/A-22 in 2008, at 179 aircraft, as opposed to the previously planned 268. And that was expected to save \$10.4 billion.

Some of us raised questions about the cancellation costs and whether they were adequately taken into account. I understand that the Department is considering a reversing decision by the Secretary's decision. And can you tell us—What should we do? Should we wait for a budget amendment, or should we take it on our own to try and adjust this? When will the decision be made?

AIRCRAFT PROGRAM: C-130J/F-22

Admiral WILLARD. Sir, we have a number of both studies in play and reviews coming up that are intended to answer the question on the capabilities mix of both our mobility forces containing C-130J and our tactical forces within the scope air dominance that contained the F-22 capabilities. A mobility capability study is current ongoing, expected to read out at the end of March; and that mobility capability study is all forms of strategic mobility—air, ground, and sea—in addition to intra-theater lift assets, such as C-130J. And we will be better informed when that mobility capability study is under review with regard to the exact mix of aircraft that are required.

One of the key factors in the C-130J decision had to do with Marine Corps aircraft and the intent to supply a full number of Marine Corps tankers from that buy. And that's one of the challenges that we face now with regard to the exact timing of, and scope of, the reduction, the savings, to ensure that the Marine Corps get those aircraft.

Insofar as F-22 is concerned, the upcoming Defense review will study air dominance within an air control operations capability area. And within air dominance, a very heavily invested area for the Department, there are a variety of both tactical aircraft and other systems involved. F/A-22 is one of those. And within the scope of that capability area, we intend to determine where the F-22 fits and what mix of F-22s—what number of F-22s are most appropriate for the Department.

OTHER AREAS OF CONCERN

Senator STEVENS. We need to talk to—it's my understanding that some of the monies requested are not currently authorized. They're in the intelligence portion of the budget. And so, I think, Ms. Jonas, that our only alternative now is to have a classified hearing on that portion of the request that are before us. And I would hope that you would cooperate with us on that sometime soon.

Ms. JONAS. Certainly, Senator.

Senator STEVENS. I'm really very concerned about some other questions, but time is running on us. We, in particular, want to talk about modularity, in terms of the change to the brigade-based force. Perhaps those questions would be best addressed to the chiefs, when they appear before us, particularly the Army chief. But the Army National Guard problem has not been finalized. We're going to have a difficult time handling that money unless we understand what's going to be the contribution of the Guard to total force in that area. But I also have a question here regarding the decision to decommission the *John F. Kennedy*. I'm going to submit several of those questions to you, just for the record, because they're questions that have been suggested by other Members.

We look forward to working with you. And I know it's a difficult problem.

I think I should tell you that a number of our colleagues now share some of the comments we're hearing from the Democratic members of the committee concerning the question of, When will we start full budgeting for the ongoing operations, on the basis that what we're doing is no longer conducting a war, but peacekeeping operations in both Afghanistan and Iraq? That's going to be a difficult question for us on the floor, and I urge you to work with other members that are going to be, from the Department, coming before us, so we can be assured that we're all operating on the same assumptions with regard to this process of having budgets for the war zones be continued in supplementals after that basic war has been terminated. We still have the war on terrorism, as such, and we can understand the antiterrorism activities may be difficult to budget for in advance, but the planning for the continued assistance through the period of adjustment, in both Afghanistan and Iraq, are such that many of—as I said, many members are telling me and members of this subcommittee that they believe we ought to see a normal budgeting process.

Now, the President has submitted a 2006 budget, and that's, you know, an accomplished fact. I'm sure we're not going to ask to change that. But looking forward to 2007, I'd like to know what representations we can make about the practices that the adminis-

tration will follow with regard to ongoing peacekeeping operations in Afghanistan and Iraq.

I hope that you will consider that a fair question and will get some response from the Department before we get to the floor on the supplemental.

Ms. JONAS. Certainly, Mr. Chairman. We look forward to working with you on those questions.

Senator STEVENS. Thank you very much. I appreciate your patience.

ADDITIONAL COMMITTEE QUESTIONS

I should tell you, there's a full-blown debate going on, on the floor, and there are two other subcommittees meeting at the same time, so there are others who may have questions to submit, and we will notify you if they do.

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

QUESTIONS SUBMITTED TO TINA W. JONAS

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

RETENTION

Question. We are concerned about retention of our Special Operations forces. We understand that both the 2006 President's Budget and the Emergency Supplemental request include additional funding to support retention. What is the status of Special Forces retention and how is the Department addressing this issue?

Answer. Preliminary reports from the Special Operations Command (SOCOM) indicate that fiscal year 2005 retention is beginning to show improvement with special offerings recently made available. Currently, the Services are preparing their first fiscal year 2005 retention report for submission to the personnel community within the Office of the Secretary of Defense with a mid-April target date. The report will be submitted quarterly. Additional information should be available after the Service reports are submitted.

Beginning on January 1, 2005, the Department implemented a SOF retention package that included: Critical Skills Retention Bonus (CSRB) for Enlisted personnel and Warrant Officers in designated occupational specialties; Special Duty Assignment Pay (SDAP) for Enlisted personnel (E-4 through E-9) in SOCOM designated billets; Assignment Incentive Pay (AIP) for Enlisted personnel and Warrant Officers operators in SOCOM designated billets with more than 25 years of service; and Critical Skills Accession Bonus for Warrant Officers with SOF skills.

COST OF OPERATIONS ENDURING FREEDOM AND IRAQI FREEDOM

Question. I understand that the Department has absorbed the cost of Operation Noble Eagle within the baseline budget for fiscal year 2006. What is the Department's plan for absorbing the cost of Operations Enduring Freedom and Iraqi Freedom within the baseline budget?

Answer. The Department included ONE costs in the baseline budget because these costs are no longer temporary in nature and can be predicted.

Baseline DOD budgets include funds for organizing, training and equipping our military. They do not include costs for Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) operational tempo (OPTEMPO). These costs are more difficult to predict because of the continuing insurgency activity. Currently, we are not able to estimate with great certainty the troop deployment, fuel utilization, logistics and transportation requirements, nor the composition (Active vs. Reserves) of forces to be deployed. Because of these unknowns, any estimate prepared in time to be included in the fiscal year 2006 President's request would have been flawed.

Once these operations have fully stabilized and have predictable costs, and, if the decision is made to continue the operation on a long-term basis, the Department will transfer responsibility for OEF and OIF to the baseline budget, similar to when the

funding from Balkan operations was transferred from the Overseas Contingency Operations Transfer Fund (OCOTF) to the Services accounts in fiscal year 2003.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

CORROSION FUNDING

Question. Last year the Government Accountability Office reported that corrosion costs the Department of Defense as much as \$20 billion per year. The Services and GAO estimate the funding needed for 2006 is approximately \$332 million for corrosion prevention projects. The GAO estimates the savings to investment ratio is 10 to 1, and projects with an 80 to 1 savings ratio are not uncommon. It would seem to me that programs which demonstrate a savings to investment ratio of 10 to 1 would be the type of programs that you would want to fund. Since the return on investment is so great and the annual costs of corrosion so high, why is the Pentagon recommending not only such a small amount of funding this year but also an amount that is significantly less than what was recommended last year? Can we expect to see an increase in corrosion funding in the future?

Answer. In the fiscal year 2006 President's budget request, the Department has included approximately \$15 million annually (fiscal year 2006-fiscal year 2011) in Defense-wide accounts. The decision on how much to request in fiscal year 2006 was based on the need to fund competing priorities as we established an on-going corrosion prevention program.

The Department's fiscal year 2006 request for corrosion prevention provides funding for projects with a projected average return on investment (ROI) of at least 10 to 1. We will re-examine corrosion prevention funding in fiscal year 2007 and beyond as we are able to assess the actual savings realized by our fiscal year 2005 and fiscal year 2006 funded projects. Thus, any future funding increase will depend on our ability to validate our ROI projections and realize projected savings while taking into account the Department's other funding needs. The Department believes this approach in combating the insidious effects of corrosion is both sound and methodical.

The Department is taking steps to address corrosion and is taking corrosion seriously. All major systems are required to address corrosion prevention and control throughout the total life cycle of systems, from development through sustainment. This requirement is expected to result in significant long term corrosion cost avoidance.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

JOINT COMMON MISSILE

Question. As you know, the Joint Common Missile (JCM) was terminated in Presidential Budget Decision 753. Eight months into Phase 1 of System Design and Development, JCM is a remarkably healthy, low-risk program on schedule, on budget, and successfully demonstrating important new capabilities for the warfighter. Canceling the JCM ignores the opinion of our top military leaders and deprives our servicemembers of a new capability they need to survive against future threats. Can you explain why this program was targeted?

Answer. The Joint Common Missile was terminated for a variety of reasons, including affordability, as well as demonstrated capabilities of current munitions such as Hellfire II, the Joint Direct Attack Munition, and Laser-Guided Bombs. Good alternatives for Joint Common Missile exist, so this is an area where the Department is able to take a certain amount of risk. Also, the Air Force is refurbishing Maverick missiles and is developing the Small Diameter Bomb Increment 2 to field similar capabilities as the Joint Common Missile.

Question. Further, the JCM meets Joint Service requirements and fills a critical capabilities gap that cannot be met by upgrading existing weapon systems. For example, JCM has twice the standoff range of the Hellfire, Longbow, and Maverick missiles it will replace on Army, Navy and Marine Corps aircraft. The accuracy of its tri-mode seeker will give our forces precision-strike lethality to eliminate threats that are located near non-combatants. That is why the top-ranking officers in all three services that have requested JCM—the Army, Navy, and Marine Corps—all believe the program must be restored. How can you justify terminating this program?

Answer. As stated above, the Joint Common Missile was terminated for reasons of affordability and demonstrated performance of other munitions. In addition to ca-

pable weapons such as Hellfire II, Joint Direct Attack Munition, and Laser-Guided Bombs, the Department is scheduled to begin production of the Small Diameter Bomb Increment 1 this fiscal year, which will also limit collateral damage for fixed target attack. A follow-on Increment 2 for Small Diameter Bomb under development will offer moving target attack, which will offer capabilities similar to the Joint Common Missile.

KWAJALEIN JOINT CONTROL CENTER

Question. It is my understanding that your Department is considering the increased use of “remote operations” for the Kwajalein Test and Space Operations site. As I understand it, this would mean both a cost savings and increased efficiencies with the handling of sensitive data. Further, I have heard that this “remoting” will be conducted from a new “Kwajalein Joint Control Center” to be located in Huntsville, Alabama. I support this move in efficiency and cost savings and would ask that you provide me an update on the current status of this proposed project and the out-year funding profile necessary to support this activity.

Answer. The Army is currently conducting an in-depth review of the U.S. Army Kwajalein Atoll/Reagan Test Site (USAKA/RTS) to determine a means of optimizing range operations. A key cost saving recommendation is to remote the operation of radars and sensors from Kwajalein back to the United States via fiber optic connection. Some of the operations personnel, currently located on Kwajalein, could be moved to a remote operations center in the United States. With fewer personnel on Kwajalein the cost of supplying public works, services and infrastructure on the atoll could be reduced. The Army is studying the concept of remote operations, including a survey of possible locals in the United States for the remote operations center, but has not yet selected a location for that center.

The Army has not yet committed to any changes in operations at Kwajalein. The Army has funded a marine survey to determine the possibility of fiber installation on the ocean floor. The total cost of installing fiber could be between \$36 million and \$55 million—depending upon whether or not there is Federated States of Micronesia and/or Marshall Island National Telephone Authority participation. Leasing the fiber is also under consideration, and may be more cost effective. The cost of standing up a remote operations center is estimated at \$7 million.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

ACCOUNTING REFORM

Question. Secretary Jonas, the reform of the Pentagon’s accounting systems is imperative to allowing the Defense Department to pass a thorough audit, as required by law. But funds appropriated for the Business Management Modernization Program (BMMP) in past years have been under-expended, indicating that the program has slowed down from its rapid start.

What specific goals or milestones do you expect the BMMP to achieve in fiscal year 2006?

Answer. The program is being realigned to support tangible transformation efforts. Essential to this effort is delivering BEA 3.0 and a complete, comprehensible Transition Plan by September 30, 2005. These deliverables will facilitate the Department’s transformation efforts which are now focused on rapidly implementing specific Business Enterprise Priorities. The first priorities we are addressing are: Acquisition visibility; common supplier engagement; materiel visibility; real property visibility; financial visibility; and personnel visibility.

Within each of these priorities are a set of initiatives that have short (6 months), mid (12 months) and long term (18+ months) impact on the Department’s transformation efforts and will be selected based on its ability to deliver a needed capability or business improvement to the Department.

It is true that the BMMP has under-expended in prior years. However, beginning in fiscal year 2005, execution is on track. As of June 2005, over 91 percent of Operation and Maintenance, Defense-Wide (O&M, D-W) and approximately 90 percent of Research, Development, Test & Evaluation, Defense-Wide (RDT&E, D-W) funds (including prior year funds) are obligated. The balance of funds available will be obligated during the fourth quarter projected to be disbursed by September 30, 2005, with the remaining dollars disbursed in October and November 2005.

Question. Do you expect that the Department of Defense will continue to have a significant amount of unexpended funds by the end of the current fiscal year? When do you expect the unexpended funds that existed at the end of fiscal year 2004 to be fully obligated?

Answer. The Department is projecting that approximately \$251 billion will be unexpended at the end of fiscal year 2005. Of this amount, approximately \$205 billion (unliquidated obligations) represent legally binding contracts resulting in the ultimate cash payment at a subsequent time. The remaining \$46 billion (unobligated balances) represent amounts which are available for approved programs but which are not yet obligated. These funds are committed to the programs for which initially appropriated but are awaiting the completion of contracting or other legal prerequisites of contracting before the funds are fully obligated.

The unobligated balances related to multiyear appropriations at the end of fiscal year 2004 will be fully obligated by the end of fiscal year 2006 with the exception of Shipbuilding and Military Construction appropriations that will expire for obligational purposes at the end of fiscal year 2008.

Question. What is the status of efforts to cut down on the large number of unnecessary charge cards in the Department of Defense? How many charge cards are now in circulation, and is the Department now carrying out credit checks to cut down on the number of cards issued to individuals whose credit record might indicate a high risk for charge card abuse?

Answer.

Efforts to cut down the number of cards

For the purchase card, we have established internal controls to automatically shut down a card that has been inactive for 6 billing cycles. In addition, Program Coordinators can now run a report that lists cards with little or no activity.

For the travel card, the Department entered an agreement with Bank of America to prevent charges against accounts that have not been used in a twelve month period.

For the Fleet and Aviation Intoplane Reimbursement (AIR) cards, accounts that do not show activity over a 6 month period will be highlighted and the account will be closed unless sufficient rationale to keep the account open is provided.

Number of charge cards in circulation and credit checks

For the purchase card, the number of card holder accounts is approximately 112,000, which is less than half of the over 230,000 purchase cards that were in circulation in 2001. Regarding the issue of credit checks, the Department's legal determination is that existing statutes preclude obtaining actual credit checks without the cardholder's consent (i.e. Privacy Act, Fair Credit Reporting Act, etc). If cardholders consent, the Department uses a "Creditworthiness Evaluation" to assist in determining the creditworthiness of potential cardholders. The Systems of Records Notice to allow credit checks without cardholder consent is being reviewed by GSA's Office of General Counsel. Once completed, bargaining with local bargaining units will be required, which will involve discussions with over 1,400 bargaining units and is expected to take a minimum of 2 years.

For the travel card, there are approximately 975,783 open accounts, down from 1,370,477 in 2002. The Department has always conducted credit checks from the outset of the program, if an individual gave consent. We cannot conduct credit checks without individual consent under the Fair Credit Reporting Act. Individuals with a satisfactory credit score are issued a standard card with \$5,000 limit and individuals with a lower score, or who decline a credit check, are issued a restricted card with a \$2,000 limit. Since January 2004, 1,917 applications have been denied.

For the Fleet and Aviation Intoplane Reimbursement (AIR) cards, there are 58,221 and 20,075 cards, respectively. Since the Fleet cards are issued to DOD owned or leased vehicles or equipment and the AIR cards are issued to aircraft, no credit checks are performed because neither card is assigned to a specific individual.

HEALTHEFORCES

Question. Thanks to a collaborative effort that I helped to initiate between Walter Reed, Marshall University, and the National Technology Transfer Center (NTTC), diabetic patients and other chronic disease sufferers in Southern West Virginia will be better able to manage their disease and enhance their quality of life. Marshall's Byrd Center for Rural Health has adapted the HEALTHEFORCES program and is in the process of launching HEALTHeWV at Marshall University Medical Center and other rural clinics in Southern West Virginia. The NTTC, in turn, will lay the groundwork for the program's implementation at other sites in the State and nation. HEALTHeWV is a shining example of linking national health care advancements with local expertise to meet West Virginia's unmet health care needs.

Secretary Jonas, how is this program progressing toward implementation in West Virginia?

Answer. The Marshall's Byrd Center is currently implementing HEALTHeFORCES to selected facilities within West Virginia. The HEALTHeSURVEY module was implemented at Marshall University Medical Center in June 2004. HEALTHeCARD and HEALTHeNOTE modules were implemented in March 2005. Pre-implementation activities are currently underway at Tug River Health Clinic, McDowell County, WV.

Question. Given the fact that President Bush has pointed to an expanded use of information technology as a primary way to reduce health care costs in America, and given the fact that HEALTHeFORCES has proved to be incredibly cost-efficient and consumer-friendly, what steps will the Department take in conjunction with the NTTC to expand the use of HEALTHeFORCES technology in other states?

Answer. The Army has delivered a functioning HEALTHeFORCES technology to the National Technology Transfer Center for further expansion as appropriate.

QUESTIONS SUBMITTED TO ADMIRAL ROBERT F. WILLARD

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

REDUCTION IN FORCE

Question. The fiscal year 2006 budget requests funding to decommission the U.S.S. *John F. Kennedy*. How will this reduction in force affect readiness and our overseas military presence?

Answer. The Fleet Response Plan enables the Navy today to surge multiple carriers on demand. Under the 6+2 plan, 6 carriers are available within 30 days to meet commitments and another 2 will be available within 90 days. A force reduction of one carrier may alter the availability to either 6+1 or 5+2, depending on scheduling factors. However, a fleet of 11 carriers will maintain readiness standards to source the most demanding defense scenarios within acceptable risk guidelines. Additionally, the reduction from 12 to 11 carriers aligns with the currently available 11 Carrier Air Wings.

A primary contribution of carriers to the defense strategy is deterrence through global presence. The Navy will continue to maintain the required carrier presence. Innovative global force management practices will enable joint solutions, such as Air Force aircraft in a forward region, to augment or substitute for carrier presence to meet Combatant Commander needs. Overseas presence and deterrence is further bolstered by an increase in rotational expeditionary forces from all Services under the global presence and basing strategy.

In summary, the Department of Defense must make difficult force structure trades under a constrained budget to meet current and emerging challenges. The Department of Defense and the Navy are undergoing aggressive transformation while still executing phase IV operations in Operations IRAQI and ENDURING FREEDOM. The future 11-carrier fleet enabled by the Fleet Response Plan, technological advances, improved training, and superior maintenance will provide the capability required to successfully execute the defense strategy.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

MISSILE DEFENSE

Question. I understand that a key aspect of the Department's missile defense strategy is to pursue a layered defensive system, designed to intercept and destroy ballistic missiles of all ranges, during any phase of their flight. The recent successful test of an operationally configured Standard Missile 3 from a Navy Aegis cruiser is an indication of the potential for one part of the layered system. Could you share with this committee your assessment of the missile defense effort, and how this budget proposal might affect the Department's ability to achieve the layered system that is envisioned?

Answer. The Missile Defense Agency (MDA) continues to develop and incrementally field a joint, integrated and multi-layered defense—the Ballistic Missile Defense System (BMDS)—against all ranges of ballistic missiles. Layered defenses are important because they provide defense in depth across all phases of flight (boost, midcourse and terminal) and make deployment of enemy countermeasures more difficult. The recent success of the Standard Missile 3 test from an Aegis cruiser adds confidence to our ability to address the short- to intermediate-range ballistic missile threats. Development of other capabilities continues to address the entire capability range of the threats.

The MDA has followed a funding strategy of retaining alternative development paths until a capability is proven. The fiscal year 2006 budget proposal supports the development for fielding of various BMDS elements and components, including the: Ground-based Midcourse Defense (GMD), Terminal High Altitude Area Defense (THAAD), Airborne Laser (ABL), Kinetic Energy Interceptor (KEI), improved sensors, and battle management. All of these elements of the BMDS, and other efforts, will combine to achieve a robust, layered defense.

The warfighter's assess that MDA has a balanced approach to developing and fielding capabilities that take into account the evolving threats. The fiscal year 2006 missile defense budget proposal supports the funding strategy by focusing resources on the most promising development paths to create a multi-layered defense to protect the homeland, deployed forces, friends, and allies against ballistic missile attack.

Question. The budget proposal truncates the C-130J program after fiscal year 2006, leaving both the Air Force and Marine Corps short of their modernization objectives. From the joint perspective, how will this proposal affect the Defense Department's air transport and refueling capabilities?

Answer. At the time the decision was made to truncate the C-130J program, recent studies indicated that the current tactical airlift fleet could support the military strategy. Additionally, there was an incomplete understanding of the associated contract termination liabilities. However, with the recent flight restrictions placed on portions of the C-130 fleet and better understanding of the contracting implications, the Department of Defense has recently stated a willingness to re-evaluate the C-130 capability required and the decision to truncate the C-130J program.

The Mobility Capability Study (MCS) and the Quadrennial Defense Review (QDR) will address the transport and refueling requirements for the Department. These studies will also help determine the quantity and right mix of transports and cargo aircraft required for the joint force. The MCS should be ready for release in the spring of 2005 and the QDR should be completed by February 2006.

SUBCOMMITTEE RECESS

Ms. JONAS. Thank you, Mr. Chairman.

Senator STEVENS. Thank you very much.

Admiral WILLARD. Thank you, Mr. Chairman.

[Whereupon, at 11:03 a.m., Tuesday, March 2, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

WEDNESDAY, MARCH 9, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Hutchison, Burns, Inouye, Leahy, Durbin, and Mikulski.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

STATEMENT OF HON. FRANCIS HARVEY, SECRETARY OF THE ARMY

ACCOMPANIED BY GENERAL PETER J. SCHOOMAKER, CHIEF OF STAFF OF THE ARMY

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good morning, Mr. Secretary, General. We're going to receive testimony from the Secretary of the Army, the Army Chief of Staff. Secretary Harvey, we welcome you. It's your first appearance before our subcommittee, and we look forward to working with you during these challenging times. They're difficult for all of us, but we're anxious to hear your plans for sustaining the force.

I want to welcome some soldiers attending today, Sergeant First Class Jason Straight, of the Army Reserve, Operations Sergeant for the 459th Engineering Company, Staff Sergeant Clarke Caporale, Army National Guard from New York, Information Assurance Manager, at the Joint Forces Headquarters in New York, and Sergeant—Staff Sergeant Thomas Kenny, the Active Component Rifle Squad Leader of the 2nd Platoon of the 502nd Infantry of the 101st Airborne. I'm sorry to have botched up those introductions, gentlemen.

We welcome you all, and we're honored to have you here with us, and we thank you for your service, as we thank all of you for your service.

General Schoomaker, we welcome you to the subcommittee and look forward to your testimony. We will later welcome Senator Mi-

kulski, who is a new member of our subcommittee and will be very valuable to us as we go forward.

This initiative known as “modularity” is designed to reduce stress on the force by creating more deployable units and to ensure our soldiers are properly equipped when they rotate into theater operations. It’s an ambitious endeavor, General and Mr. Secretary, that we must balance with many other budgetary challenges facing the Army and the whole Department. These include recruiting and retaining an all-volunteer force, improving the protection systems, recapitalization of damage to destroyed equipment, and reposturing our forces around the globe. In addition to that, we are fielding new technologies for the warfighter.

The fiscal year 2006 budget proposal totals \$98.6 billion for the Army, and the supplemental request before us—that and the supplemental request before us are critical for addressing these issues. It’s imperative we exercise due diligence in reviewing the requests, and we want to work with you to ensure that our Army is provided the resources necessary to accomplish its mission and to continue the momentum toward the democratization of the Middle East.

I want to turn this over now to my co-chairman and see if he has comments before we ask you to prepare—to give us your remarks.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. I thank you very much, Mr. Chairman. I wish to join you in welcoming General Schoomaker and Dr. Harvey, our new Secretary of the Army.

The Army is now undergoing a period of challenge and change, and the pace of overseas operations is clearly straining our Active, Guard, and Reserve forces. And we know that it’s not going to be an easy job, but we stand to work with you, sir.

And may I have my full statement made part of the record?

Senator STEVENS. Yes, sir, it will be.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Today we welcome the Army Chief of Staff, General Schoomaker, along with Dr. Francis Harvey, the Army Secretary. Mr. Secretary, we welcome you here for your first appearance before this committee.

Gentlemen, the Army is undergoing a period of challenge and great change. The pace of overseas operations is clearly straining our Active, Guard and Reserve forces.

At the same time, we are implementing the first phase of Army transformation with the creation of Stryker brigades. And, to complicate matters further, the Army is proceeding with its modularity initiative, restructuring its divisions with a goal of increasing combat capability by creating an additional 10 brigade combat teams.

The cost of these efforts, both in stress and monetary resources, is understandably high.

We are informed that the Army was unable to meet its recruiting goal for active duty soldiers last month and also falling short of the recruiting goals of the Reserve forces.

In this period of change we have seen the termination of the Comanche helicopter and the Crusader, and the restructuring of the future combat system program and Army aviation.

The Congress has fully supported the Army even adding more than \$600 million in fiscal year 2005 to accelerate equipment for the Stryker brigades, but more is required.

In the supplemental request, we find an unprecedented request of \$5 billion to support modularity, and the creation of brigade combat teams. Some of our col-

leagues have questioned the propriety of using an emergency supplemental to pay for this new initiative.

So, I believe it is obvious that this is a period of great upheaval. Gentlemen, I don't know how you are able to balance all of these issues in this time of war. I tip my hat to you.

As you know, this committee has been steadfast in its support of the Army. I can assure you that we will do our best to support the needs of our men and women in uniform especially during this trying time.

Mr. Chairman, I look forward to hearing our witnesses discuss the many challenges facing the Army and their plans to meet them head on.

Senator STEVENS. Senator Leahy, do you have any opening comments?

Senator LEAHY. I don't, Mr. Chairman. I will have questions, though.

Senator STEVENS. Thank you very much.

Mr. Secretary, we're pleased to have your statement. Both of your statements will appear in the record in full, as though read, but we'd take your comments, whatever you wish to say.

Secretary HARVEY. Thank you, Mr. Chairman.

Chairman Stevens, Senator Inouye, and distinguished members of the subcommittee, General Schoomaker and I appreciate the opportunity to be here this morning and to offer testimony on the posture of the United States Army, which today is conducting operations in Iraq, Afghanistan, and some 120 other countries around the world.

Let me begin by saying a few words about the great soldiers of our Army, the centerpiece of our formations.

Our Nation is blessed with the world's finest Army, an all-volunteer force representing the best our country has to offer. On that note, General Schoomaker and I are pleased to be joined today by three soldiers who, in turn, represent the over 1 million soldiers in our Army. The Chief will introduce these soldiers to you at the end of my opening statement.

The events of 9/11 radically altered the realities of America's security environment, making it clear that the United States is in a protracted war against a global enemy that fights with different means and standards of conduct that includes a total disregard for human life. To be successful in this protracted conflict, we must transform our Army to be more expeditionary, joint, rapidly deployable and adaptive, as well as enhance our capabilities across the entire range of military operations, from major combat to stability.

To accomplish our mission of providing the necessary forces and capabilities to the combatant commanders in support of the national security and defense strategies, we have developed and are executing four overarching and interrelated strategies supported by 20 initiatives. Transformation is ingrained in all of these strategies, as well as in each one of the initiatives.

These strategies are: first, providing relevant and ready land power to the combatant commanders; second, training and equipping our soldiers to serve as warriors and growing adaptive leaders; third, attaining a quality of life for our soldiers and their families that match the quality of their service; and, finally, providing the infrastructure to enable the force to fulfill its strategic roles and missions.

We are implementing these strategies by means of 20 supporting initiatives. In executing these initiatives, our actions will, at all times and in all places, be guided by the highest of ethical standards. Among the nine initiatives supporting our strategy of providing relevant and ready land power, I want to emphasize our major transformational effort, the Army modular force initiative.

This initiative involves the total redesign of the operational Army into a larger, more powerful, more flexible, and more rapidly deployable force that will move us from a division-centric structure to one built around what we call the Brigade Combat Team Unit of Action.

Let me note here that when discussing the size and power of the Army, one should not only talk about end strength, because the Brigade Combat Team is a much more capable and powerful unit. It is more useful to talk about the number of units, as well as the power—combat power of those individual units.

The combat power of an individual unit is not only a function of people strength, but also the technology and quality of the equipment, particularly the weapons systems and the information network, the effectiveness of the tactics, techniques, and procedures, the adaptability and flexibility of the organization, the level of training, and, finally, the caliber and quality of the leadership. At the end of the day, it is the combat power of the operational Army that counts.

There is another important point to be made regarding Army end strength. Because we are initiating a number of initiatives to transform the way the Army does business, including the conversion of military jobs to civilian ones in that part of the Army which generates the force, the so-called “institutional Army,” it is possible to increase personnel strength of the operational Army without necessarily increasing overall end strength.

Now, returning to the Army modular force initiative, the Brigade Combat Team Unit of Action is a standalone, self-sufficient, and standardized tactical force of between 3,500 and 4,000 soldiers that is organized the way it fights. Consequently, these brigades are more strategically responsive across the broad spectrum of operations required by the 21st century security environment.

This transformational effort will result in a force with a number of key advantages. First, there will be at least a 30-percent increase in our Active component’s combat power by 2007, an increase from 33 to 43 Brigade Combat Teams. Second, the number of usable Brigade Combat Teams in the rotational pool will increase from 48 to 77. Third, the headquarters will be joint-capable and organized the way it will operate in theater. Fourth, future network-centric developments can be readily applied to the modular force design as the first step in evolving the Brigade Combat Team Unit of Action into a future combat system design. Finally, and very importantly, when complete, modularity in combination with rebalancing the type of units in both the Active and Reserve components will significantly reduce the stress on the force because of a more predictable rotational cycle for all components, coupled with much longer dwell times at home base.

With our four overarching strategies and 20 supporting initiatives, in conjunction with a fully funded base budget and supple-

mental, the Chief and I are confident that the Army can accomplish its mission and reach our strategic goal of being relevant and ready both today and tomorrow.

Let me end by saying that none of this would be possible without the continuing strong support of Congress and, specifically, the Defense Subcommittee of the Senate Appropriations Committee. Thank you for this past support. And I ask for your full support on the base budget request, as well as the supplemental.

General Schoomaker will now introduce the three soldiers with us today. And, after that, we'll be more than happy to answer the questions.

Thank you.

Senator STEVENS. You can tell us more about them if you'd like, General.

General SCHOOMAKER. Sure, I'd like to.

Chairman Stevens and Senator Inouye and other distinguished members of the subcommittee, I stand with Secretary Harvey on his statement, and we've submitted our posture statement and written statements for the record, as you've said.

I would like to introduce these three soldiers. They've earned the right to sit in the front row and observe how our Government works. And we're very proud of them. As we've already said, they're the centerpiece of our Army. And I invited them here so they could have that front-row seat, they represent all three components, the Active, Guard, and Reserve components of our Army.

The first is Sergeant First Class Jason Straight, who is from the United States (U.S.) Army Reserve. He deployed with his unit from West Virginia. He deployed with the Bridge Company from January 2003 to February 2004. He was first attached to the 1st Marine Expeditionary Force, and they are the ones that forged the river—the Tigris River to allow the marines to advance. They did it under fire, put the bridge in so that they could proceed in their attack to Baghdad. In addition to bridge construction, his unit was involved in the destruction of enemy ammunition, doing mine clearance activities and destroying other foreign ammunition that was over there. So we're very proud of him. And he represents the great soldiers of our U.S. Army Reserve. Thank you very much, Sergeant Straight.

The next soldier I'd like to introduce is Staff Sergeant Clarke Caporale. Sergeant Caporale is from New York. He's a member of the National Guard. He's a mortarman. And during his time deployed on Operation Iraqi Freedom (OIF) from February 2004 to January 2005, he was involved in firing over 150 missions in combat with his mortar element. He was also one of the soldiers that became a primary trainer for the Iraqi National Guard and was involved in training Company D of the 203rd Battalion Iraqi National Guard. He was a member of the joint coordination cell and the staff in the province there where he was. He earned a Combat Infantryman's Badge and the Expeditionary Medal for the Global War on Terrorism. Thank you.

Staff Sergeant Thomas Kenny is a member of the regular Army. He is 11-Bravo Rifle Squad Leader, Infantry, 2nd Battalion, 502 Infantry of the 101st Airborne. Staff Sergeant Kenny participated in the initial assaults through Iraq, moving north through Karbala,

Baghdad, Fallujah, and Mosul, beginning in March 2003 through February 2004. His unit established numerous hard sites that are still in use today in Mosul. He was also involved in overseeing the exchange of the Hussein-era Iraqi dinars to the post-liberation dollars. He also has earned the Combat Infantryman's Badge, been decorated for both the campaign in Iraq, as well as in Kosovo, where he was involved in the campaign there.

So, again, we're very proud of these soldiers. They represent the centerpiece of our Army, and I join you in my great respect for their service and what they contribute to the security of our Nation.

PREPARED STATEMENT

So thank you very much. I'm prepared to answer your questions. [The statement follows:]

PREPARED STATEMENT OF THE HONORABLE FRANCIS J. HARVEY AND GENERAL PETER J. SCHOOMAKER

FEBRUARY 6, 2005.

America remains a nation at war, fighting adversaries who threaten our civilization and way of life. The most significant aspect of our current strategic reality is that the Global War on Terror in which we are now engaged will be a protracted one.

The Army's primary mission is to provide necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies. We have more than 300,000 Soldiers deployed or forward stationed today to support operations in Iraq, Afghanistan, and other theaters of war and to deter aggression, while securing the homeland. We are fighting today while simultaneously preparing for tomorrow.

To continue to accomplish our mission, we are aggressively restructuring the Army. We are transforming from a force designed for contingency operations in the post-Cold War era to a force designed for continuous operations in a new era that presents challenges to the Nation ranging from traditional to potentially catastrophic.

The Army is dependent upon the resources requested in the fiscal year 2006 President's Budget, coupled with emergency supplemental appropriations, to support current operations. These funds will also enable the force to recover from the stress placed on equipment and Soldiers during combat and continually "reset" itself for future deployments. Moreover, these resources are required to continue to transform the Army into a larger, more powerful force built on self-sufficient brigade-based modules. This force will be more flexible, more rapidly deployable and better able to sustain the protracted military campaigns and conduct the joint, expeditionary operations required by the 21st century security environment.

We are sustaining our global commitments while making tremendous progress in our transformation. We will need the continued support of the Congress, the President, and the American people to accomplish our mission today and tomorrow, while providing for the well-being of our All-Volunteer Soldiers, their families and our civilian workforce who are serving the Nation in this time of war.

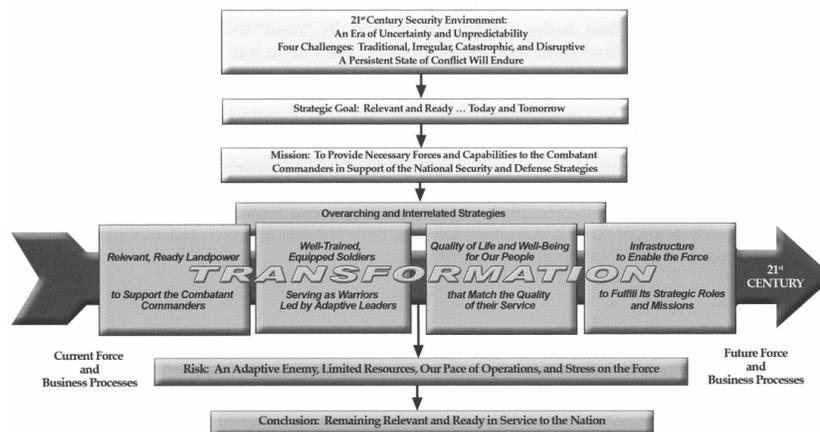
PETER J. SCHOOMAKER,
General, United States Army Chief of Staff.

FRANCIS J. HARVEY,
Secretary of the Army.

PURPOSE AND ORGANIZATION OF THE POSTURE STATEMENT

The 2005 Army Posture Statement provides an overview of today's Army. Focusing on the Soldier, our centerpiece, it provides a perspective on the 21st century security environment. This environment provides the context for reaffirming our overarching Strategic Goal and our enduring Mission. The Posture Statement describes how the Army is executing four overarching, interrelated strategies—centered on people, forces, quality of life and infrastructure—needed to accomplish this Mission. Our initiatives, posture, progress, and requirements are explained within the con-

text of these strategies. Army transformation is described not as an end in itself, but rather in terms of how it is already contributing to accomplishing the Mission today, while preparing the force to accomplish its Strategic Goal—to remain relevant and ready to meet the Combatant Commanders' needs—today and tomorrow. A discussion of Risk and an examination of future security challenges are furnished to complete this assessment of our current posture as we continue to serve the Nation today, while preparing for the uncertainties of tomorrow.



2005 ARMY POSTURE STATEMENT EXECUTIVE SUMMARY

21st Century Security Environment: An Era of Uncertainty and Unpredictability

Operating within an uncertain, unpredictable environment, the Army must be prepared to sustain operations during a period of persistent conflict—a blurring of familiar distinctions between war and peace.

To improve our ability to provide forces and capabilities to the Combatant Commanders for the foreseeable future, the Army is undergoing its most profound restructuring in more than 50 years.

With the support of the Congress, the President, and the Department of Defense, we are making tremendous progress.

Transforming to Accomplish the Mission: Modularity, Rebalancing, and Stabilization

Army Transformation is focused to improve the capability of the Soldier, who remains the centerpiece of our formations. It has four primary goals.

- First, we are restructuring from a division-based to a brigade-based force. These brigades are designed as modules, or self-sufficient and standardized Brigade Combat Teams, that can be more readily deployed and combined with other Army and joint forces to meet the precise needs of the Combatant Commanders. The result of this transformational initiative will be an operational Army that is larger and more powerful, flexible and rapidly deployable.
- This program, which we call modularity, will increase the combat power of the Active Component by 30 percent as well as the size of the Army's overall pool of available forces by 60 percent. The total number of available brigades will increase from 48 to 77 with 10 active brigades (three-and-a-third divisions in our old terms) being added by the end of 2006. Our goal for this larger pool of available forces is to enable the Army to generate forces in a rotational manner that will support two years at home following each deployed year for active forces, four years at home following each deployed year for the Army Reserve and five years at home following each deployed year for National Guard forces. Implementing this program will provide more time to train, predictable deployment schedules, and the continuous supply of landpower required by the Combatant Commanders and civil authorities.
- The force, above the brigade level, will be supported by similarly modular supporting brigades that provide aviation, fires, logistics, and other support. Our headquarters structure will also become far more versatile and efficient as we eliminate an entire echelon of command—moving from three to two levels. Simi-

- lar innovations will occur in the logistics and intelligence organizations that support our forces and other Services.
- Our restructuring is already well underway. The 3rd Infantry Division, the vanguard of the invasion of Iraq, will return to Iraq as a restructured, modular force.
 - Second, we are rebalancing our active and reserve forces to produce more units with the skills in highest demand. This will realign the specialties of more than 100,000 Soldiers, producing a 50 percent increase in infantry capabilities, with similar increases in military police, civil affairs, intelligence, and other critical skills. We have already converted more than 34,000 spaces.
 - Third, Soldiers are being stabilized within units for longer periods to increase combat readiness and cohesion, reduce turnover and eliminate many repetitive training requirements. With fewer Soldiers and families moving, more Soldiers will be available on any given day to train or to fight. This initiative, started in 2004, also transitions our Army from an individual replacement manning system to a unit focused system—to prepare Soldiers to go to war as vital members of cohesive units.
 - Fourth, we are working to complement our operational transformation by ensuring that our business, force generation and training functions improve how we support a wartime Army and the other Services. We are divesting functions no longer relevant and reengineering business processes to increase responsiveness to the Combatant Commanders. Other improvements include developing a joint, interdependent end-to-end logistics structure, and fostering a culture of innovation to increase institutional agility. We seek to improve effectiveness and identify efficiencies that will free human and financial resources to better support operational requirements.

Balancing Risk: The Tension Between Current and Future Demands

The Army is grateful for the support of the Congress, the President, the Department of Defense, and the American people as we fight the Global War on Terror. Continued support—financial and moral—is vital. This year, like previous years since September 11, the Army's base budget supports force generation and sustainment operations and the supplemental budget request supports wartime efforts. The combination of these spending measures is needed to enable the Army to:

- Recruit and retain the All-Volunteer Force and their families by enabling the establishment of equitable rotation plans and improving quality-of-life programs;
- Generate and sustain a force that is properly manned, trained and led, in order to prevail in the Global War on Terror, while sustaining other global commitments;
- Enhance Soldiers' ability to fight by rapidly spiraling promising technologies that are ready now into the Current Force; and
- Reset the force by repairing and recapitalizing equipment that is aging rapidly—far faster than projected—due to sustained combat operations in severe environmental conditions.

The scale and the pace of Army transformation is essential to improve the ability of American Soldiers to defeat adversaries who will pose complex, irregular challenges that are becoming increasingly more sophisticated and dangerous than those we now face.

Focusing Resources on Wartime Requirements: Major Decisions in 2004

The Army benefited from three major decisions in 2004, all providing resources to address immediate wartime needs. The Army restructured or adjusted 126 programs. Two of these programs had the most significant impact. First, the Army cancelled the Comanche Program and reinvested the savings into other urgent aviation requirements. This decision enabled us to begin purchasing new airframes, fix many equipment shortfalls, enhance survivability, and begin modernizing our fleet. Second, we modified the schedule for fielding Future Combat Systems to put better capabilities into the hands of our fighting Soldiers. Third, Congress provided the authority to increase Active Component end strength by 30,000 Soldiers to support the war and the Army's conversion to modular formations.

Our Army at War—Relevant and Ready . . . Today and Tomorrow

Our Nation remains at war. Soldiers understand their mission. They are well equipped and trained for the fight. They are well led by excellent leaders. Our transformation is already enhancing our capabilities today, while ensuring our preparedness for tomorrow. These efforts, however, will require full support of the base budget and supplemental.

21ST CENTURY SECURITY ENVIRONMENT: AN ERA OF UNCERTAINTY AND
UNPREDICTABILITY

We remain an Army at War. It is a war unlike any other in our Nation's history, prosecuted not by states, but by extremists employing irregular means to erode our power and resolve. Our adversaries threaten the ideas that form the bedrock of our society, endangering our freedoms and way of life. Fueled by an ideology that promotes intractable hatred, this war will endure in some form for the foreseeable future. The Army, in service to the Nation, must therefore be prepared to sustain operations during a period of persistent conflict—a blurring of familiar distinctions between war and peace. This is the most significant aspect of the 21st century security environment.

The emergence of unconventional and asymmetric threats, such as radical Islamic terrorist efforts aimed at the United States and other developed countries, has stretched the U.S. military. Protection afforded by geographic distance has decreased, while challenges and threats from extremists using weapons of mass destruction and attacks on civilian, military and economic targets have increased. While the current trend toward regional and global integration may render interstate war less likely, the stability and legitimacy of the conventional political order in regions vital to the United States are increasingly under pressure.

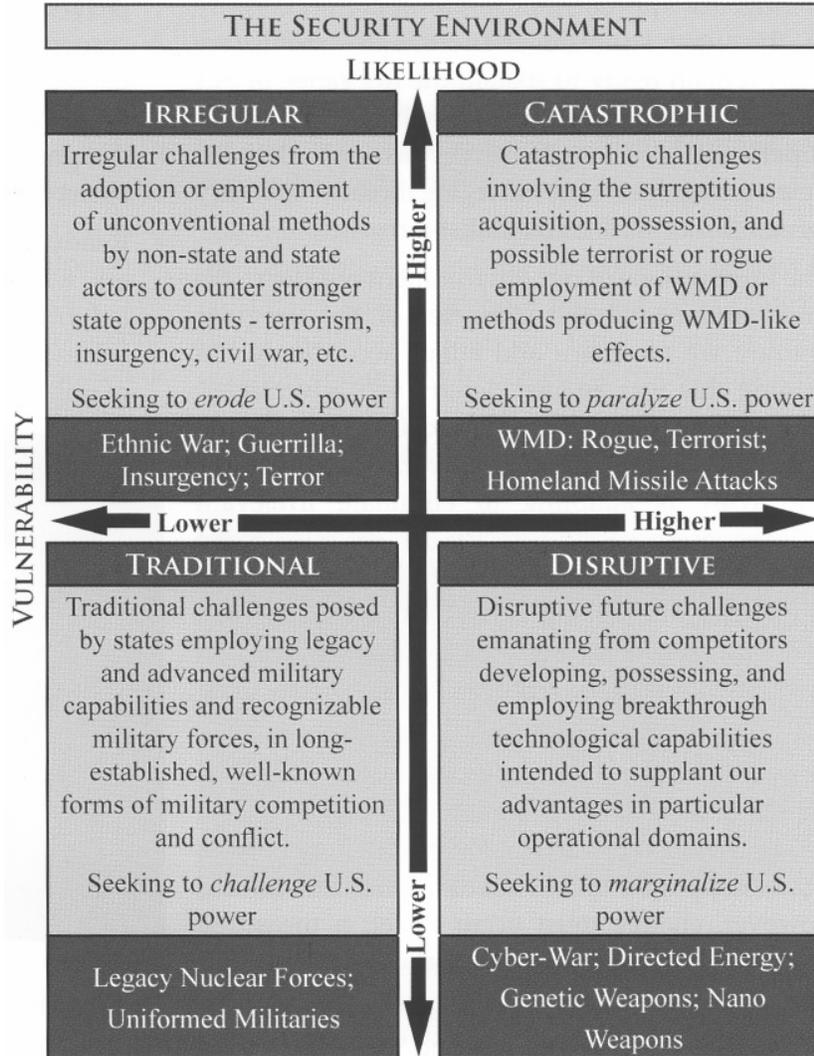


FIGURE 1

There are now new actors, methods and capabilities that imperil the United States, its interests and its alliances in strategically significant ways. The Defense Strategy has identified four types of emerging security challenges for U.S. forces: irregular, traditional, catastrophic and disruptive. The “Four Challenges,” described in Figure 1, categorize many of the issues expected in the future security environment. In many situations, these challenges may overlap, may occur simultaneously and may offer no easily discernible transition from one to another.

The Defense Strategy still recognizes the traditional threat paradigm, focused primarily on other states and known enemies. In the aftermath of September 11, 2001, however, it is no longer sufficient to be prepared to defend only against this type of threat. Our old concepts of security, deterrence and warning, developed through traditional intelligence approaches, do not apply sufficiently in this new strategic environment. While we must remain ready to sustain the full range of our global

commitments, our overwhelming military superiority no longer serves as an adequate deterrent against many emerging threats, especially those of radical fundamentalist terrorists.

The implications of our environment are clear. We must understand the character of the irregular warfare we now face and adapt accordingly. In waging this war against determined adversaries, we have arrayed a vast, hierarchical organization against an elusive, adaptive network. Consequently, the Army is adapting to eliminate irrelevant policies, processes and doctrines. We must move beyond marginal improvements in our efforts to strengthen interdependencies with other Services and other agencies and reinforce a culture that fosters innovation and agility.

To respond to the challenges presented in this era of uncertainty and unpredictability, the Army has accelerated its transformation. During times of peace, change is generally slow and deliberate—at a pace supported by limited resources. In wartime, however, change must occur faster; a measured approach to change will not work.

We must remain ready to sustain the full range of our global commitments beyond those associated with the Global War on Terror. At the same time, the Army must be prepared to conduct sustained operations during a period of protracted conflict.

STRATEGIC GOAL: REMAINING RELEVANT AND READY . . . TODAY AND TOMORROW

In light of the uncertainty and the challenges inherent to the 21st century security environment, the Army's overarching strategic goal is to remain relevant and ready by providing the Joint Force with essential capabilities to dominate across the full range of military operations. The Army will be:

- Relevant to the challenges posed by the global security environment as evidenced by the organization and training of our forces, the innovation and adaptability of our leaders and the design and practices of our institutional support structures.
- Ready to provide the Combatant Commanders with the capabilities—principally well-led, trained and equipped forces—required to achieve operational objectives across the range of military operations.

To meet this goal, the Army must position itself in terms of mindset, capability, effectiveness, efficiency, training, education, leadership and the overall culture of the Service for the context in which it will operate for the foreseeable future.

The American Soldier remains our primary focus—the centerpiece of all that we do as an Army. Throughout our history, Soldiers have answered the call to end tyranny, to free the oppressed and to light the path to democracy for struggling nations. Soldiers—imbued with the ideals of the Warrior Ethos, a commitment to defend the freedoms that America enjoys and an unwavering belief that they will be victorious—are, and will remain, the foundation of the Army.

MISSION: SUPPORTING THE NATIONAL SECURITY AND DEFENSE STRATEGIES

The Army exists to serve the American people, to protect enduring national interests and to fulfill national military responsibilities. Our mission is enduring: to provide necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies. The Army is charged to provide forces able to conduct prompt, sustained combat on land as well as stability and reconstruction operations, when required. Moreover, the Army is charged to provide logistical and other capabilities to enable other Services to accomplish their missions.

To achieve its mission, the Army is providing the Joint Force with capabilities required to prevail in the protracted Global War on Terror and sustain the full range of its global commitments. At the same time, the Army is undergoing one of its most profound transformations since World War II. Army Transformation will meet the needs of Joint Force Commanders today and tomorrow, by providing a campaign-quality Army with joint and expeditionary capabilities. A continuous cycle of innovation and experimentation, informed by experience, is improving the forces and capabilities we are providing today and ensuring that we are well postured for tomorrow's challenges.

We are working to create a unique synergy from both of our tasks, fighting today while transforming for tomorrow, to ensure we “get it right.” The size and mix of our components and capabilities must be in balance. Our global posture, both at home and abroad, must enhance agility and readiness to conduct expeditionary operations on short notice. In addition, the force must be designed, equipped, sustained and supported in a manner that will enable us to continue to be effective

partners, with the other Services and the armed forces of other nations, in the conduct of sustained, protracted military campaigns.

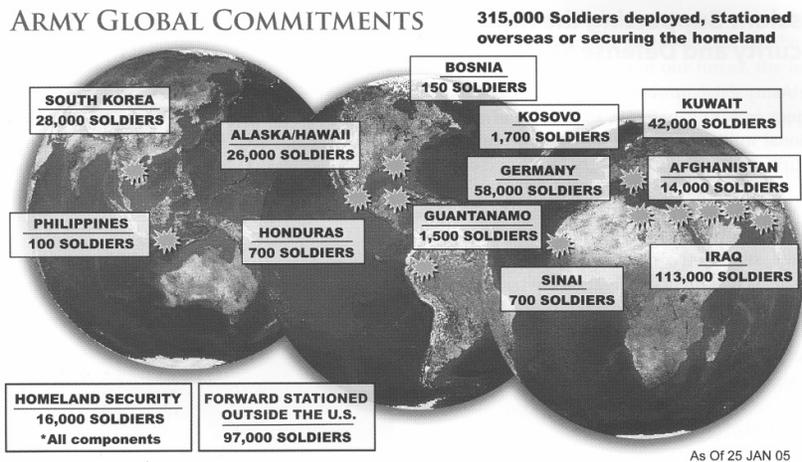
Soldiers remain at the center of our transformation focus. Soldiers are the Army. It is the Soldier—fierce, well trained, well equipped and well led—who serves as the ultimate expression of the capabilities the Army provides to the Joint Force and to the Nation. As always, we remain dedicated to the well-being of our Soldiers, their families and our civilian workforce.

The character and skill of our Soldiers, leaders and civilian workforce and the attitudes and actions of our family must reflect our military and organizational challenges. Like any large, complex organization committed to achieving transformational change, our efforts to change our culture will prove to be our true measure of success.

Guided by the compelling requirement to accomplish our mission in service to the Nation, the Army is changing now—and making tremendous progress. With the continued support of Congress and the Department of Defense, we will maintain the momentum we have established, through our collective efforts, to transform capabilities, processes, leadership and culture.

ACCOMPLISHING THE MISSION TODAY: SUSTAINING GLOBAL COMMITMENTS

The Army's first priority is to sustain its increasing global commitments that extend across the full range of military missions, well beyond those associated with the Global War on Terror. Today, our Current Force is engaged, across the range of military operations, in ways we could never have forecasted before September 11, 2001, operating at a very high pace that will likely continue for some time.



The Army is providing forces and capabilities for Operation Iraqi Freedom, for Operation Enduring Freedom and for other global requirements. The Army continues to deter aggression and keep peace on the Korean Peninsula, on the Sinai Peninsula, in the Balkans and elsewhere around the world. In addition, the Army supports numerous humanitarian assistance missions and supports organizations such as Joint Task Force Bravo in Central America to counter illicit narcotics trafficking.

Today, approximately 640,000 Soldiers are serving on active duty. 315,000 Soldiers are deployed or forward stationed in more than 120 countries to support operations in Iraq, Afghanistan and other theaters of war and deter aggression, while securing the homeland. These Soldiers are from all components: Active (155,000), Army National Guard (113,000) and Army Reserve (47,000). Soldiers participate in homeland security activities and support civil authorities for many different missions within the United States. A large Army civilian workforce (over 250,000), reinforced by contractors, supports our Army—to mobilize, deploy and sustain the operational forces—both at home and abroad.

Soldiers from the Army National Guard and the Army Reserve are making a vital contribution. 150,000 Soldiers are mobilized and performing a diverse range of missions worldwide. In addition to their duties overseas, Soldiers from both the Guard

and the Reserve supported civil authorities during disaster relief operations, such as those which occurred in Florida following four major hurricanes.

On any given day, the Army National Guard has more than 10,000 Soldiers on duty to protect key assets across the Nation, including Air Force bases. More than 24,000 Soldiers provided security for both the Democratic and Republican National Conventions and the Group of Eight Summit. National Guard Soldiers are also promoting stability in Iraq and in the Balkans, while performing complex, vital tasks such as U.S. Northern Command's ballistic missile defense mission. Guard Soldiers, operating in an unprecedented role, are organizing and training a multicomponent brigade in Colorado and a battalion in Alaska to execute the newly assigned mission.

The Army Reserve, in addition to providing vital support for operations in Iraq and Afghanistan, is providing a wide range of response capabilities in the event of an attack on the homeland. This support includes almost 200 emergency preparedness liaison officers that interact with local communities. The Reserve has also fielded and trained 75 chemical decontamination platoons with more than 2,400 Soldiers for mass casualty operations and more than 250 fully equipped hazardous material technicians to train with local first responders.

ENABLING MISSION ACCOMPLISHMENT: FOUR OVERARCHING, INTERRELATED STRATEGIES

To enable mission accomplishment, the Army is executing four overarching, interrelated strategies. These strategies seek to accomplish the Army's mission, consistent with the requirements prescribed by the National Security and Defense Strategies. These strategies are enabling the Army to continue to accomplish its mission today—in service to the Nation—while building and maintaining the capabilities to ensure the Army remains relevant and ready to the needs of the Combatant Commanders tomorrow. The Army is:

- Providing Relevant and Ready Landpower in support of the Combat Commanders and the Joint Force to sustain the full range of our global commitments;
- Training and Equipping our Soldiers to Serve as Warriors and Growing Adaptive Leaders who are highly competent, flexible and able to deal with the 21st century challenges they now confront;
- Attaining a Quality of Life and Well-Being for Our People that match the quality of the service they provide; and
- Providing Infrastructure to Enable the Force to Fulfill its Strategic Roles by establishing and maintaining the infrastructure and the information network required to develop, to generate, to train and to sustain the force.

These interrelated strategies serve to unify our collective efforts. Relevant, Ready Landpower depends on Soldiers who are well trained, equipped and led. Soldiers must be supported by high Standards for Quality of Life and modern infrastructure to Enable the Force to Fulfill its Strategic Roles and Missions.

The Army's current posture, initiatives and progress are described within the context of these interrelated strategies. The initiatives demonstrate how the strategies are being executed and, in a broader sense, the resources required to execute them. Transformation is the central thread which runs through each of these strategies.

Army transformation represents much more than improvements in equipment or warfighting methods. It is a multidimensional, interdependent process that involves:

- Adapting new technologies and business operations;
- Improving joint warfighting concepts and business processes;
- Changing organizational structures; and
- Developing leaders, people and culture that reflect the realities of our operating environment.

PROVIDING RELEVANT AND READY LANDPOWER TO SUPPORT THE COMBATANT COMMANDERS

Building a Campaign-Quality Force with Joint and Expeditionary Capabilities

"Campaign qualities" refers to the Army's ability not only to win decisively in the conduct of combat on land but also in its ability to sustain operations. The Army supports the Combatant Commanders and the Joint Force, other agencies and coalition partners, for as long as may be required.

The Army continues to improve strategic responsiveness in two ways. First, the Army is becoming more expeditionary. We are improving our ability to deploy rapidly to conduct joint operations in austere theaters. Our enemies are elusive, adaptive and seek refuge in complex terrain, often harbored by failed or failing states. They fully leverage many of the same technologies we do such as the Internet and

satellite communications. To improve on our joint warfighting proficiency we are embracing these conditions in deployment scenarios, training and education.

Second, we have improved our review and resourcing procedures to anticipate and support the Integrated Priority Lists developed by the Combatant Commanders. Likewise, we are continuing to anticipate and respond with urgency to our commanders' needs.

Enhancing Joint Interdependence

Each branch of the Armed Forces excels in a different domain—land, air, sea and space. Joint interdependence purposefully combines each Service's strengths, while minimizing their vulnerabilities. The Army is ensuring that our systems are fully complementary with the other Services.

We are working aggressively with the other Services to improve the ability to dominate across the range of military operations. Our efforts embrace two characteristics of modern warfare. First, technology has extended the reach of modern weapon systems to the extent that collective force protection and anti-access techniques are necessary, even in facing irregular, asymmetric challenges. Second, the other Services' capabilities to dominate air, sea and space have direct impact on ground forces' ability to dominate on land.

Our new modular formations will operate better in joint, multinational and inter-agency environments. These formations are designed to enhance joint concepts for battle command, fires and effects, logistics, force projection, intelligence, as well as air and missile defense. Our joint training opportunities will continue to improve as we work with Joint Forces Command and the other Services to develop a Joint National Training Capability. The planning, scenarios, connectivity and overall realism we are working to create will enhance critical joint operations skills for commanders and Soldiers.

The ultimate test of joint initiatives is the Soldier. If a concept does not empower Soldiers, then we have to question its relevance. We are continuing our work to ensure that emerging capabilities and training requirements are created joint from the outset.

Resetting the Force

Major combat and stability operations in Iraq and Afghanistan are placing tremendous demands on our equipment and our Soldiers. As a result, we must reset those units—by preparing Soldiers and their equipment for future missions—often as part of new modular formations. We use this opportunity to reset our units forward to the future—not to return them to their legacy designs.

The major elements of our Reset Program include:

- Providing considerable training and professional development for Soldiers and leaders;
- Bringing unit readiness back up to Army standards;
- Reorganizing returning units into modular unit designs;
- Retraining essential tasks to incorporate lessons learned from Iraq and Afghanistan; and
- Adjusting pre-positioned stocks of ammunition and equipment to support the force.

Resetting the force reflects how we care for our people and prepare units for upcoming training and deployments, while positioning the Army to be more responsive to emerging threats and contingencies. Today, the standard for Active and Reserve Component reset is six and twelve months, respectively. Through a focused effort, our reset processes are becoming considerably more efficient in terms of both time and resources. The Army's depot capability and efforts to partner with industry are critical to this effort.

The Reset Program is designed to reverse the effects of combat stress on our equipment. Amidst the constant demands of war, our equipment is aging far more rapidly than projected. Because of higher operational tempo, rough desert environments and limited depot maintenance available in theater, our operational fleets are aging four years for every year in theater—dramatically shortening their life. Over 6,500 tracked and wheeled vehicles must be recapitalized this year alone. An additional 500 aviation systems must also be recapitalized. We will require additional funding to “buy back” some of this age through extensive recapitalization programs as well as replacing combat losses.

The 3rd Armored Cavalry Regiment, the 3rd Infantry Division and 129 of the more than 500 Army Reserve units (over 25 percent) have already completed the Reset Program. The 4th Infantry Division, the 2nd Light Cavalry Regiment, the 10th Mountain Division, the 1st Armored Division, the 76th Infantry Brigade (Indiana), the 30th Infantry Brigade (North Carolina), the 82nd Airborne Division and

the 101st Airborne Division (Air Assault) are in various stages of the Reset Program.

Resetting units is not a one-time event. It is required for all redeploying units. A window of vulnerability exists at the end of our current operations. We project that it will take close to two years after the return of forces from Iraq and Afghanistan to completely refit our forces and to reconstitute the equipment held in our five pre-positioned sets. Only through an appropriately funded Reset Program can we extend the life of the operational fleet to remain ready to support and sustain protracted conflict. Congress has greatly helped the Army by providing supplemental funding to meet this critical need. We will continue to require additional resources to complete this essential work.

Converting to a Brigade-Based, Modular Force

Modular conversion will enable the Army to generate force packages optimized to meet the demands of a particular situation, without the overhead and support previously provided by higher commands. Modular units are tailored to meet the Combatant Commanders' requirements. These units, known as Brigade Combat Teams (BCTs), are more robust, require less augmentation and are standardized in design to increase interoperability. They are, in essence, a self-sufficient, stand-alone tactical force, consisting of 3,500 to 4,000 Soldiers, that is organized and trains the way it fights.

Modular BCTs will serve as the building blocks of Army capabilities. There are three common organizational designs for ground BCTs and five for support brigades. The three designs include a heavy brigade with two armor-mechanized infantry battalions and an armed reconnaissance battalion; an infantry brigade with two infantry battalions and an armed reconnaissance and surveillance battalion; and a Stryker brigade with three Stryker battalions and a reconnaissance and surveillance battalion. Four of the five types of support brigades perform a single function each: aviation; fires; sustain; and battlefield surveillance. The fifth, maneuver enhancement brigade, is organized around a versatile core of supporting units that provide engineer, military police, air defense, chemical and signal capabilities.

By creating a modular, brigade-based Army, we are creating forces that are more rapidly deployable and more capable of independent action than our current division-based organization. Their strategic responsiveness will be greatly improved. Modularity increases each unit's capability by building in the communications, liaison and logistics capabilities needed to permit greater operational autonomy and support the ability to conduct joint, multinational operations. These capabilities have previously been resident at much higher organizational echelons.

We are also eliminating an entire echelon of command above the brigade headquarters, moving from three levels to two. Doing so removes redundancies in command structure and frees additional personnel spaces for use elsewhere. We are also eliminating several layers of logistics headquarters to increase responsiveness, further reduce redundancy and improve joint logistics integration.

In addition, the new higher-level headquarters will become significantly more capable and versatile than comparable headquarters today. These modular headquarters will be able to command and control any combination of capabilities: Army, joint or coalition. Their design, training and mindset will allow them to serve as the core of joint or multinational task force headquarters, with significantly reduced personnel augmentation. This will relieve stress on the force by eliminating a continuing demand to fill headquarters manning requirements on a temporary basis.

The Army is also transforming its Reserve Component structures to the new BCT organization. We are applying the lessons learned in Iraq and Afghanistan to better train, equip, support and generate these units from their home stations. The Army Reserve is developing Army Reserve Expeditionary Packages to better generate and distribute critical force capabilities. This rotational force model streamlines mobilization, training and equipping of units; enhances readiness; and improves predictability for Soldiers, families and civilian employers.

Execution of this transformation is already well underway. As units redeploy from fighting, their conversion process begins. The 3rd Infantry Division and the 101st Airborne Division have already reorganized their existing brigades and created a new brigade each. The 3rd Infantry Division is the first converted unit returning to Iraq. The 10th Mountain Division and the 4th Infantry Division will soon follow. By the end of 2006, we will have added 10 new brigades. Potentially, we will create five more in 2007. The Army National Guard is converting 34 BCTs or separate brigades to modular designs. At the end of our effort, the Army will have 77 and potentially 82 total BCTs.

Rebalancing Active and Reserve Component Units and Skills

Our current Active and Reserve Component structure is not optimized for rapid deployment and sustainment. We are restructuring the force to increase units with special skills that are routinely in high demand by the Combatant Commanders, such as infantry, military police, transportation and civil affairs. Rather than requesting additional force increases, we are decreasing force structure in less demand. When completed, we will have restructured and rebalanced more than 100,000 positions. We have already converted more than 34,000 of these positions.

We are also placing more combat support and combat service support structure into the Active Component to improve deployability and the ability to sustain operations during the first 30 days of a contingency. This increase in high-demand sustainment units will reduce the requirements for immediate mobilization of Reserve Component units.

The Army Reserve's Federal Reserve Restructuring Initiative is another program that is helping to resource units at higher levels by converting or eliminating current force structure and specialties in low demand to increase those in greatest demand. This initiative relieves stress on units in higher demand and adds depth to the Army's operational forces.

Stabilizing Soldiers and Units to Enhance Cohesion and Predictability

To improve unit cohesion and readiness, while reducing both turbulence in units and uncertainty for families, we are changing how we man our units. Our objective is to keep Soldiers in units longer to reduce chronically high turnover rates of Soldiers and leaders, improve cohesion within units and increase training proficiency and overall combat readiness. Units that stay together longer build higher levels of teamwork, understand their duties and their equipment better, require less periodic retraining and tend to perform better during deployments. Fewer moves of Soldiers and their families also saves the Army money.

These assignment policies, now being implemented, will also improve quality of life and predictability for Soldiers, families and civilian employers. Stabilizing Soldiers, which in certain cases, will be challenging to achieve in the near term, will allow their families to build deeper roots within their communities and enjoy better opportunities for spouse employment, continuity of healthcare, schooling and other benefits. This program also reduces the chance of a Soldier moving from a unit that recently redeployed to a unit preparing to deploy. The Army gains more cohesive, more experienced units while Soldiers and families benefit from greater predictability, stability and access to stronger support networks that enhance well-being.

The 172nd Separate Infantry Brigade, in Alaska, was the first unit to implement unit stability. The Army will man four more brigades using this method this year. The Army will continue to implement stabilization policies as units redeploy to their home stations.

Leveraging Army Science and Technology Programs

The focus of Army science and technology is to accelerate maturing technologies with promising capabilities into the Current Force faster than expected. These technologies include:

- Networked battle command and logistics systems;
- Networked precision missiles and gun-launched munitions; and
- Improved intelligence sensors, active and passive protection systems, unmanned ground and air systems and low-cost multispectral sensors.

Many of these technologies are already being fielded to our front-line Soldiers to dramatically improve their capabilities. Specific science and technology initiatives will improve existing capabilities to:

- Detect and neutralize mines and improvised explosive devices (IEDs);
- Identify friendly forces in combat;
- Develop medical technology for self-diagnosis and treatment;
- Identify hostile fire indicators; and
- Enhance survivability, training systems and robotics.

We are working to harness the full potential of our science and technology establishment to improve the capability of our forces to defeat opponents in complex environments, which include urban terrain, triple-canopy jungle conditions, desert terrain, mountainous environments and caves.

Spiraling Future Combat Systems Capabilities into the Current Force

Our largest, most promising, science and technology investment remains the pursuit of Future Combat Systems (FCS) technologies. The FCS-equipped force will add crucial capabilities to the Future Force to achieve Department of Defense trans-

formation goals. FCS is not a platform. It is a family of 18 networked air and ground-based maneuver, maneuver support and sustainment systems.

Networked FCS capabilities will provide unprecedented levels of situational awareness by integrating communications, sensors, battle command systems as well as manned and unmanned reconnaissance and surveillance systems. FCS-equipped units, operating as a system of systems, will be more deployable and survivable than our current units and will enhance joint capabilities. They will also be better suited to conduct immediate operations, over extremely long distances, with other members of the Joint Force, to produce strategic effects.

In July 2004, the Army restructured the FCS program to accelerate the introduction of battle command, the Army network and other crucial capabilities to the Current Force, while we continue to build our initial FCS-equipped BCT. Improvements to the Army network, known as LandWarNet, are focused on applying lessons learned from Iraq and Afghanistan to improve our forces' ability to see first, understand first, act first and finish decisively. LandWarNet, designed to support all Joint communications architectures, will apply the most mature technologies commercially available and support the fielding of the Joint Network Node, the Warfighter Information Network and the Joint Tactical Radio System.

The Network provides the backbone for introducing the key FCS capabilities identified to be fielded early which include:

- Unattended ground sensors;
- Intelligent munitions;
- Non-line-of-sight launch systems and cannon artillery; and
- A range of unmanned aerial platforms.

These systems provide greater target detection, force protection and precision-attack capabilities than we have today. Specific programs will enhance protection from enemy mortars, artillery and rockets and improve Soldiers' ability to communicate in urban and other complex settings. The acceleration of selective FCS technologies is providing immediate solutions to critical problems our Soldiers face today. The technologies we spiral into the Current Force today, coupled with the doctrinal and organizational concepts being developed to enable them, will also help to improve the decisions we make concerning the Future Force.

Restructuring Army Aviation

The Army is also transforming its aviation forces to develop modular, capabilities-based forces optimized to operate in a more joint environment. This past year, the Army cancelled the Comanche Program and redirected its resources into other Army aviation programs. The technologies developed by the Comanche Program are being used in our current Army aviation platforms.

The reallocation of funding allowed the Army to modularize, modernize and improve its force protection capabilities. The Army is accelerating aircrew protection and fielding Aircraft Survivability Equipment. Our modular structure reduces the number of brigade designs from seven to two. Over the next six years, we are purchasing more than 800 new aircraft that include 108 attack, 365 utility and 368 armed reconnaissance helicopters. We are also modernizing an additional 300 helicopters. These initiatives will enable the Army to extend the life of its critical aviation assets beyond 2020. This will greatly reduce the age of our aviation fleet, improve readiness rates and reduce maintenance costs.

As a result of the Comanche termination decision, the Army will:

- Accelerate the modernization of Reserve Component aviation;
- Accelerate the Unmanned Aerial Vehicle, Light Utility Helicopter and Armed Reconnaissance Helicopter programs;
- Focus additional resources on the Future Cargo Aircraft program designed to improve intra-theater lift capacity;
- Develop a common cockpit for cargo and utility aircraft;
- Field improved deployability and sustainment kits; and
- Purchase and install advanced avionics packages.

This restructuring will result in dramatic Army-wide efficiencies by reducing training costs and standardizing both maintenance and logistics requirements.

TRAINING AND EQUIPPING SOLDIERS TO SERVE AS WARRIORS AND GROWING ADAPTIVE LEADERS

Reinforcing Our Centerpiece: Soldiers as Warriors

Human skills may change as technology and warfare demand greater versatility. No matter how much the tools of warfare improve, it is the Soldier who must exploit these tools to accomplish his mission. The Soldier will remain the ultimate combination of sensor and shooter.

The Army prepares every Soldier to be a Warrior by replicating, to the maximum degree possible, the stark realities of combat to condition Soldiers to react instinctively. We have changed our training systems to reflect the realities of war and to better prepare our Soldiers. Our goal is to build Soldiers' confidence in themselves, their equipment, their leaders and their fellow Soldiers.

The biggest change is in our initial military training for new Soldiers. Initial-entry Soldiers are now being prepared to operate in an environment that knows no boundaries. They are receiving substantially more marksmanship training, hand-to-hand combat instruction, an increased emphasis on physical fitness, live-fire convoy training and more focus on skills Soldiers need to operate and survive in combat.

Our Soldiers are smart, competent and totally dedicated to defending the Nation. All are guided by Army Values (Figure 2). They commit to live by the ideals contained in The Soldier's Creed (Figure 3). This creed captures the Warrior Ethos and outlines the professional attitudes and beliefs desired of American Soldiers.

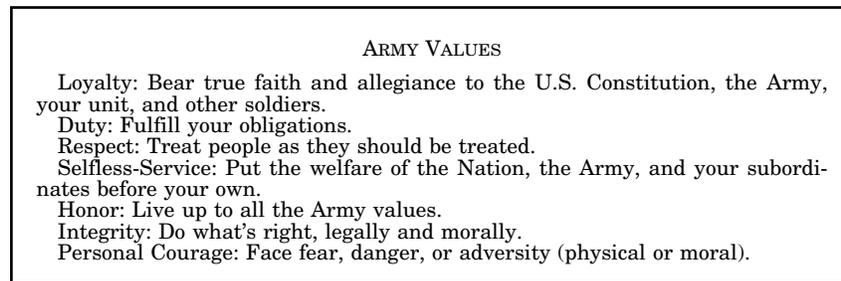


FIGURE 2

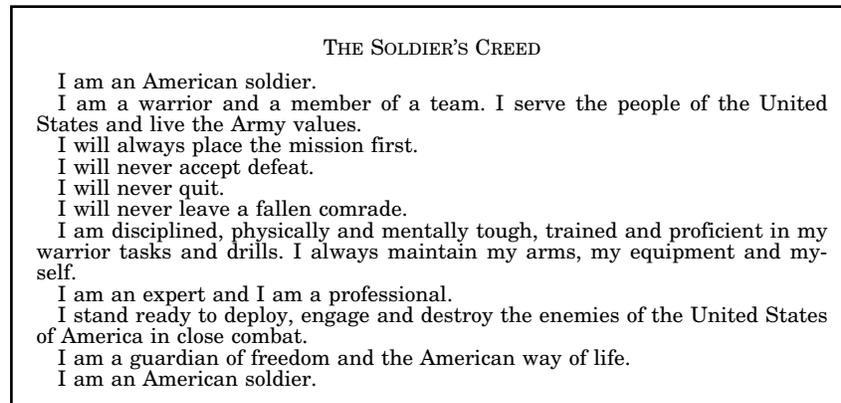


FIGURE 3

Mental and physical toughness underpin the beliefs embraced in the Soldier's Creed and must be developed within all Soldiers—without regard to their specialty, their unit or their location on the battlefield. The Warrior Ethos engenders the refusal to accept failure, the conviction that military service is much more than just another job, and the unfailing commitment to be victorious. It defines who Soldiers are and what Soldiers must do. It is derived from our long-standing Army Values and reinforces a personal commitment to service.

Soldiers join the Army to serve. Our Soldiers know that their service is required to secure our Nation's freedoms and to maintain the American way of life. We will never take for granted the personal sacrifices our Soldiers and their families endure, which include facing the hardship of war, extended periods of separation and, in the case of our Reserve Component Soldiers, concerns over continued employment and advancement in their civilian jobs.

Recruiting and Retaining Soldiers

The Army continues to attract highly qualified and motivated young people to serve. To maintain our high-quality Army, we must recruit and retain good Soldiers. We are proud of the men and women who come into the Armed Forces to make a difference, to be part of something larger than themselves and to “give something back” to their country.

In 2004, we met our Active and Reserve recruiting goals. The Army National Guard fell just short of its overall recruiting goal. While the recruiting environment is a challenging one, we have not lowered our standards. Our reenlistment rates reflect a positive outlook toward continued service. In 2004, the Active Component far exceeded its retention goal (107 percent) while the Army Reserve and Army National Guard achieved 99 percent of their goals.

Our continued success is a testament to the citizen-patriots of America who enlist and reenlist in our ranks, yet we know that our operational situation could negatively impact recruiting and retention. We are therefore resourcing several incentives to help attract and retain the right people. We continue to offer options for continued service while meeting Soldiers’ individual goals. Moreover, we continue to adjust policies and incentives to access new Soldiers, reenlist current Soldiers and reduce unit attrition rates. This ensures that our Army is manned with top-quality people and capitalizes on investments in training, education and mentoring.

In light of the challenges we foresee, we will need the best minds within the Army, Congress, industry and academia to create the environment and to devise and implement strategies to sustain our ranks with the high-quality men and women that are our centerpiece.

Equipping Our Soldiers

Our Soldiers rely on and deserve the very best protection and equipment we can provide. To equip them for the challenges they face, one of the most critical issues we are addressing is vehicle armor. With the support of Congress, acting in full partnership with industry, the Army has dramatically increased the pace of both production and fielding. By March 2005, the current requirement of approximately 32,500 tactical wheeled vehicles in the Iraq and Afghanistan theaters will be protected either with integrated, add-on or locally fabricated armor. By June 2005, we will have replaced all fabricated armor with add-on armor. This rapid delivery schedule has increased the number of armored vehicles in theater one-hundred-fold since August 2003.

Figure 4 lists eight key Soldier protection areas ranging from providing body armor for Soldiers to armor for HMMWVs, trucks and other key vehicles. Our enemies will continue to adapt their tactics; we will remain steadfast in our commitment to protect our Soldiers by meeting and exceeding theater requirements in all areas.

In addition to protecting Soldiers, the Army is working aggressively to provide them the best possible equipment. The Army has established two programs to anticipate Soldiers’ needs and respond quickly to those identified by commanders. Through emergency supplemental appropriations, Congress has been particularly helpful in funding these vital programs.

The Rapid Fielding Initiative (RFI) is designed to fill Soldier equipment shortfalls by quickly fielding commercial off-the-shelf technology rather than waiting for standard acquisition programs to address these shortages. RFI is increasing Soldier capabilities at an unprecedented pace. Since September 2002, we have equipped 36 Brigade Combat Teams. In 2004 alone, the Army equipped more than 180,000 Soldiers.

We are equipping deploying National Guard, Army Reserve and Active Component Soldiers to a common standard. Current plans call for equipping about 258,000 Soldiers in 2005 and the entire operational force by September 2007. We are using fielding teams at home stations and in theater to ensure that every Soldier receives 49 items including body armor, advanced ballistic helmets, hydration systems, ballistic goggles, kneepads, elbow pads and other items. The equipment being issued to units reflects the lessons learned during three years of fighting in complex environments, including optical sights for weapons, grappling hooks, door rams and fiber optic viewers to support Soldiers’ ability to observe from protected positions.

The Rapid Equipping Force (REF) typically uses commercial and field-engineered solutions to quickly meet operational needs. REF has executed numerous initiatives to support the Army’s Improvised Explosive Device (IED) Task Force and the requirements of the other Services. REF solutions meet immediate needs and are then assessed for wider fielding and incorporation into standard acquisition processes.

EQUIPPING OUR SOLDIERS: SOLDIER PROTECTION PROGRAMS IN IRAQ AND AFGHANISTAN

Area	Where we were August 2003	Where we are in January 2005
Soldier body armor	Estimated 109,000 soldiers equipped; Deltoid Auxiliary Protectors not fielded.	All soldiers and DOD civilians in theater equipped; plus 60,000 Deltoid Auxiliary Protectors issued
Up-armored HMMWVs	Approximately 250 in theater	More than 6,400 HMMWVs fielded
Tactical wheeled vehicle add-on armor kits.	Developing plan to equip more than 10,000 vehicles.	More than 19,000 vehicles in theater have add-on armor kits
Armored security vehicles (ASV)	ASV program cancelled during the 2003 budget and programming decision.	82 ASVs in theater; total requirement of 872 approved
Bradley reactive armor tiles (BRAT)	140 vehicle sets delivered	592 sets delivered; acceleration plan in execution
Counter-IED device	Minimal capability in theater	1,496 systems in theater
Tactical and small unmanned aerial vehicle (UAV).	Two systems deployed to theater; requirement is 194.	128 systems deployed; requirement remains 194
Aircraft survivability equipment (ASE).	No fixed wing ASE; in process of upgrading CH-47 Chinook and UH-60 Blackhawk aircraft with basic ASE.	All theater aircraft upgraded with basic ASE. In process of upgrading to an advanced common missile warning system/improved counter-measure munitions dispenser (CMWS/ICMD)

FIGURE 4

REF teams in Afghanistan and Iraq interact with commanders at brigade and battalion levels. Equipment provided ranges from lock shims to open padlocks non-destructively to far more sophisticated, remote-controlled reconnaissance devices to explore caves, tunnels, wells and other confined spaces without endangering Soldiers. REF also provides predeployment and in-theater training on the technological solutions it provides.

Training Soldiers and Growing Adaptive Leaders

A balance of training and education is required to prepare Soldiers to perform their duties. Training prepares Soldiers and leaders to operate in relatively certain conditions, focusing on “what to think.” Education prepares Soldiers and leaders to operate in uncertain conditions, focusing more on “how to think.” We are developing more rigorous, stressful training scenarios to prepare leaders to be more comfortable while operating amidst uncertainty.

Our programs develop leaders with the right mix of unit experiences, training and education needed to adapt to the rigors and challenges of war. We continue to adjust training, across the Army, to reflect the joint operating environment by incorporating the lessons learned from current operations. We are also implementing the National Security Personnel System, an innovative new approach to civilian personnel management and leader identification. This will help to transform our management and development of critical Army civilians and achieve our desired objectives for the overall mindset and culture of the force.

In light of the challenges posed by the 21st century security environment, the Army is moving from an “alert-train-deploy” training model to a “train-alert-deploy-employ” model. We recognize that, in an increasing number of situations, we will have little time to train prior to deploying. For this reason, Army transformation is focused on providing key training and education to increase readiness for no-notice expeditionary operations.

We have incorporated lessons learned into all of our systems and training scenarios at our mobilization stations and combat training centers. This adaptation is having an immediate, tangible impact on the streets of Iraq, the battlefields of Afghanistan and in other places around the world. Other key improvements include:

- Increased funding to adapt ranges and facilities to reflect likely combat situations;
- Adjusted Defense Language Institute requirements to meet immediate operational needs for Arabic translators;
- Increased ammunition allocations to improve every Soldier’s live-fire weapons training; and
- Required live-fire training to ensure all Soldiers and units develop proficiency in the key battle drills needed to conduct safe convoy operations and other tasks.

To ensure our leaders learn from our veterans, we have implemented formal assignment guidelines to make best use of Soldier and leader experiences. We are assigning veterans to key joint billets as well as to key instructor and doctrine development positions. In addition, our most experienced officers and noncommissioned officers will return to operational units to apply their experiences in leading our fighting units.

The Army remains committed to the education of our leaders even during this period of war. In fact, we are more aggressively pursuing leaders' education now than during any other period of conflict in our history. We are educating our leaders to expand their minds, increase their cultural awareness and to promote a "lifetime of learning." These initiatives to our professional military education are based on three pillars—institutional education, self-study and experience. The synergy created by the combination of these three forms of education provides our leaders with enhanced capabilities to adapt to an increasingly ambiguous security environment.

To facilitate excellence in our leaders at every level, Joint Professional Military Education (JPME) is embedded throughout Army learning. Joint awareness is introduced in precommissioning education and training of all officers, as well as the mid-level noncommissioned officer courses. Our training and education systems further emphasize a more in-depth understanding of joint principles and concepts beginning at the Captain/Major level for officers and the Sergeant Major level for our noncommissioned officers. Our senior-level JPME programs develop our civilian leaders and further educate military leaders on the joint, multinational and interagency processes. This education is reinforced by experiences obtained in joint assignments. This increased understanding of the capabilities of other Services and external organizations significantly improves our leaders' ability to support the Joint Force in achieving national objectives.

Our military education programs teach our leaders critical thinking skills in "how to think" versus "what to think." Supported by Army Values, the Warrior Ethos and the experiences obtained through training and combat, Army leaders at all levels continue to hone the skills required to win in the complex environment of the 21st century.

Enhancing the Combat Training Centers

The Combat Training Center (CTC) Program provides highly realistic training to prepare Soldiers and leaders to execute our doctrine for operating with other Services, the military forces of other nations and other agencies of the U.S. Government. This training is essential as we become increasingly more interdependent with other Services, allies and the interagency community. The training centers include the Battle Command Training Program at Fort Leavenworth, Kansas; the Joint Readiness Training Center at Fort Polk, Louisiana; the National Training Center at Fort Irwin, California; and the Combat Maneuver Training Center at Hohenfels, Germany.

These training centers are agents of change. Training scenarios are constantly updated to reflect changing battlefield conditions and incorporate lessons learned. In all scenarios, Soldiers and leaders are presented with complex, cross-cultural challenges by large numbers of role players who act as both combatants and foreign citizens.

Additionally, each of the training centers is building extensive urban combat training facilities, as well as cave and tunnel complexes, to simulate wartime environments. As the Army transforms to a modular force, the CTCs will improve their ability to export a CTC-like training experience to home stations to reduce deployment requirements for training. The CTCs will continue to adapt to meet the training requirements to best serve a modularized Army.

ATTAINING A QUALITY OF LIFE AND WELL-BEING FOR OUR PEOPLE THAT MATCH THE
QUALITY OF THEIR SERVICE

Maintaining the Viability of the All-Volunteer Force

The United States Army owes its success to the All-Volunteer Force, which provides the high-quality, versatile young Americans we depend on to serve as Soldiers. This is the first time in our history in which the Nation has tested the All-Volunteer Force during a prolonged war. The quality-of-life programs that support our Soldiers and their families, as well as our civilian workforce, will play a major role in maintaining the overall viability of this concept. Determining what kind of All-Volunteer Army we need and developing the environment, compensation, education and other incentives to keep it appropriately manned may well be the greatest strategic challenge we face.

Maintaining the viability of this force will depend on several factors. First, American citizens must remain convinced that the Army is a great place to serve. While Soldiers perform their duties to meet Army expectations, the Army, in turn, must provide an environment in which individual aspirations can be met. To concentrate on the challenges they face, Soldiers must understand the frequency and cycle of projected deployments. Likewise, they must believe that their families will be provided for in their absence. Similarly, programs to encourage civilian employer support to Reserve Component Soldiers, who comprise more than half the Army force, are required to recruit and retain Reserve Component Soldiers.

The Army is executing a full, diverse range of programs and activities that will help us to attract and retain the quality people we need to maintain a volunteer force during a time of war. It is of national interest to retain these dedicated Soldiers to sustain the overall viability of our All-Volunteer Army. The support of Congress and the American people is vital to this effort.

Caring for Army Families and Soldiers

Army Well-Being programs contribute to the Army's ability to provide trained and ready forces. These programs enable leaders to care for their people while accomplishing the missions assigned to their units. Providing for the well-being of Soldiers' families is a fundamental leadership imperative that requires adequate support and resources. We are pursuing numerous programs designed to improve spouse employment, ease the transitioning of high school students during moves and extend in-state college tuition rates to military families. We are also examining how best to expand support for veterans and National Guard and Army Reserve Soldiers. For example, TRICARE policies now allow for the eligibility of National Guard and Reserve Soldiers and their families.

Housing programs are another way in which we manifest our care for Soldiers and their families. We continue to focus considerable effort on our Residential Communities Initiative and Barracks Modernization Program. Congressional support for these initiatives has had a dramatic effect on improving the quality of life for our Soldiers and their families. The Army has already privatized more than 50,000 housing units and will eventually privatize over 32,000 more.

Programs like the Residential Communities Initiative, when reinforced with other ongoing programs, will greatly help in our ability to retain Soldiers and families. These programs include:

- Improvements in healthcare, child care, youth programs, schools, facilities and other well-being initiatives; and
- Investments in new barracks for Soldiers without families, new centers for Reserve Component units and significant improvements in training ranges.

We support our Soldiers who have become casualties during war through the Disabled Soldier Support System (DS³). This initiative provides our Army's most severely disabled Soldiers and their families with a system of follow-up support beyond their transition from military service. DS³ provides support to families during the initial casualty notification, tracks the Soldier's return trip home and provides appropriate assistance in coordinating pertinent local, federal and national agencies. For the Soldier, this support includes rehabilitation, support at the medical and physical evaluation boards (which embrace unprecedented ways for severely injured Soldiers to continue to serve) and integration with veterans affairs organizations, as required.

The Army will continue to look for ways to improve on our DS³ initiative and deliver on our unfailing obligation to care for our people. To monitor and to report on the care being afforded to our Soldiers in the DS³ program, we have enlisted the support of our voluntary Civilian Aides to the Secretary of the Army. These aides are notified when disabled Soldiers are released from active service. They support the transition of these Soldiers to civilian life and work closely with civic leaders to assist in job placement, continued rehabilitation, education and other services to benefit these Soldiers and their families.

The resilience of the young men and women and their spouses, who have sacrificed so that others might have a brighter future, is humbling and exemplary. We will honor their service and sacrifice by remaining steadfast in our support to them.

PROVIDING INFRASTRUCTURE TO ENABLE THE FORCE TO FULFILL ITS STRATEGIC ROLES AND MISSIONS

Business Transformation

Transformation of our business, resourcing and acquisition processes promotes the long-term health of the Army. It will free human and financial resources that can

be better applied towards accomplishing our warfighting requirements and accelerating other aspects of transformation.

We are working aggressively to streamline our business processes and practices by taking advantage of industry innovation through commercial off-the-shelf (COTS) products, outsourcing and partnering. We are also adopting electronic business operations and a portfolio management approach to information technology requirements, while continuing to pursue U.S. Government guidelines for competitive sourcing. These reform initiatives will remain congruent with other Department of Defense transformation initiatives, such as the Defense Integrated Military Human Resources System.

One key business initiative is the General Fund Enterprise Business System, an integrated COTS system that will replace the Army's 30-year-old accounting systems. The objective is to meet legislative requirements, while helping the Army to obtain an unqualified audit opinion of its annual financial statements.

Additionally, the Army Review and Resourcing Board is helping to validate and resource requirements, to accelerate the "requirements to solutions" cycle time and to make recommendations to the leadership on resource adjustments. The Army intends to make our processes more flexible, transparent and responsive to both immediate and future requirements of the Joint Force.

To meet the needs of the Future Force and to improve both effectiveness and efficiency, we are also adapting the Institutional Army. The Institutional Army helps to accomplish our Title 10 functions to recruit and train our Soldiers, generate and sustain the force and other Services with materiel and equipment, and prepare the force for the future through doctrine development, research and experimentation. It represents about one-third of the Army in the form of Active, National Guard, Army Reserve units, Department of the Army civilians and contractors. It includes Headquarters, Department of the Army; Training and Doctrine Command; Forces Command; Army Medical Command; Army Materiel Command; Army Corps of Engineers and numerous other organizations.

The idea of adapting the Institutional Army is not new. Driven by strategic, operational and fiscal necessities of war, the time to do it is now. The Army Campaign Plan communicates the scope of adaptation that is required to:

- Identify and divest ourselves of functions no longer relevant to current missions;
- Develop a joint, interdependent, end-to-end logistics structure that integrates a responsive civil-military sustaining base to better meet Army operational requirements;
- Foster a culture of innovation to significantly increase institutional agility; and
- Convert military positions to civilian positions, where appropriate, to improve the availability of Soldiers for deploying units.

We are incorporating these objectives into a comprehensive plan for adapting the Institutional Army, process-by-process, structure-by-structure, over a multiyear period. This plan will provide context, direction and a general vector to support the immediate adaptation of the Institutional Army to reflect our wartime focus. The Army will develop this plan during this fiscal year.

Maintaining Our Installations as "Flagships of Readiness"

Our installations are an essential component in maintaining the premier Army in the world. Our installations are the platforms from which we rapidly mobilize and deploy military power and sustain our military families. Installations also play a vital role in training the force and reconstituting it upon return from deployment. They also provide deployed commanders with the ability to reach back for information and other support through advanced communications technology.

To enable the creation of new modular brigades, the Army has greatly accelerated the normal planning, programming and budgeting cycle, requiring installation commanders to find innovative solutions to support additional Soldiers training and living on our installations. The Army is using existing facilities when available and making renovations and modifications, where feasible. Often, we must acquire temporary structures to satisfy facility shortfalls. We are also funding site preparation work, permanent utility infrastructure and renovation projects. Each installation has unique requirements to support and sustain the Army's new modular force structure.

The condition of our installation infrastructure, such as vehicle maintenance and physical fitness facilities, continues to present challenges due to the compounding effects of many decades of underfunding. Investment in the installations that are homes to our Soldiers and families, and the workplace for our civilians, will continue to play a vital role in attracting and retaining volunteers to serve.

Improving Global Force Posture

The Army is adjusting its global posture to meet the needs of Combatant Commanders. The objective is to increase strategic responsiveness while decreasing its overseas footprint and exposure. As part of a larger Department of Defense program, these adjustments will have a fundamental impact on our facilities and our ability to surge forces when needed. In place of traditional overseas bases with extensive infrastructure, we intend to use smaller forward operating bases with prepositioned equipment and rotational presence of personnel.

Parallel with the Base Realignment and Closure process, the Army is identifying critical joint power projection installations to support the mobilization, demobilization and rapid deployment of Army forces. We are also enhancing force reception and deployed logistics capabilities to quickly respond to unforeseen contingencies.

To complete the transition to an expeditionary force, we will reposition ground forces to meet emerging challenges and adjust our permanent overseas presence to a unit-rotation model that is synchronized with force generation initiatives. In Europe, both heavy divisions will return to the United States. They are being replaced by expanding the airborne brigade in Italy, enhancing the Army's training center in Germany and establishing a possible rotational presence in Eastern Europe. We will maintain a rotational presence in the Middle East while eliminating many of our permanent bases. In the Pacific, we will maintain smaller forward-presence forces, but will station more agile and expeditionary forces capable of rapid response at power projection bases. Finally, we will leverage our improved readiness to increase our rotational training presence among our security partners.

LandWarNet

LandWarNet is the Army's portion of the Department of Defense's Global Information Grid. LandWarNet, a combination of infrastructure and services, moves information through a seamless network and enables the management of warfighting and business information.

Operations in Iraq and Afghanistan highlight the power of a highly mobile communications network and network-centric operations. A network-centric force has dramatically improved situational awareness and quality of information which, in turn, leads to dramatic improvements in military effectiveness across the range of vital functions including operational cycle times, command and control, force application, force protection and logistics. These improvements combine to create unprecedented levels of flexibility and agility.

The 1st Cavalry Division and the 1st Armored Division have demonstrated this agility in their operations. Using the power of networked communications, they have been able to move information at unprecedented rates which has shortened the time required to conduct tactical and operational updates. This has accelerated the speed of command by enabling faster planning and execution of operations. Using this technology, Stryker units were able to move from northern locations to the south and fight two battles within 48 hours, demonstrating a significant improvement in both flexibility and agility.

Equipping Soldiers with world-class communications capabilities is also improving the ability to provide logistical support. For example, the 3rd Infantry Division was fielded, prior to their redeployment to Iraq this year, with the Joint Network Transport Capability-Spiral, which includes the Joint Network Node, Trojan Spirit and the Combat Service Support Very Small Aperture Terminal. These systems provide versatile satellite communications that improve the ability to sustain operations over extended distances in complex terrain by reducing gaps in current capability. Three other divisions will receive these systems this year. We are also fielding commercial solutions available now to expand communications capabilities and to increase self-sufficiency.

The Network will also help to provide "actionable intelligence" for commanders and Soldiers in a more timely manner than today. The Network will improve situational awareness and the quality and speed of combat decision making. It will leverage the Army's initiatives to expand human intelligence and improve analytical capabilities for deployed forces. Moreover, it will enable improvements in collaboration and analysis, while making it possible to share intelligence products more readily with the commanders and Soldiers that have the greatest need for them.

Accelerating the fielding of Battle Command capabilities to establish a more capable and reliable network will support the Department of Defense goal to bring the joint community closer to a common operational picture. LandWarNet will integrate joint maneuver forces, joint fires and actionable intelligence to produce far greater capability and responsiveness. The combined effect of our Battle Command and Network programs will be to improve combat capability today, while enhancing the relevance and readiness of the Future Force.

BALANCING RISK: THE TENSION BETWEEN CURRENT AND FUTURE DEMANDS

To reduce the risk associated with operations in support of the Global War on Terror, in the aftermath of September 11, we have made numerous decisions to allocate resources to immediate, urgent wartime needs. These decisions, made prior to and during 2004, have better enabled our Soldiers to accomplish their missions. Our challenge, in the months and years ahead, will be to establish a balance between current and future investments that will keep risk at moderate levels as we support the execution of the full scope of our global commitments while preparing for future challenges.

“Buying Back” Capabilities

Prior to September 11, the Army’s strategic investment decisions were based on a prevailing view that, in the absence of a peer competitor, risk could be accepted in numerous areas of procurement for the Current Force to facilitate substantial investment in the Future Force.

In the aftermath of September 11, Army requirements changed dramatically. Army decisions made during 2004 reflect the need to “buy back” many of the capabilities, forsaken in recent years, now required to support the Combatant Commanders. Buying back these capabilities has reduced operational risk, improved force protection and supports evolving priorities. While these decisions have produced dramatic, immediate improvements for our Soldiers and for our capabilities in Iraq and Afghanistan, the costs, in excess of \$6.5 billion, have been substantial.

Major Decisions in 2004

During 2004, the Army restructured or cancelled 126 programs to free resources for more pressing wartime requirements. The most significant of these decisions are described below.

—In May 2004, as highlighted earlier, the Army cancelled the Comanche Program. We are reinvesting the \$14.6 billion in savings into pressing Army aviation requirements and correcting many chronic equipment shortfalls.

—In July 2004, the Army restructured the Future Combat Systems (FCS) Program to accelerate the introduction of crucial new capabilities to the Current Force. By accelerating FCS, the Army will be able to spiral promising technologies into the hands of Soldiers and leaders to give them the tools they need now.

Other decisions made by Congress or the Department of Defense acted to significantly enhance the Army’s capability to accomplish its assigned missions.

—In October 2004, the Army was authorized by the National Defense Authorization Act to raise Active Component end strength by 20,000 Soldiers and, between 2005 and 2009, increase by an additional 10,000 Soldiers. This increase is intended to provide the personnel strength needed to implement our modular conversion and rebalancing initiatives. The increase in end strength also expands the potential options for operational tour lengths, which we are fully evaluating in the larger context of the Army’s ability to generate the combat and sustainment forces needed to support operations in multiple theaters of war.

—During fiscal year 2004, in addition to supporting these critical decisions, the Department of Defense and the other Services supported Army operations and helped to maintain transformational momentum, by reprogramming significant resources to Army accounts. The Army also received more than \$15.4 billion of a \$25 billion contingency reserve fund appropriated by Congress.

Meeting Today’s Demands While Preparing for Tomorrow

We have done much to mitigate risk, in all dimensions, but particularly in operational risk. Creating modular units; fielding of Stryker Brigade Combat Teams; restructuring of Army Aviation following the cancellation of the Comanche Program; establishing the Reset Program and initiating rapid fielding; and rapid equipping programs are all helping to meet demands for Army forces, while reducing levels of operational risk.

Due to dramatically increased operational tempo, the operational fleet’s condition and age are affecting current equipment readiness. Increased mileage and flight hours, coupled with the severe environmental conditions encountered in Iraq and Afghanistan, have placed greater stress on the fleet than expected. The Army will require assistance to address the risk. As part of the Reset Program, increased repair, recapitalization and replacement of systems will be required to ensure our fleet is maintained and fully capable.

Numerous initiatives are focused to reduce force management risk. These include:

—Establishing a larger pool of rotational forces through modularity;

- Rebalancing the Active and Reserve Components;
- Eliminating redundant capabilities;
- Executing a comprehensive military-to-civilian conversion program;
- Stabilizing the force;
- Enhancing recruiting and retention by adding recruiters and creating special incentives; and
- Increasing the personnel strength of the operational Army.

In addition, congressional approval of increases in Active Component personnel strength is helping the Army to man its transforming modular Brigade Combat Teams now undergoing activation or conversion.

Our Army is focusing resources on spiraling higher payoff technologies into the Current Force to minimize future risks. Our investment accounts will be critical to our ability to maintain technological superiority and ensure the development and fielding of the Future Force. We will need assistance to maintain these investment accounts to strike the proper balance between supporting current operations and readiness and investing in capabilities required to ensure future success.

To reduce institutional risk, we are continuing to refine our resourcing processes to make them more agile and responsive to the immediate requirements of the Combatant Commanders and to help prepare the Army for future challenges. Our investments in LandWarNet (to facilitate real time, common understanding of dynamic situations) are improving our installations' ability to project and sustain forces. This result is a more rapidly deployable force that requires less logistics overhead structure and a greater capacity to reach back to their home stations for intelligence, medical and other essential support.

Increased funding will be required to accomplish our current tasks and simultaneously prepare for the future. Reduced funding would have a significant impact on procurement; repair, recapitalization and replacement of the heavily utilized operational fleet; resetting the force; and Soldier programs, while preparing the force to accomplish the full range of future requirements, projected in an uncertain, unpredictable era.

REMAINING RELEVANT AND READY IN SERVICE TO THE NATION

Our commitment to the Nation is certain and unwavering. The Army has defended the Nation for 230 years. We continue to remain vigilant in this fundamental task by providing the Nation unique capabilities to complement those provided by the other Services.

The Army remains a values-based organization committed to the ideals of Loyalty, Duty, Respect, Selfless Service, Honor, Integrity and Personal Courage. These ideals are embodied in the Soldier's Creed and the Warrior Ethos and are ingrained into the fiber of every American Soldier. We remain dedicated to preparing every Soldier to face the realities of combat and positioning the Army to face the challenges of the future.

Even as we fight the Global War on Terror and sustain our other strategic commitments, we must continue to focus on tomorrow. We are challenging our institutional practices and our assessment of current and future warfighting capabilities by asking key questions and continuing to validate our answers to them:

- What are the strategic requirements of the 21st century security environment?
- What are the characteristics and capabilities of a truly joint, interdependent, network-centric force, designed to dominate across the full range of military operations?
- Will Army and joint transformation activities produce the capabilities required to dominate across the range of military operations in the environment where they will most likely occur?
- Are joint land forces (Army, Marines and Special Operations Forces) properly sized, structured and trained to perform the full scope of missions required now and in the future?
- What are the optimal roles for the Army's Active and Reserve Components and the Joint Force in homeland defense?
- What will the impact of sustained, protracted conflict be on the All-Volunteer force?
- What combination of quality of life, compensation, incentives, service options and other tools will be required to recruit and retain the All-Volunteer Force of the future?

We continue in our determination to achieve our overarching strategic goal: to remain relevant and ready by providing the Combatant Commanders with the capabilities required to dominate across the range of military operations.

With the support of the Department of Defense and Congress, we are sustaining our global commitments while making tremendous progress in our transformation—the most dramatic restructuring of the Army in more than 50 years. We will need your continued support in order to provide relevant and ready forces and other capabilities to the Combatant Commanders, while providing for the well-being of our All-Volunteer Soldiers and their families who are serving the Nation in this time of war.

ADDENDUM A

(DATA REQUIRED BY NDAA 1994)

Sections 517 and 521 of the National Defense Authorization Act (NDAA) for Fiscal Year 1994 require the information in this addendum (Note: 521 of the NDAA has been codified in 10 U.S. Code 10542). The information is presented in the order and depth as required by the act. Section 517 requires a report relating to the implementation of the Pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA for fiscal years 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard, including information relating to the implementation of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102–484, and referred in the addendum as “ANGCRRRA”). Section 521 reporting was later amended by Section 704, fiscal year 1996 NDAA. U.S. Army Reserve information is also presented using Section 521 reporting criteria.

Section 517(b)(2)(A).—(See Figure A–1) The promotion rate for officers considered for promotion from within the promotion zone who are serving as Active Component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

[In percent]

	AC in RC ¹	Army Average ²
Fiscal Year 2003:		
Major	87.4	93.8
Lieutenant Colonel	40.5	79.6
Fiscal Year 2004:		
Major	93.4	96.9
Lieutenant Colonel	38.9	79.0

¹ Active Component (AC) officers serving in Reserve Component (RC) assignments at time of consideration.

² Active Component officers not serving in Reserve Component assignments at the time of consideration.

FIGURE A–1

Section 517(b)(2)(B).—(See Figure A–2) The promotion rate for officers considered for promotion from below the promotion zone who are serving as Active Component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

[In percent]

	AC in RC ¹	Army Average ²
Fiscal Year 2003:		
Major	3.6	7.5
Lieutenant Colonel		7.2
Fiscal Year 2004:		
Major	4.6	7.5
Lieutenant Colonel	3.4	7.5

¹ Below-the-zone, active component officers serving in Reserve Component assignments at time of consideration.

² Below-the-zone, active component officers not serving in Reserve Component assignments at the time of consideration.

FIGURE A–2

Section 521(b).

1. The number and percentage of officers with at least two years of active duty before becoming a member of the Army National Guard or U.S. Army Reserve Selected Reserve units:

- a. Army National Guard (ARNG) officers: 20,653 or 56.3 percent.
- b. U.S. Army Reserve (USAR) officers: 9,828 or 25.47 percent.

2. The number and percentage of enlisted personnel with at least two years of active duty before becoming a member of the Army National Guard or U.S. Army Reserve Selected Reserve units:

- a. ARNG enlisted: 129,985 or 42.5 percent.
- b. USAR enlisted: 36,396 or 21.64 percent.

3. The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active duty service obligation. Of those officers:

a. The number who are serving the remaining period of their active duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRRA:

In fiscal year 2004, no officers were released to the selective reserve to complete their obligation.

b. The number for whom waivers were granted by the Secretary under section 1112(a)(2) of ANGCRRRA, together with the reason for each waiver:

In fiscal year 2004, no waivers were granted by the Secretary of the Army.

4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps (ROTC) graduates and were released from active duty before the completion of their active duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRRA:

In fiscal year 2004, no distinguished ROTC graduates were released before completing their active duty service obligation.

In fiscal year 2004, no waivers for distinguished ROTC graduates were granted.

b. The number for whom waivers were granted by the Secretary under section 1112(a)(2) of ANGCRRRA, together with the reason for each waiver:

In fiscal year 2004, no waivers were granted by the Secretary of the Army.

5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRRA by a combination of (A) two years of active duty, and (B) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:

In fiscal year 2004, four ROTC graduates were released early from their active duty obligation. Of this number, none are completing the remainder of their obligation through service in the Army National Guard, and none through service in the U.S. Army Reserve.

6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant and, of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRRA (with U.S. Army Reserve data also reported):

a. *ARNG*.—1,490 ARNG officers from units were recommended for unit vacancy promotion and promoted. An active duty officer concurred with 100 percent.

b. *USAR*.—178 USAR officers from units were recommended for unit vacancy promotion. 121 were favorably considered.

7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRRA of any standard prescribed by the Secretary establishing a military education requirement for noncommissioned officers and the reason for each such waiver:

In fiscal year 2004, no waivers were granted by the Secretary of the Army.

8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and nondeployability personnel accounting category established under section 1115 of ANGCRRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (A narrative summary of information pertaining to the U. S. Army Reserve is also provided):

a. *ARNG*.—In fiscal year 2004, the number of ARNG non-deployable personnel was 38,221. The National Guard Bureau (NGB) maintains the detailed information by State.

b. *USAR*.—In fiscal year 2004, the total number of USAR non-deployable personnel was 34,318. The United States Army Reserve Command maintains non-deployable Soldier statistical information.

9. The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard (and Army Reserve):

a. *ARNG*.—The number of ARNG Soldiers discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the ARNG is 30 Officers and 10,285 enlisted, which includes all 54 States and territories. The breakdown by each State is maintained by NGB.

b. *USAR*.—The number of USAR Soldiers discharged in fiscal year 2004 due to not completing required military Initial Entry Training (IET) includes 109 officers and 415 enlisted. Those Soldiers who have not completed the required IET within the first 24 months are discharged from the Army Reserve. The United States Army Reserve Command maintains statistical information on non-completion of IET by Army Reserve Soldiers.

10. The number of waivers, shown for each State, that were granted by the Secretary during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver:

In fiscal year 2004, no waivers were granted by the Secretary of the Army.

11. The number of Army National Guard members, shown for each State (and the number of U.S. Army Reserve members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage who did not meet minimum physical profile standards required for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8):

a. Screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment:

ARNG.—In fiscal year 2004, approximately 70,068 ARNG Soldiers underwent a physical. Of these personnel, 2,068, or 3 percent, did not meet the minimum physical profile standards required for deployment.

USAR.—In fiscal year 2004, approximately 20,864 USAR Soldiers underwent a retention physical. Of these, 2,086, or 10 percent, were identified for review.

b. The number and percentage that were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8):

ARNG.—In fiscal year 2004 6,223 Soldiers were transferred from a deployable to a non-deployable status.

USAR.—In fiscal year 2004 312 Soldiers, or less than 1 percent of the Army Reserve Selected Reserve, were transferred from a deployable to a non-deployable status.

12. The number of members, and the percentage total membership, of the Army National Guard, shown for each State, who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA:

Public Law 104–106 (NDAA 1996), Div. A, Title VII, Section 704(b), February 10, 1996, repealed Section 1117 of ANGCRRA.

13. The number of members, and the percentage of the total membership, of the Army National Guard, shown for each State, who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA:

Public Law 104–106 (NDAA 1996), Div. A, Title VII, Section 704(b), February 10, 1996, repealed Section 1117 of ANGCRRA.

14. The number of members, and the percentage of the total membership, of the Army National Guard, shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA:

Public Law 104–106 (NDAA 1996), Div. A, Title VII, Section 704(b), February 10, 1996, repealed Section 1117 of ANGCRRA.

15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization and, of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRA:

Public Law 104–106 (NDAA 1996), Div. A, Title VII, Section 704(b), February 10, 1996, repealed Section 1118 of ANGCRRRA.

16. The estimated post-mobilization training time for each Army National Guard combat unit (and U.S. Army Reserve Force Support Package (FSP) unit), and a description, displayed in broad categories and by State, of what training would need to be accomplished for Army National Guard combat units (and U.S. Army Reserve FSP units) in a post-mobilization period for purposes of section 1119 of ANGCRRRA:

a. *ARNG*.—Estimated time for post-mobilization training is reported through the Unit Status Report, is classified, and is maintained by the Department of the Army, G–3:

Information on the type of training required by units during post-mobilization is maintained by U.S. Army Forces Command (FORSCOM) and the Continental United States Armies (CONUSAs).

Post-mobilization training for enhanced Separate Brigades (eSB)/ARNG Brigade Combat Teams (BCTs) can be categorized as maneuver, attack, defend, command and control, gunnery, NBC defense, and sustainment. Theater specific training requirements to include Antiterrorism (AT) and Force Protection (FP) training are also conducted during the post-mobilization training period.

b. *USAR*.—To meet the on-going operational requirements of OIF and OEF, Army Reserve training is now based on a higher readiness requirement to meet the train-alert-mobilize deploy model, which reduces emphasis on post mobilization training. The Army Reserve force must be ready before mobilization. This change requires a new training strategy and increased resource requirements for additional individual and unit training:

Army Reserve units with significant numbers of cross-leveled or Individual Ready Reserve (IRR) Soldier fills require additional collective training time at the Mobilization Stations. Current mobilization timelines often do not allow for a Mission Rehearsal Exercise (MRE) for deploying combat support and combat service support (CS/CSS) units to the same standard as deploying combat units. However, these units receive home station training to compensate for this shortfall.

To continue providing capabilities to support the Army in sustained joint and expeditionary operations and to provide predictability for Soldiers, families and employers, the Army Reserve is implementing the Army Reserve Expeditionary Force (AREF). Beginning in 2005, ten like-structured deployable organizations called Army Rotational Expeditionary Packages (AREPs) will be formed. Units in each AREP will plan to mobilize to deploy for up to twelve months once every five or six years. Unit capabilities and readiness within an AREP will be formally validated as it approaches the employment window. The Army Reserve will implement the AREF in 10 phases. As the Army Reserve transforms, early AREP rotations and their timelines will be condensed. As the concept is fully implemented, the rotations and their phases will become more distinct and sequential.

17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the U.S. Army Reserve):

a. *ARNG*.—During the preceding fiscal year the ARNG made significant progress towards incorporating Training Aids, Devices, Simulators, and Simulations (TADSS) as an integral part of its training strategy and supported numerous units at mobilization stations with virtual and constructive training tools. In addition, the ARNG training division teamed with the Army G3 to validate virtual maneuver simulators for the entire ARNG heavy force.

The ARNG is fielding the Advanced Bradley Full-Crew Interactive Simulation Trainer (AB-FIST) that provides full crew precision gunnery for the M2 and M3 family of vehicles. The system underwent a rigorous Limited User Test (LUT) with the U.S. Army Infantry School (USAIS) and the Army Research Institute (ARI). In fiscal year 2004, the AB-FIST was approved by the USAIS Commanding General, as a training device that can be used for Bradley gunnery crew training in addition to the Conduct of Fire Trainer to meet established live fire prerequisites as outlined in DA PAM 350–38. To support maneuver training the ARNG is fielding updated Simulations Network (SIMNET) virtual maneuver simulators for the M1A1 and M2A2 vehicles. The upgraded SIMNET modules feature a new PC-based visual system, host computer, and a sound system. These tank and mechanized infantry platoon sets have upgraded After Action Review (AAR) stations.

ARNG Battle Staff Trainers are being updated with the Army's latest approved Janus software versions. Janus software operates on portable PCs. The ARNG continues to procure new hardware to ensure these systems can operate the Objective One Semi-Automated Forces (OneSAF) software when it is fielded in fiscal year 2007. Additionally, the Engagement Skills Trainer (EST 2000) continued to be fielded in fiscal year 2004. The EST 2000 is the Army's approved collective marksmanship training device. EST 2000 is used by the ARNG to provide unit collective gunnery and tactical training for dismounted Infantry, Special Operations Forces, Scouts, Engineer, Military Police Squads, and Combat Support and Combat Service Support elements. These systems also support units conducting the homeland defense and airport security missions assigned to the ARNG.

During fiscal year 2004, the ARNG experienced a significant increase in the number of Soldiers mobilized for OIF. The National Guard Bureau procured TADSS sets for deployment to mobilization sites such as Camp Shelby, MS, Fort Bliss, TX, Fort Hood, TX, and Fort Drum, NY. These sets consist of M1 and M2 precision gunnery training devices, rifle marksmanship trainers and other unit specific TADSS. Most importantly in fiscal year 2004, the ARNG led the way in the development of a Virtual Combat Convoy Trainer (VCCT) system. To keep costs low the ARNG required the contractor to leverage existing technology developed for the M1 and M2 virtual gunnery systems. The National Guard Bureau funded the procurement of convoy simulators that train tasks associated with the execution of a convoy. Soldiers train in the simulator prior to executing a convoy live fire exercise.

Through the ARNG Distributed Battle Simulation Program (DBSP) commanders, staffs and Soldiers receive assistance from "graybeard" mentors and TADSS facilitators. DBSP is a contractor organization that provides trained and experienced civilians to ensure the ARNG is using all of the TADSS in a meaningful way to execute annual training requirements. DBSP battle staff training teams provide exercise support during the planning, preparation, and execution of computer-mediated battle staff training. This support augments the support provided by Training Support XXI Soldiers.

b. *USAR*.—The Army Reserve has continued to work with the U.S. Army Infantry School and Army Training Support Command to incorporate the Laser Marksmanship Training System into a training strategy that supports initial entry and unit sustainment training. In 2004, Army Reserve efforts with Beamhit Corporation, makers of the laser training system, resulted in the development of full-scale laser targets that support convoy counter-ambush training. These targets permit the Army Reserve's use of current roads and buildings for greater realism in tactical marksmanship training. Soldiers can fire the lasers with blanks from moving vehicles while engaging targets that represent an ambush. Army Reserve units conduct this training at home station rather than waiting to arrive at mobilization stations:

The Army Reserve also uses simulation devices like the EST 2000 and the VCCT systems at consolidated training sites, to include mobilization stations. The Army Reserve has fielded seven EST 2000s and is working with proponents, such as the Military Police School, to leverage its use in MOS reclassification. The Army Reserve mobilized 73 small arms instructors to support CONUSA mobilization operations. At some mobilization stations, ammunition consumption dropped nearly 200 percent of Standards in Training Commission (STRAC) ammunition authorizations to 75 percent. A second mobilization of small arms instructors began in October 2004.

18. Summary tables of unit readiness, shown for each State, (and for the U.S. Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

a. Explanations of the information shown in the table:

Unit readiness reporting information and summary tables are classified. This information is maintained by the Department of the Army, G-3.

b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the Army National Guard (and U.S. Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with such section 1121:

Unit readiness summary tables and overall assessments are classified. Department of the Army, G-3, maintains this information.

19. Summary tables, shown for each State (and the U.S. Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by

inspector general or other commissioned officers of the Regular Army under the provisions of Section 105 of Title 32, together with explanations of the information shown in the tables, and including display of (a) the number of such inspections; (b) identification of the entity conducting each inspection; (c) the number of units inspected; and (d) the overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions. Summary tables depicting CONUSA inspection numbers by State for the ARNG and by Regional Readiness Command for the USAR units are available from U.S. Army, FORSCOM:

a. *ARNG*.—During fiscal year 2004, ARNG State level Inspector General (IG) conducted extensive inspections throughout the United States. State level IGs conducted approximately 336 inspections during the year, visiting 538 separate units. Because IG inspections focus on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of individual inspections conducted by an IG may be requested for release through the Inspector General of the Army. Operational Readiness Evaluation Data for FSP and eSBs is unavailable as these inspections were eliminated as requirements in 1997. Data available under the Training Assessment Model (TAM) relates to readiness levels and is generally not available in an unclassified format. TAM data is maintained at the State level and is available upon request from State level training readiness officials.

b. *USAR*.—In accordance with AR 1-201, the United States Army Reserve Command (USARC) conducts inspections of Regional Readiness Commands (RRCs) and Direct Reporting Units (DRUs) within the USARC Organizational Inspection Program (OIP). USARC maintains the results of all OIPs. The OIP focuses on findings and recommendations. Units do not receive pass/fail ratings. During fiscal year 2004, five OIPs were scheduled, but none were conducted. Units were not inspected because of the high OIF/OEF OPTEMPO. However, the Army Reserve did conduct 12 Battle Focus Readiness Reviews, which involved a review of over 180 brigade and below units. The Army Reserve also conducted 400 command inspections, which represents more than one-third of USAR units. U.S. Army Forces Command (FORSCOM) maintains the results of unit TAMs and the data for Reserve Component FSP unit inspections.

20. A listing, for each Army National Guard combat unit (and U.S. Army Reserve FSP units) of the active duty combat units (and other units) associated with that Army National Guard (and U.S. Army Reserve) unit in accordance with section 1131(a) of ANGCRRRA, shown by State, for each such Army National Guard unit (and for the U.S. Army Reserve) by: (A) the assessment of the commander of that associated active duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRRA; and (B) the results of the validation by the commander of that associated active duty unit of the compatibility of that National Guard (or U.S. Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA.

The listing described above is contained in FORSCOM Regulation 350-4-Active Component/Reserve Component Partnerships. Detailed assessments of specific RC units by associated active duty commanders are maintained within FORSCOM at the two CONUSAs and three CONUS-based corps. General comments of manpower, equipment and training resource requirements in accordance with ANGCRRRA follow:

a. *ARNG*.—For Army National Guard divisions and BCTs:

—*Manpower*.—Several BCTs have shortages in enlisted personnel and junior officers. Duty Military Occupational Specialty Qualification (DMOSQ) is a training challenge because Military Occupational Specialties (MOS) require extensive training, during a limited training window, in schools that are often taught simultaneously. Within the BCTs, Full-Time Support (FTS) continues to be a challenge, currently filled at approximately 55 percent of requirements. In ARNG divisions, recent force structure changes and rebalancing actions are causing short-term shortfalls in fill percentages.

—*Equipment*.—The Army is making extraordinary efforts to fully equip all units deploying to theater in terms of vehicles, weapons, communications, force protection equipment and other areas. However, the lack of modernized equipment continues to hamper the BCTs. Shortages in chemical defense equipment and night vision devices limit the full range of capabilities for training of the BCTs. The BCTs continue to receive the bulk of any new equipment fielded to the ARNG.

—*Training*.—Adequate training resources in fiscal year 2004 enabled BCTs to sustain platoon pre-mobilization training proficiency. Distances to crew-served weapons ranges and the availability of adequate maneuver areas continue to challenge most units. Virtual and constructive simulation systems combine with live training to provide multi-echelon collective proficiency.

b. *USAR*.—Within the Army Reserve, use of the Force Support Package (FSP) unit model is in the process of being replaced by the Army Reserve Expeditionary Packages (AREP) force management model:

—*Manpower*.—The Army Reserve is continuing to improve its operations and training management by building FTS manning as a result of the Congressionally approved Active Guard/Reserve (AGR) and Military Technician (MILTECH) ramps. However, sustaining DMOSQ is impacted in some cases by limited school spaces that are based on class size and student to instructor ratio (2:1 for some course phases). To address this situation, Army Reserve schools have begun to mobilize qualified Army Reserve instructors to teach only in RC schools. The Army Reserve is also starting to accelerate the conduct of courses and use web-based training whenever feasible. Some MOSs require extensive training, for example 15N, 25B, 45G, 91W, and 97B, and sequential schools require a Soldier's absence from their civilian employment for extended periods.

—*Equipment*.—Prior to September 11, the Army's strategic investment decisions were based on a prevailing view that, in the absence of a peer competitor, risk could be accepted in numerous areas of procurement for the Current Force to facilitate substantial investment in the Future Force. The impact of these decisions has been evidenced across all components. In the case of the Army Reserve, this has resulted in not fully fielding force modernization equipment. Today, the Army Reserve has approximately 78 percent of its authorized end items. New procurement and cascading of older equipment from the Active Component (AC) is only keeping pace with battle losses and attrition. The shortage of modern equipment and the retention of obsolete and obsolescent items to maintain equipment on-hand readiness have begun to adversely impact the Army Reserve's ability to continue to support the Army's sustained joint and expeditionary operations.

Today almost 76 percent of on-hand Army Reserve equipment is deployed, mobilizing, demobilizing or assigned as "Stay Behind Equipment" (SBE) in theater. Replacement of SBE for the Army Reserve is an immediate force multiplier for the Army. The Army Reserve continues to support subsequent OIF/OEF rotations and other requirements by using assets from its stateside-based institutional training structure. Much of the equipment returning from OIF/OEF has rapidly expended its service life under combat conditions and must be replaced. The concept of a transformed, modular Army of "plug and play" units demands that all units, regardless of component, be equipped to the same levels and with compatible and interoperable systems. Current Army procurement planning, with the assistance of Congressionally directed procurement within the Total Obligation Authority and the National Guard and Reserve Equipment Appropriations (NGREA), are the keys to achieve this goal.

—*Training*.—Some Equipment Readiness Code-A (ERC-A) equipment shortages inhibit effective training. High levels of SBE and backlogs at reconstitution and depot sites further exacerbate the problem. Army Reserve units often have a significantly older generation of equipment on which to train. Units will require additional training time after mobilization to achieve proficiency on collective tasks, especially if modernization equipment is provided after mobilization.

The results of the validation by the commander of that associated active duty unit of the compatibility of that National Guard (or U.S. Army Reserve) unit with active duty forces in accordance with ANGCRRRA are maintained by the Department of the Army, G-3. General comment follows:

For ARNG divisions, BCTs, ARNG Force Support Package (FSP) Units and Army Reserve FSP Units: Lack of Force Modernization equipment within the Reserve Component (RC) is the foremost AC compatibility issue. Until the RC units are modernized and supported at the same level as the AC units, most RC units will not be fully compatible with AC units until after mobilization. Decreased mobilization to deployment and/or employment timelines makes it imperative that RC units be modernized and equipped at the same level as the Active Component prior to mobilization. As Modified Tables of Organization and Equipment in units are updated and unit reorganization continues, the compatibility issue will improve.

21. A specification of the active duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 U.S. Code 261 note), shown (A) by State for the Army National Guard (and for the U.S. Army Reserve), (B) by rank of officers, warrant officers, and enlisted members assigned, and (C) by unit or other organizational entity of assignment:

As of September 30, 2004, the Army had 4756 Active Component Soldiers assigned to Title XI positions. The Army goal is 100 percent of the total (officer and enlisted authorizations) 5,000 personnel authorized for the AC/RC Program. Although constrained by ongoing support to the Global War on Terror, the Active Army is maintaining AC/RC program strength and plans to maintain not less than an aggregate strength level of 90 percent (officer and NCO) during the fiscal year 2005 period as addressed in the fiscal year 2005 NDAA. Army G-1 and U.S. Army Human Resources Command carefully tracks fill of Title XI positions (See Figure A-3).

TITLE XI FISCAL YEAR 2004 AUTHORIZATIONS

	Officers	Enlisted Soldiers	Warrant Officers	Total
PERSCOM		5		5
USAR	39	332	2	371
TRADOC	110	275		385
FORSCOM	1,428	2,471	153	3,899
GFR		2		2
USARPAC	32	62	1	94
Total	1,609	3,147	156	4,756

FIGURE A-3

ACRONYMS

AAR—After Action Review	EST 2000—Engagement Skills Trainer 2000
AB-FIST—Advanced Bradley Full-Crew Interactive Simulation Trainer	FCS—Future Combat Systems
AC—Active Component	FORSCOM—U.S. Army Forces Command
AGR—Active Guard and Reserve	FP—Force Protection
ANGCRRRA—Army National Guard Combat Readiness Reform Act	FSP—Force Support Package
AREF—Army Reserve Expeditionary Force	FTS—Full-Time Support
AREPs—Army Rotational Expeditionary Packages	GFR—Ground Forces Readiness
ARNG—Army National Guard	HMMWV—High-Mobility Multipurpose Wheeled Vehicle
ASE—Aircraft Survivability Equipment	IED—Improvised Explosive Device
ASV—Armored Security Vehicle	IET—Initial Entry Training
AT—Antiterrorism	IG—Inspector General
BCT—Brigade Combat Team	IRR—Individual Ready Reserve
BRAT—Bradley Reactive Armor Tiles	JNTC—Joint National Training Capability
CH—Cargo Helicopter	LMTS—Laser Marksmanship Training System
CONUSAs—Continental United States Armies	LUT—Limited User Test
COTS—Commercial-Off-the-Shelf	MILTECH—Military Technician
CS/CSS—Combat Support and Combat Service Support	MOS—Military Occupational Specialties
CTC—Combat Training Center	MRE—Mission Rehearsal Exercise
DBSP—Distributed Battle Simulation Program	NBC—Nuclear, Biological, and Chemical
DMOSQ—Duty Military Occupational Specialty Qualification	NCO—Noncommissioned Officer
DOD—Department of Defense	NDAA—National Defense Authorization Act
DRUs—Direct Reporting Units	NGB—National Guard Bureau
DS ³ —Disabled Soldier Support System	NGREA—National Guard and Reserve Equipment Appropriations
ERC—Equipment Readiness Code	OEF—Operation Enduring Freedom
eSB—enhanced Separate Brigades	OIF—Operation Iraqi Freedom
	OIP—Organizational Inspection Program

OneSAF—Objective One Semi-Automated Forces	TAM—Training Assessment Model
OPTEMPO—Operational Tempo	TRADOC—Training and Doctrine Command, U.S. Army
PERSCOM—Personnel Command	UA—Unit of Action
RC—Reserve Component	UAV—Unmanned Aerial Vehicle
REF—Rapid Equipping Force	UH—Utility Helicopter
RFI—Rapid Fielding Initiative	U.S.—United States
ROTC—Reserve Officer Training Corps	USAIS—U.S. Army Infantry School
RRCs—Regional Readiness Commands	USAR—United States Army Reserve
SBE—Stay Behind Equipment	USARC—United States Army Reserve Command
SIMNET—Simulations Network	USARPAC—U.S. Army Pacific Command
STRAC—Standards in Training Commission	VCCT—Virtual Combat Convoy Trainer
TADSS—Training Aids, Devices, Simulators, and Simulations	WMD—Weapons of Mass Destruction

Senator STEVENS. General, thank you very much. We're pleased to have that further explanation on these soldiers' background.

Mr. Secretary, we welcome Mrs. Harvey. I see she's sitting—Secretary HARVEY. Thank you.

Senator STEVENS [continuing]. Behind you, and we're pleased to have her with us today.

I also want to call attention to the fact that, from the Guard and Reserve, we had Lieutenant General Steve Blum, Chief of the National Guard Bureau, Lieutenant General Roger Schultz, who's Director of the Army National Guard, Lieutenant General James Helmly, Chief of the Army Reserve.

And let me welcome Senator Mikulski. I did so in her absence, but she has joined our subcommittee. We have served with her for many years on the full committee, and are delighted that she has come to this subcommittee.

Senator MIKULSKI. Thank you very much, Mr. Chairman. I look forward to an active service here. Reporting for duty.

Senator STEVENS. It is welcome duty. Having been whip for 8 years, I understand, Senator Durbin, you have duty on the floor and would like to be recognized. We're pleased to recognize you first.

Senator DURBIN. Mr. Chairman, thank you very much. And I want to thank Senator Inouye, as well, for giving me this opportunity, since I have to be on the floor in a few moments.

Before I ask my questions, let me just say thank you. Thank you to the Secretary, thanks to all of the men and women in uniform, and those who—their families and others who support them. You make us proud. All of your service is—we'll never be able to repay. The best we can do is to say that we're going to stand behind you. I think you're going to find that in this appropriation bill, both political parties. It is nonpartisan.

I also want to say that I've been out to Walter Reed several times. I've met with some of the fine men and women out there who have been injured in combat, and those who are treating them. And it is a great facility. I always ask them, "Is there anything I can do for the Illinois soldiers, in particular?" And they say, "They're taking care of us." They never ask me for anything, which is a good indication.

FORCE PROTECTION

But for one thing, Mr. Secretary, and that was—one of the first visits out there, one of the soldiers said, “You’ve got to do something about these Humvees.” And that goes way back, 1½ years ago. He said, “There’s just not enough protection on those Humvees.” Well, that’s become a major national issue, and many of the amputees and soldiers who have been injured, unfortunately, were in Humvees that were not protected. And they were subject to rocket-propelled grenades and these roadside bombs and—which still harass our troops and endanger them. I’m glad we’re moving forward on that.

The same complaint came about body armor. Many troops did not have them. A friend of mine, with a son in active military ended up collecting the money, paying for it himself, sending the body armor out to his son. He said, “I just can’t wait any longer. I’ve got to do this.”

TOURNIQUETS

Now there’s a new issue, Mr. Secretary, and there’s one—it’s so simple and basic that I really—I’ve got to ask you to address it. And you may have seen it in the Baltimore Sun on Sunday. They did a lengthy piece on the whole question of tourniquets and whether that would be standard-issue to our soldiers.

Now, I think everyone agrees that having a tourniquet ready and available at a moment’s notice is essential in combat, to save lives, particularly bleeding from the extremities. Long before the—well, at least before the invasion of Iraq, we said that this should be standard-issue. Again this year, the issue came up, as well.

This report from the Baltimore Sun, which I know Senator Mikulski is well acquainted with, goes through all of the units of the military that currently are given tourniquets, these \$20 tourniquets, as standard-issue: Army Rangers, Special Op troops, 82nd Airborne, 3rd Infantry, all marines—all carrying tourniquets. And yet when the survey was made of other groups, particularly Guard and Reserve activated groups, it was found that this basic \$20 piece of equipment wasn’t being issued to the soldiers. And your experts on medical treatment and making certain that we save lives have said this is an essential part of equipment.

When the Pentagon was asked, “Why haven’t you issued tourniquets if they’re readily available and so cheap?” someone in the Pentagon said, “Because we’re in the midst of designing a pouch to carry them in.” I hope that’s not accurate.

I would like to have you, Mr. Secretary, tell me if you are familiar with this problem, whether you could tell us how many of our soldiers today in Iraq carry with them, as standard-issue, a tourniquet, and, if not all of them, how quickly we’ll be able to provide this life-saving piece of equipment.

Secretary HARVEY. Yes, Senator, good question. I, like you, am very concerned. Soldier protection, force protection, quality of life of the soldiers, nothing is more important to me than that. As I’ve said on several occasions, providing for the well-being of the soldiers and their families is my number one priority.

I am generally familiar with this issue. It came up in a hearing a couple of weeks ago in the—in terms of whether we issue our soldiers something called QuickClot, which is issued to the marines. And I looked into that and have found out that this QuickClot is—can have some side effects, in terms of burns and in clotting outside the wound itself. I'm informed that we issue a pressure bandage—it is an Israeli-designed pressure bandage—to our soldiers.

So I can't give you the exact numbers, but it's—I'm under the opinion that we issue this pressure bandage to all our soldiers. The Chief may want to comment on that.

Senator DURBIN. Mr. Secretary, this is not a pressure bandage. I'm talking about a tourniquet. And a pressure bandage, even if it's standard-issue, or a clotting bandage, will not be adequate to deal with bleeding from an extremity. And if you read the story, and I'm going to send it to make sure you—

Secretary HARVEY. Yeah, I've perused it, yes.

Senator DURBIN. I hope you'll get a chance to look at it. They make it clear that, sadly, we've lost some soldiers because there was no place to turn for a tourniquet, a basic tourniquet, which is an element of first aid.

Let me give you an example. One of the lieutenants in the Army, David Bernstein, who is noted in this article, bled to death. A West Point graduate. As Senator Mikulski adds here, they couldn't find anything to use as a tourniquet. They used a sling from an M-4 rifle, and the nozzle from a fuel can to twist it, to try to stop the bleeding. Sadly, he lost his life because a \$20 basic tourniquet was not provided.

So your response about pressure bandages and clotting bandages, those will not do. This article makes it clear, they are not responsive to the need when you have this severe trauma and bleeding from the extremities. And so, I hope that you will look very closely at this. I think it's a critical—an inexpensive element to save the lives of our soldiers here.

I don't know if—General Schoomaker, if you've had familiarity with this.

General SCHOOMAKER. Sir, first of all, I'm not familiar with the article at all. Quite frankly, your bringing it up here is the first time I've heard of any problem like that. We've had tourniquets in the Army for almost all of my 36 years of service.

Senator DURBIN. Are they standard-issue to every soldier?

General SCHOOMAKER. They are standard in the medical channels. There have been improvements in the tourniquets. Typically, in the old days, we would carry cravats, which we used as tourniquets, which were standard-issue. There have been, since then, a variety of—the one-handed tourniquet that has come up more recently—there have been a variety of them, and I have known of no shortage of them. But this is something we could get into and certainly—

Senator DURBIN. General, I am told they are not standard-issue, that they are affordable, that what is presently being given to soldiers does not really fit—

General SCHOOMAKER. Typically—

Senator DURBIN [continuing]. The need.

General SCHOOMAKER [continuing]. Typically, medical gear like this is not issued as part of a soldier's—what we would call organizational clothing and individual equipment (OCIE). It is—comes through medical channels. It's typically a unit standard-operating-procedure problem, and the unit generally will dictate what medical gear a soldier will have. And I see no reason why there is any shortage. And certainly affordability is not at issue.

Senator DURBIN. Affordability is not an issue.

Secretary HARVEY. For sure. We'll get you a detailed answer for the record.

[The information follows:]

TOURNIQUETS

All Soldiers receive training on use of tourniquets upon initial entry into the Army, and sustained training and testing through the Soldier Common Task Test. Training is imperative for effective tourniquet application. Effective April 1, 2005, all new Soldiers will receive specific training on the new-generation Combat Application Tourniquet (CAT) in Basic Combat Training.

Every Soldier now carries a first aid pouch with a first aid dressing for use as a pressure dressing and tourniquet. Under current practice, all Combat Medics (military occupational specialty (MOS) 91W), and Combat Lifesavers (CLS) will carry new-generation tourniquets; however, new-generation tourniquet fielding to these Soldiers is not complete. (The target ratio of CLS to Soldiers in deploying units is one per squad or better.)

Between March 2003 and March 2005, the U.S. Army Medical Materiel Center-Southwest Asia (USAMMC-SWA) issued 58,163 new-generation tourniquets (four types) to CENTCOM-deployed units. Medical authorities in theater estimate 41 percent of deployed Soldiers have an approved tourniquet.

The Defense Logistics Agency ordered 172,000 CATs in mid-March 2005. Initial delivery of 15,000 CATs will be mid-April 2005, with the entire 172,000 delivered to theater by mid-July 2005. On March 31, 2005, the Army directed the USAMMC-SWA to order 56,000 Special Operating Forces—Tactical Tourniquets (SOFTT) for delivery before May 31, 2005.

The new Soldier Improved First Aid Kit (IFAK) includes a CAT and is being fast-tracked via the Soldier as a System Rapid Fielding Initiative.

The U.S. Army Institute of Surgical Research (USAISR) recently tested nine new-generation tourniquet systems and demonstrated that three were 100 percent effective. Based on these data, the CAT was selected as the tourniquet to be issued to individual Soldiers. USAISR recommended the SOFTT as an acceptable alternative to the CAT when the CAT was not available through the supply system. USAISR also recommended the emergency medical tourniquet for use in medical evacuation vehicles and at Echelon I-III medical facilities.

Senator DURBIN. Well, if you would—the fact that the Rangers, Special Ops, some divisions, like 82nd Airborne, 3rd Infantry, and the marines all carry it as standard-issue, I think, is a clear indication that—

General SCHOOMAKER. I will promise—

Senator DURBIN [continuing]. It could help—

General SCHOOMAKER [continuing]. You that the most combat—the most combat-experienced soldiers and marines and special operators don't go into battle without these kinds of things.

Senator DURBIN. On themselves, individually?

General SCHOOMAKER. On themselves, individually. This is something that experience will tell you. This isn't something you wait for the system to give you. This is something you requisition through medical channels, because you have the experience, the knowledge, the training, and the readiness—

Senator DURBIN. And you will give—

General SCHOOMAKER [continuing]. To understand you need it.

Senator DURBIN [continuing]. You will give me a report on how many soldiers—

General SCHOOMAKER. We will be glad to.

Senator DURBIN [continuing]. Currently—

General SCHOOMAKER. Yes, sir.

Senator DURBIN [continuing]. In Iraq and Afghanistan—

General SCHOOMAKER. And we—

Senator DURBIN [continuing]. Carry tourniquets?

General SCHOOMAKER. There is no reason why there should be any shortage in any unit of that kind of—

Senator DURBIN. There is no reason why there should be.

Secretary HARVEY. No. No.

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

Senator STEVENS. Senator, I'm constrained to say that when I was in the Army, they told us to take off our belt and take a knife in a sheath and use it to make a tourniquet immediately.

General SCHOOMAKER. Exactly right.

Senator STEVENS. It's one of those things.

I note that the chairman is here, and I know he has other subcommittees to go. Remember when he used to yield to me? I would be pleased to yield to you.

Senator COCHRAN. I'll wait my turn, Mr. Chairman. Thank you.

Senator STEVENS. Thank you very much.

RECRUITING AND RETENTION

Secretary Harvey, what are the problems in our recruiting efforts? I think most of us are thinking about the problems of recruiting and retention—in the Army, in particular; and in the Guard and Reserve, as well. We seem to have a—you know, we—I'm told we exceeded the goal for the Army last year. And the goal this year is 100 percent retention. How are you doing?

Secretary HARVEY. In terms of retention, Senator, we're just about on our goals. Retention in the Active is 99 percent of goal—these are our year-to-date goals—97 for the Reserves, and 98 for the Guard. So, from a retention point of view, I think we're okay. And, as we like to say, I think we're on our mission for the year.

Our challenge is in recruiting, and the Chief and I are both concerned about that. I don't think we're in crisis, but we're concerned about it. At the current time, we're at 94 percent of our goal in the Active, 90 percent in Reserves, and the problem area is the National Guard, which is at 74 percent.

Now, in response to that, we're taking the following actions. We're increasing the number of recruiters across the board, in all three areas, from 9,000 total to 12,000. We're increasing incentives—retention incentives, recruiting incentives—across the board for all three components. And, as you may know, we take surveys every month to ensure that the—as we call them, “the influencers” are satisfied, and what the influencers are thinking; and that's the parents and coaches and counselors and so forth.

So, it's a concern with us. I'm not going to sit here and tell you that we're 100 percent sure we're going to make it. And I'm also not going to sit here and tell you—we're not going to give up. We are going to put a lot of emphasis and focus on this area. I give it a lot of thought. And when someone says, “Well, you put the re-

cruiters”—the recruiters are like drilling the oil well. You say, “I’ve got more recruiters there, now they have to strike oil.” And we have another 6 months to go in the mission. And, believe me, as I said, we’re very concerned about it. We put a lot of emphasis and focus and attention to it. And I meet every other week with our human resource people to ensure that we’re doing everything we need to do and our message is getting across. And we do a lot of innovative things, like we sponsor National Association for Stock Car Auto Racing (NASCAR), dragsters, rodeos, and so forth. So we’re very focused in this area, and I think the takeaway is that it’s important, and we’re doing everything possible to attain our goals.

And let me note that, this year, our goal in the Active component is to recruit 80,000 soldiers. Last year, it started at 72,000; it was revised in the middle of the year to 77,000, which we made; and the year before that was 68,000. So, our goals have gone up, and our focus and initiatives and activities have gone up accordingly.

Senator STEVENS. General Schoomaker, have we given you enough tools to succeed, in terms of recruiting?

General SCHOOMAKER. Sir, tools—the tools you have given us are more than satisfactory. You’ve been very supportive in the tools. I think the Secretary has it exactly right, retention does not appear to be as big a challenge as recruiting. We are retaining soldiers. This is counter to many of the stories you hear, that the Guard and the Reserve and Active soldiers will not stay with us. They are staying with us, in increasing numbers.

But I will tell you, I am personally concerned about recruiting. And I think that recruiting this year is going to be tough to make our challenge, our increased goals. And I think in 2006 it’ll be even tougher. And so, we are going to have to look very hard at the tools, at our procedures, at our approaches. But, as I’ve testified before, I believe this is a national responsibility. This isn’t just the responsibility of the Army and the Marine Corps, the Air Force, and the Navy to recruit soldiers, sailors, airmen, and marines. It is a responsibility of the Nation to raise the armies and the navies and the air forces and the marines that are necessary to defend this country. And I think until people embrace this challenge as a national responsibility and necessity, that we will be challenged when we’re in periods of conflict, as we are today.

ARMY MODULAR FORCE

Senator STEVENS. I’m going to ask one of the staff to turn this soldier’s photo around and show it to the people out in the audience. I’m constrained to say that when I went into the service, I weighed 155 pounds. And I think Senator Inouye weighed just about the same amount. I think that fellow’s got on his back more than I weighed then.

Secretary HARVEY. He does. It’s 150 pounds. That’s a picture that I—that the Chief gave to me that I have in my office. I look at that every morning, and I think, “How am I going to lighten that soldier’s load?”

Senator STEVENS. That’s what I was going to ask.

Secretary HARVEY. Yes. Yes. And we’re—and we think about that often. And we’re going to do it several ways, one of which is, as you

heard, the Army modular force. We're going to be able to deploy to an area as a unit, not as a group of individuals, and that's going to help reduce that load.

Another way we're going to do that is through information technology and situational awareness, where, as I mentioned in my opening statement, one of the advantages of the Army modular force initiative is that we can start now to spiral in network technologies so that all soldiers have better situational awareness, so he doesn't have to take everything he has to take—

Senator STEVENS. My time—

Secretary HARVEY [continuing]. Because he knows—

Senator STEVENS [continuing]. Is running out, Mr. Secretary. But when we went to the Stanford Research Institute, they were devising a vest that would really—a shirt that would be both armor and have a built-in battery and have a built-in—a whole series of things that are there now.

Secretary HARVEY. We have a program executive officer (PEO) soldier. The Chief—

Senator STEVENS. Are we going to any innovation to try and lighten that load?

Secretary HARVEY. Yes. Chief?

General SCHOOMAKER. Sure we are. First of all—and I don't mean to be facetious here, but that's 150 pounds of lightweight gear.

Senator STEVENS. I understand that.

General SCHOOMAKER. That is—

Senator STEVENS. I saw some—

General SCHOOMAKER [continuing]. That is all the most advanced stuff that we can put on them. But I'll give you a historical example. When the 82nd Airborne Division and the 101st Airborne Division jumped behind the lines on the night of June 5–6, 1944, when those paratroopers jumped behind the lines, they carried 80 rounds of ammunition and two hand grenades, a change of socks, and a protective mask. And when they got on the ground, they got rid of their protective mask. Those soldiers went into combat totally—equipped totally differently than these soldiers are today.

This picture that you see there is a paratrooper in the 173rd Airborne Brigade that jumped into Northern Iraq. That's the morning the Sun rose, and they're stuck up there in the mud with all that stuff on their back in Northern Iraq with—you know, basically alone and unafraid, not unlike their forefathers did in World War II. And they're extraordinarily equipped. The problem is that we've got to get the mobility of these soldiers, and we've got to get the interdependence of it that we're working on so hard with the other services to lighten this load. But we also have a responsibility to lighten this load in a different way, and that is by taking—

Senator STEVENS. I think we ought to have a copy of that for our office here, too, because—

General SCHOOMAKER. Sure.

Senator STEVENS [continuing]. It worries me.

Senator Inouye.

Senator INOUE. Thank you very much.

If I may—

Senator STEVENS. Sorry to interrupt you, General, we do have some time restraints here.

General SCHOOMAKER. Sure.

Senator INOUE. If I may follow up on the chairman's questioning, are you considering lowering the entry standards on recruiting?

ENLISTMENT STANDARDS

General SCHOOMAKER. Sir, we are not considering it, and we have not done it. Now, we are bumping up against our standard, but we have not crossed the line on our standards. And I can describe what they are, or I can get them to you for the record.

[The information follows:]

ENLISTMENT STANDARDS

The Army is currently not considering lowering its quality marks. The fiscal year 2005 Army quality goals are ≥ 90 percent high school diploma graduates, ≥ 67 percent test score category I-III, and ≤ 2 percent test score category IV. The active Army's quality marks remain above Army goals. As of the end of March, they were at 90 percent high school diploma graduate, 74 percent test score category I-III, and 1.9 percent test score category IV.

General SCHOOMAKER. But the things that you are reading are largely untrue about us lowering standards. And I hope that we do not have to lower our standards. In fact, I would prefer not to. I'd rather go short than lower the standards that we have.

Senator INOUE. We have been advised that there is a \$285 million shortfall for recruiting. Can you tell us why?

General SCHOOMAKER. Sir, I'm not familiar with that.

Secretary HARVEY. No, I'm not familiar with that, Senator. We certainly will ask for everything we need in that regard. As remarked, it's critical to the all-volunteer force.

IMPROVISED EXPLOSIVE DEVICES (IED'S)

Senator INOUE. Of the 1,500 soldiers killed during the operations, 800 were killed by improvised explosive devices. Do we have enough funding here to take care of that?

Secretary HARVEY. Yes. I've—let me answer it, that I've been assured and informed that we have adequate funds at the present time to meet the theater requirements, we have adequate funds to do—to fund our technology-development efforts, to field the next-generation devices, and that we will be rapidly—over the next few months, rapidly fielding a number of devices. And we can fill you in on those details, of course, in a closed session, if you would like. But I'm assured that we have adequate funding. I'm assured that the next-generation technology is rapidly maturing. And I will be—and I have, and will be, paying very close attention to this. As you remarked, that's an important component of soldier protection.

Senator INOUE. Isn't it also true that no matter how much we try, it will not be possible to come up with a perfect solution, especially when they use something like a 2,000 bomb—a 2,000-pound bomb to knock over a tank?

General SCHOOMAKER. Sir, there is no one solution to this dilemma. And, as you know, we have had M-1 tanks totally destroyed by thousand pound bombs on the roads. There is the ability

to get a big enough bomb to destroy any amount of armor we'll place. However, there is a prudent level of protection that we believe we've asked for the funding to achieve and that we're working to obtain. A great deal of this has to do with tactics, techniques, and procedures, and experience, intelligence, and other kinds of capabilities, obviously that we probably shouldn't talk about in an open session. But it is a comprehensive approach that must be taken to counter this threat, and not just the idea that some—in some physical form, that we're going to be able to mitigate the effects of what's achievable.

OPTEMPO

Senator INOUE. Mr. Secretary, will the modular units lessen the operational tempo for the Army; thereby, reducing the number and length of deployments that we are now experiencing?

Secretary HARVEY. Yes. The objective is, at the end of the modular initiative, when it's totally complete, that the Active force will be deployed 1 year in 3. So that's 2 years at home station, or, as we like to call it, "dwell time." For the National Guard, it'll be 1 year deployed, 5 years at home station; and for the Reserves, 1 year deployed and 4 years at home station. So that's our objective, and we're slowly but surely migrating toward that.

General SCHOOMAKER. Sir, if I could add to that very quickly. Last year, our average dwell was 1.2 years for the units that were coming from theater and going back. This year, as you take a look at the 101st and the 4th Infantry Division (ID), the 3rd ID, if they're—stay on schedule, their dwell will be about 1.8 years, on average, some of it a little bit longer than that. And this is directly related to the increase in these brigades—the brigades that we have added to the Army that have allowed us a broader base of rotation.

And as we achieve the 30 percent increase on the Active side, and the modular initiatives on the Guard and Reserve side, this will continue to manifest into the kinds of dwell times that the Secretary described.

Senator INOUE. The funding for modularity is included in the supplemental. How much of the \$5 billion would you have in the 2006 budget?

FUNDING THE ARMY MODULAR FORCE

Secretary HARVEY. The funding for modularity is in the supplemental in 2005, and plans to be in the supplemental in 2006. Then it will be in the base budget in 2007 beyond, the rest of the FYDP.

Senator INOUE. Do you have any estimate as to the total cost of it?

Secretary HARVEY. Yes. The total cost, if you add it all up from 2005 through 2011, it's \$48 billion. And, again, \$10 billion in the 2005 and 2006 supplementals, and then the remainder in the base budget in 2007 to 2011.

Senator INOUE. When you're completed, you'll have 77 brigade combat units?

Secretary HARVEY. Seventy-seven Brigade Combat Team Units of Action, correct, Senator.

Senator INOUE. I'm from the ancient war. Can you describe what a brigade unit will look like?

Secretary HARVEY. As I mentioned in my opening statement, it'll be a unit of about 3,500 to 4,000 soldiers. There will be three types of units in the near term. There will be a light infantry, heavy, and a Stryker. They'll be standalone, self-sufficient, and have all the functionality that used to—a lot of the functionality that used to reside in the division now is embedded in the Brigade Combat Team; therefore, it is standalone and self-sufficient. An important dimension, as we—as I said, is standardized. That is to say—and the Chief can chime in here, because he's had direct experience in this—and that is that there was no heavy brigade or no light brigade in the force that was like any other one. In this, we'll have—a Brigade Combat Team, say, in the 3rd ID will be exactly the same as in every infantry.

Chief, you my want to chime in.

General SCHOOMAKER. Sir, I would agree. The kinds of things that'll be in these modular brigades are things like increased military intelligence, increased bandwidth to move intelligence down to these brigade levels. You'll have your forward support battalions, which provide your logistics in the brigade—civil affairs, human intelligence (HUMINT), counterintelligence, military police (MPs), engineers, their own artillery battalion, as well as their own RSTA, which is reconnaissance, surveillance, target acquisition capability, inside of these brigades.

But I have to mention, we always focus on the combat brigades, but the modular force also—which we don't talk about, but is involved in this very same money—are the support units of action that are outside these brigades that provide the enhanced capabilities, in terms of aviation, increased higher-level logistics and maintenance, intelligence, et cetera, and then on the Army Guard—or in the Army Reserve side or the combat service support aspects, with the expeditionary packages that we're putting together.

So, it's not just at the brigade. It's at the battle command level, it's at the support level, all the way up where we are building a modular force that can plug and play based upon what we have to do. It's much more capable.

Senator INOUE. Thank you very much.

Thank you, Mr. Chairman.

Senator STEVENS. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

FISCAL YEAR 2005 SUPPLEMENTAL FUNDING FOR MOBILIZATION STATIONS

Mr. Secretary, I notice in the supplemental budget request that's been submitted by the Army, you've requested \$70 million to construct permanent barracks as part of a new operational readiness training complex need to meet the requirements of mobilizing Reserve-component units. My question is, Is any of this money going to be used to upgrade or improve mobilization centers for the National Guard in connection with the mobilization for Iraq and Afghanistan duties?

Secretary HARVEY. Senator, I think I'm going to have to take that for the record.

I'm not familiar with that level of detail of exactly what that's going to be used for. It wouldn't surprise me if there's monies in there to improve our readiness centers.

Senator COCHRAN. General Schoomaker——

Secretary HARVEY. We'll get you an answer——

Senator COCHRAN [continuing]. General Schoomaker, do you have any information along that line?

General SCHOOMAKER. Sir, I don't have that level of detail, and I think it would be better for us to provide it to you accurately for the record.

Senator COCHRAN. Okay.

General SCHOOMAKER. I've just glanced over here at our Guard leadership, and they also do not have that level of detail.

Senator COCHRAN. If we could have that, we would appreciate it. [The information follows:]

FUNDING IN THE FISCAL YEAR 2005 SUPPLEMENTAL REQUEST FOR MOBILIZATION AND TRAINING BARRACKS

The fiscal year 2005 Supplemental includes \$70 million in military construction for Mobilization and Training Barracks at Forts Carson, Riley, and Bliss. There is an immediate need for adequate facilities to support active and Reserve Component (approximately 80 percent) mobilization, training, deployment, and demobilization. These projects will directly support Army National Guard and Army Reserve Soldiers mobilized for the Global War on Terrorism. The Army National Guard has training and mobilization facilities in their fiscal year Defense Program for two of their power support platforms: Camp Shelby, Mississippi and Gowen Field, Idaho.

Senator COCHRAN. The House is taking up the supplemental, as you know, and marking it up in their committee. And we are not going to take any action on it until they complete work on the bill. But we are going to look at it very carefully. We know that we need to supplement the budget for this fiscal year in connection with our operations in Iraq and Afghanistan. We want to help the administration achieve its goals of total support for our military forces so that they have what they need to bring this war to a successful conclusion. That's the goal, and I know that's your goal, too.

In that context, a lot of National Guard units are being mobilized around the country. And in my State, at Camp Shelby, Mississippi, that facility has been designated as a mobilization center. And so, we've seen the 155th Armored Brigade from our State trained there and brought up to speed and deployed to the theaters. And there are other units, as well. It is a facility that's been in operation since World War II. As a matter of fact, Senator Inouye trained there when he was in the Army and just getting ready to be deployed to the European theater. And it's continued to have a rich tradition of training—excellent training and schools for both enlisted and officers.

My son trained down there, as a matter of fact. And when that same unit was mobilized in Operation Desert Shield/Desert Storm, he trained there and went to Fort Hood, then on to the National Training Center. So we know how important the training is to get everybody up to speed.

But I hope you will take a look to be sure that you're not overlooking some facilities—when you're upgrading facilities to be sure you have the facilities you need, don't overlook some of the National Guard facilities. I hope you'll take a look at that and see if

any of that money is going to be spent upgrading facilities, making sure that the soldiers have what they need at those facilities. It may be old, but they're still doing a great job for the defense of our country.

General SCHOOMAKER. Sir, believe it or not, I trained at Camp Shelby.

IED COUNTERMEASURES

Senator COCHRAN. One thing that was asked already, and that was about the improvised explosive devices and the countermeasures that you're trying to develop. I'm told that there was a crash program being developed—and I had the name of it here awhile ago—in some testing the other day, they had a major setback, I understand. This is called the neutralized IED with Radio Frequency Program. And I don't want to get into classified information. I note that that probably is classified. But there is another technology that has come to my attention, developed to use directed energy instead of radio frequencies to counteract the effects of improvised explosive devices. The Ionatron Corporation is developing that countermeasure. I hope you'll look at that, if you have difficulty with the improvised explosive device countermeasures that you're working on right now. I know you have a task force to counter that threat. But we want to support the initiatives. A lot of the troops from my State, who have been killed over in Iraq, have been killed with those IED weapons.

What is the status of coming to a point where we have a countermeasure that's effective against those devices?

Secretary HARVEY. Let me, we can't say a lot in open session, as you know, Senator, but the countermeasure technology is a sound technology. And it's a matter of how you field it. It's a matter of—I'd better not get into any more. I'm familiar with directed energy technologies for other applications. I personally worked on that in one of my prior jobs. And we'll certainly look into that if it's viable.

Just one remark is, the countermeasure technology is intended to prevent an occurrence where it would appear that the directed energy would cause an explosion, which then—then there's another dimension to how you do that, when you do that. And so, the countermeasure jammer technology has basic benefits to it, rather than directed energy.

But we're open to all this, and it has to be—it's a multitude of solutions to get at this; jammers being the major technology. But we're certainly open to—if it's viable, to look into its application, because, as you said, there is—in my way of thinking, and in the Chief's way of thinking, there's nothing more important than protecting our soldiers. That's foremost on our minds, and we are open to everything. And you've been generous in the past. And I appreciate Senator Inouye's question about, Are there adequate resources? And this is not a resource issue. This is making sure we have an effective technology that does its job. And we have fielded things—and I know you read certain things in the paper—we've fielded things that are 60 percent effective, and we're proud that they are 60 percent effective, because it was zero before. We're not waiting for the perfect solution. We're going to migrate to the—as good as we can get. But we're fielding it as soon as we feel like it's

going to give the soldiers some protection. It may not be 100 percent reliable, but it's better than nothing. So I think we have a viable approach.

We'll look into this, if it has benefits over countermeasure jammers.

Senator COCHRAN. I wish you provide, for the record, the status of the review of the technology that I just—

Secretary HARVEY. Sure.

Senator COCHRAN [continuing]. Described.

Secretary HARVEY. No question.

Senator COCHRAN. Thank you, Mr. Chairman.
[The information follows:]

DIRECTED ENERGY TECHNOLOGY

The Army is aware of the directed energy technology developed by the Ionatron Corporation to counter improvised explosive devices (IEDs). In fact, the U.S. Army Armaments Research, Development, and Engineering Center (ARDEC) has reviewed the work being done at Ionatron, specifically the Laser-Induced Plasma Channel (LIPC). The technology shows promise for countermine neutralization, IED defeat, and possibly other non-lethal applications. In addition, other applications of this technology are being investigated for Homeland Defense. ARDEC is partnered with the Naval Research Laboratory, Ionatron, and the Stevens Institute of Technology in Hoboken, New Jersey to do further study. The President's budget for fiscal year 2006 includes funds for the ARDEC to continue evaluation of Ionatron research.

Senator STEVENS. Senator Leahy.

Senator COCHRAN. Mr. Chairman, may I ask unanimous consent that the statement by Senator Burns be put in the record? He had to go to another—

Senator STEVENS. Without objection, so ordered.
[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Thank you, Mr. Chairman. I would like to thank Secretary Harvey and General Schoomaker for coming before our subcommittee this morning, to testify on the Army's fiscal year 2006 budget. I will keep my comments brief this morning and save the remainder of my statement for the record.

Our military, and the U.S. Army in particular, continues to have many folks engaged around the world, especially in Afghanistan and Iraq. It is because of today's 640,000 brave soldiers serving on active duty, that we are winning this war on terror. Our soldiers, sailors, airmen and marines are performing magnificently. With more than 300,000 soldiers deployed or forward stationed around the world, there is no question that our forces are being challenged.

Out of these approximately 315,000 currently deployed soldiers, 113,000 are Army National Guard and 47,000 Army Reserve. In Montana, over 40 percent of our National Guard and Reserve units have been called to active duty. I intend to do my part as their representative to ensure our armed forces have what they need to win this war, protect our homeland, and come home safely.

I read daily of our great American soldiers developing unconventional solutions to solve various problems they face in the field. I think it makes a great deal of sense to have the mechanism in place to bring good ideas from our nation's universities, laboratories and small businesses to the soldiers as soon as possible, bypassing the bureaucracy. I encourage your continued support of Army initiatives to expedite the fielding of urgently needed equipment and life-saving technologies. You will have this Senator's continued support of the Rapid Fielding Initiative (RFI) and the Rapid Equipping Force (REF)—two programs which accomplish just that. These efforts have resulted in the fielding of some truly incredible innovations, and I believe it is important that such efforts—and, therefore, relevant funding levels—continue.

I look forward to seeing how the Army will meet its continual recruitment and retention challenges. I read with some recent news articles about the Army's failure to meet monthly recruitment goals so far this year, putting the Army at risk of not meeting goals for the first time since 1999. I look forward to hearing what initia-

tives you have in place to address these challenges, and I pledge to work with you and support you on this road ahead.

When I am back in my State of Montana, I enjoy talking with our active and reserve component forces. There is no doubt in my mind, the dedication and love these brave men and women have to their country and their work. Their increased optempo since the attacks of 9/11 and the beginning of the Global War on Terror does not, however, come without costs—costs not only to the active duty forces, guardsmen and reservists themselves, but to their families and employers as well.

I am pleased to see that Army leadership has realized this and has reflected these challenges in the Army fiscal year 2006 budget. This morning I look forward to hearing about the Army's plans for rebalancing its forces and reducing the need for involuntary reserve mobilization. I do think it is important that we look at ways to add folks to areas where the Army is currently facing shortages, such as military police, transportation and civil affairs.

Again, I thank you both for being here this morning. I look forward to your testimony.

Senator STEVENS. Senator Leahy.

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

RESERVE COMPONENTS MODULARITY AND RESET

Mr. Secretary and General Schoomaker, as you know, Kit Bond, Senator Bond, of Missouri, and I are the co-chairs of the National Guard Caucus, something we take very seriously. And we support the efforts of the National Guard. I think we all agree that the National Guard's a critical part of our Nation's defense. We also know that—and we hear from our Guard members, we hear from other Senators on both sides of the aisle, about the mobilization of the Guard and Reserves, in both Iraq and Afghanistan. It's the largest, for reservists, since World War II. In fact, at my home State of Vermont, the little State of Vermont, we have 1,000—over 1,000 Guard members deployed. We are the second highest per capita in the country. Senator Inouye's State, Hawaii, is the highest.

Now, we in the Guard Caucus—I think I can speak for both Republicans and Democrats on this—we support your efforts to include National Guard brigades in the Army's modularity plan, which will allow them to provide an important part of the Army's combat capability. But they're going to need the same advanced equipment as their active-duty counterparts. If they're going to be doing the same work as the active-duty counterparts, they should have the same equipment. They need it as soon as they return from their deployments so they can start the training. I think you both agree, training is so essential when they deploy.

Now, I haven't seen any specific official figures from the Army about what's exactly included in the supplemental for Guard equipment in the reset of the deployed forces. The Secretary had said that we would get that information a couple of weeks ago. I know the subcommittee requested it. Mr. Secretary, we haven't gotten it yet. I wish, in the next couple of days, I could get provided with this kind of information. I want—and the subcommittee—to have an official breakdown of what's included with the Army Guard modularity and the equipment reset. Can we get that within the next couple of days?

Secretary HARVEY. Certainly you can.

I'm not familiar with the request. The Chief may want to make a few—we can make some comments right now, if—

Senator LEAHY. Yeah, go ahead, but—

Secretary HARVEY. Yeah.

Senator LEAHY [continuing]. If we could get——

Secretary HARVEY. We will get you that——

Senator LEAHY. Yeah.

Secretary HARVEY. We will fulfill that request.

General SCHOOMAKER. Did you want me to make——

Secretary HARVEY. Yeah, why don't you make a few——

General SCHOOMAKER [continuing]. Did you want me to comment?

Secretary HARVEY [continuing]. Comments about——

General SCHOOMAKER. All right.

First of all, in the supplemental, what we're doing to reset the units that we have sent to Iraq is without regard to component. For instance, the 30th, the 39th, the 81st, those units received the most advanced soldier gear that we could put on them, even ahead of the active force, because of when they were going over there. They will be reset like the active force when they return.

And so, there is—unlike in the base budget, where you have discrete lines for Guard and active, in the supplemental we have aggregated, and we are resetting the units that have gone. Now——

Senator LEAHY. You understand my concern, though. If it's——

General SCHOOMAKER. Yes, sir.

Senator LEAHY [continuing]. Not a discrete line, it sometimes—we suddenly find, when you get budget crunches in other areas, the Guard and Reserve do not get that reset and do not get the——

General SCHOOMAKER. Yes, sir.

Senator LEAHY [continuing]. The equipment. I just want to make sure——

General SCHOOMAKER. Sure, I think that it's fair to say—and you certainly talk to the Guard and Reserve leadership—we are committed to—you know, part of this reset is also part of transforming the Army to a more modular force. They go hand in glove. And so, we must use the resources that you're providing and the momentum we have from our deployments to expedite this process of making the Army more modular, and that's how we're doing it.

Senator LEAHY. Let's see if we can get some——

Secretary HARVEY. Senator, I can give you some specifics, if you'd like, right now.

I just wanted to—and the Chief is—and this is his point, which is, we don't treat the Guard and Reserve any different than we treat the active. The Chief has started this initiative. It's an Army of One. And there's no difference, in our mind, between the active and the Guard.

But specifically for in the fiscal year 2005 for reset, there's \$855 million for modularity. There's \$800 million specifically for the National Guard. And our plan in 2006 is \$850 million for reset, \$1 billion for modularity; in 2007, the same. So, over the next 3 years, we have about—if you add all those numbers up, it's about \$5 billion for reset and modularity for—specifically for the Guard—in the 3-year period.

Senator LEAHY. If our staffs——

Secretary HARVEY. And we'll provide that for the record. I have it right here.

[The information follows:]

ARMY NATIONAL GUARD MODULARITY AND RESET

The Department needs flexible, rapidly deployable forces and sufficient depth and strength to sustain multiple, simultaneous operations. The Army is transforming to a modular structure to meet these challenges. This new organization will have 77 combat brigades, 43 in the active Force and 34 in the Army National Guard. Transforming to a modular organization will allow the Army to use its people and equipment more efficiently. In fiscal year 2004, the Army added three new active brigades and converted 11 others. In fiscal year 2005, the Army will add another three active brigades, and will convert five active and three Guard brigades into the Modular configuration. The investment portion of the supplemental contains \$787 million to procure equipment to support these Guard brigades which are scheduled to deploy to Iraq, in accordance with the Army's Campaign Plan. This equipment is listed below.

FISCAL YEAR 2005 ARNG EQUIPMENT SUPPLEMENTAL REQUIREMENT ¹

[In thousands of dollars]

Nomenclature/item name	Fiscal year 2005 GWOT reqts
SINGGARS	28,800
Tactical Radios (HF-150)	7,300
Tactical Radios (PRC-148)	5,900
Tactical Radios (PRC-117)	8,250
JAVELIN Control Launch Unit—RC	88,000
M249 SAW MG, 5.56 mm	15,864
M240 MG, Armor MG 7.62 mm	18,595
M4 Carbine 5.56 mm	12,621
Sniper Rifle, M107	1,188
M4 Carbine Mods	4,075
M249 SAW MG Mods	556
SHADOW UAV	12,500
Bradley RECAP (WTCV)	70,300
CI/HUMINT Information Management System	5,400
AFATDS	10,950
AN/PAQ-4 (RC)	2,700
Driver Vision Enhancer	3,981
Long Range Adv Scout Surveillance System	36,970
AN/PVS-14	38,800
M119A2	23,577
Improved Target Acquisition System	35,000
Digitized Topographic Support System	10,200
KNIGHT	12,900
M240 MG Mods	221
JAVELIN Control Launch Unit—AC/RC	27,664
Management (ADAM) Cell	18,000
Mortar Fire Control System (MFCS-H)	38,577
PROPHET Block II/III	7,891
TROJAN SPIRIT	11,052
All Source Analysis System	5,856
Distributed Common Ground System—Army	120
Q36 (Shelters)	10,100
BCS3	21,100
LLDR	16,000
Abrams Blue Force Tracker Installation Kits	2,100
Maintenance Support Device	23,620
FORWARD REPAIR SYSTEM	36,634
Lightweight Handheld Mortar Ballistic computer (LHMBC)	3,732
SHOP EQUIPMENT CONTACT MAINT TRUCK	12,111
120 mm Mortar System	22,700
TRAILER MOUNTED WELDING SHOP	1,452
LMTC	28,200
FMTV	45,438
Total fiscal year 2005 ARNG equipment supplemental request	787,000

¹ Identified to support the conversion of ARNG BCTs in accordance with the ACP.

Senator LEAHY. I appreciate that, Dr. Harvey. I really do. And if we can have our staff, sort of—

Secretary HARVEY. Sure.

Senator LEAHY [continuing]. Keep in touch with this.

FORCE PROTECTION INDUSTRIAL BASE

I was concerned, on the article that was in the New York Times on Monday, about the delay in providing armor protection for our troops in Iraq. The article, sort of, said it was not so much the lack of an industrial base, or even bad decisionmaking at the highest level, but some kind of absurd bureaucratic delays that sound like a Kafka novel as you read it. Former Defense Comptroller, Dov Zakheim, who was a frequent witness before this panel, pointed out that the Defense Department didn't add more manufacturers of armored vehicles because it didn't want to acknowledge previous mistakes and then alarm the public. Several of your supply chiefs were quoted about delays that prevented production orders from going out on contract more quickly and about the supply issues that prevented what was actually made getting into the hands of troops who needed it urgently.

I think every one of us on here received letters and calls on this armor question. I'm hoping that the Armed Services Committee, the authorizing committee, will ramp up a series of hearings on this.

I just want to know if you share our concern and our outrage. Because you look at this—you find foreign countries seem able to somehow get past the bureaucratic delay. I mean, what's happening?

Secretary HARVEY. Well, can I just—if somebody would put up a chart here, I'll show you, kind of a history, and then make some comments about it.

Senator LEAHY. And if you feel the article was inaccurate, say so.

Secretary HARVEY. Well, it wasn't totally accurate, for sure.

This is a chart of up-armoring of the spectrum of vehicles that we have in theater, from Humvees to medium tactical wheeled vehicles to heavy. So we have seven different categories. And you can see there, starting in the fourth quarter of 2003, when the—kind of, the timeframe certainly wasn't around—but when this threat, the IED threat, became apparent, there was a very big effort to up-armor all vehicles. Today, you can see, over there, that we are now about—31,000 out of the 32,000 vehicles are up-armored, so nearly 100 percent are armored. Most importantly, no vehicle that goes out of camp with an American soldier goes out without armor. So today—and that started in the middle of February—every vehicle that leaves a forward operating base is armored, because of the record there of up-armoring.

Now, let me just say, from my point of view, because I've been on the other end of procurement and I've worked in the aerospace and defense industry. It's universally believed that it takes too long—the acquisition process takes too long. There's stories galore about it. In this case, it was accelerated by leaps and bounds above what it had traditionally been. We had the Rapid Fielding Initiative, the Rapid Equipment Fielding initiative. My point of view is, progress has been made. It still takes too long. And I have tasked

my Assistant Secretary for Acquisition, Logistics, and Technology—and the Chief and I have talked about this in great deal, that we don't want to lose the momentum of reducing the cycle time of acquisition. We want to codify and institutionalize this. And our idea is to see if we can take the best of an acquisitions system which is made somewhat for large developments, and distill it down so that we can rapidly field this equipment.

I think that the record will show that we've done better. It's still not good enough, in my mind. We still need to get it quicker.

Now, in regard to that article, it failed to mention that the body armor that was procured in 12 days was inferior to our Small Arms Protective Inserts (SAPI) plates, it was inferior to what was fielded. And, quite frankly, we wouldn't put it on our soldiers.

So, there was a little bit of inaccuracies in the article. I think that you can—you know, this is half-full/half empty. You can look at that and say, you're there now. We're there in body armor, we're there in vehicle armor. It took too long. But it was accelerated above what it normally would be. And you have to understand, also, that this just isn't going to the hardware store; this is a design and test phase. It would be a tragedy for us to go develop something that didn't provide the protection and gave the soldier a false sense of security. So it had to be tested, it had to be designed specifically for these vehicles that—it was never intended to have armor.

And as you can see from this picture up here, that's a up-armored HUMVEE, and every soldier that was in that vehicle walked away. So there is some good news in this. But I am committed to further improve this acquisition cycle.

Chief, you may want to make some comments.

General SCHOOMAKER. Right. May I have a couple of seconds to say something?

Number one, I am not happy with the acquisition system. It is a product that a lot of people ought to share the blame for. It is designed to never make a mistake. It is not designed to be effective, and it is certainly not designed for war. And so, I have asked repeatedly that we reform the acquisition system to be more closely related to what I had when I was Commander in Chief in Special Operations Command, and that is to get the bureaucracy and all the fingers and all of the people that want to make sure that they get their piece of the lollipop out of the system.

Senator LEAHY. Did you say "lollipop?"

General SCHOOMAKER. Of the lollipop. Lick the big lollipop. Uncle Sam's lollipop.

I think we all share in some responsibility there for that.

Number two, we have never up-armored things like jeeps. We had 500 of them in the Army. I'm not suggesting this was the best move, but it's what we had. And it was designed for scouts and MPs. And this war, with what we got, indicated that we had to provide better protection for soldiers. As we've already said, even M-1 tanks have been blown up. So there is a physical limitation to how much armor you can put on things. And one of the physical limitations we have are—the vehicles that we had to up-armor were not designed to carry the armor. And so, we've now had excessive rollovers of these vehicles. We've had excessive wear of these

vehicles. We've had all kinds of problems with these vehicles. And so, we have made some major changes to get the right kind of heavy-duty vehicle to carry this armor.

In light of the system we have, this is extraordinary. And if you want to read a great story, read about the United States Army and this country in World War II and the 2 years and 3 months and 7 days it took for it to crank up its system from the time that the war started to get ready to go into North Africa. And you can read it in Rick Atkinson's book, called "An Army at Dawn." And it would make you very proud of what this Army has done to get ready and to fight this war in the last year.

Senator STEVENS. Thank you very much.

Senator HUTCHISON.

Senator HUTCHISON. Thank you, Mr. Chairman.

I want to assure General Schoomaker, we are very proud of the Army and the way—

General SCHOOMAKER. Thank you.

Senator HUTCHISON [continuing]. They have taken the burden of this war on terror. It's phenomenal.

I have two questions. First, let me say, to both the Secretary and to General Schoomaker, that I think your efforts at modularity are innovative and bold, and we want to support, in every way, the efforts that you are making in this regard.

MILITARY CONSTRUCTION (MILCON)

I was concerned, I have to tell you, yesterday, when I was in my military construction hearing, to note that Army military construction is 16 percent down from last year; Air Force is 61 percent up. Now, I'm not comparing services, and I am not in anyway saying that it's wrong that Air Force is up. However, we do know that the Army is carrying such a load in not only the war on terrorism, but in the reconfiguration. We do know that it will be mostly Army people moving back from Europe for the long term. And my question is, How can you get by with a 16 percent cut in military construction when you are being asked to do so much?

Secretary HARVEY. Senator, one of the reasons—and I'll get you a detailed answer for the record—is, one of the effects we have going on here—there's a number of sub-elements, one of which is, because of the residential community initiative, which is the privatization of our housing, that—which the private sector now—

Senator HUTCHISON. Right.

Secretary HARVEY [continuing]. Takes care of—we have less need for monies in Army family housing. The other effect is that, because we are globally rebasing, as you indicated, and bringing a lot of people back from Germany, the Army construction housing—we're just maintaining, rather than building anything new. We're going to maintain those residents in what we have.

So let me get you a detailed answer for the record.

[The information follows:]

DECREASE IN MILCON BUDGET

While the regular Army's construction budget is lower than the fiscal year 2005 level, the budget represents a balance among the Army's requirements and supports our highest military construction priorities, which includes barracks, family housing, training ranges, Army National Guard Readiness Centers and aviation facilities

and Army Reserve centers. The fiscal year 2006 budget request supports global restationing moves, part of which is in the base, realignment, and closure wedge. Reductions were made to the Army family housing appropriation to account for housing privatization. These funds were moved to the Military Pay appropriation to cover basic allowance for housing so Soldiers could pay their rent.

Secretary HARVEY. But I think, macroscopically, this—I'm looking at the numbers, and I realize—and I actually asked the same question, because, on the surface, it looks like, you know, we're not doing what we need to do. But I think, down in the detail, there is these other effects.

General SCHOOMAKER. If I could, Senator, number one, the work last year, where you supported the raising of the cap for RCI, has allowed us now to almost double the number of installations. We went from 23 installations now to about 45 installations. We went from something like 30—in the high—30,000 homes to over 85,000 homes that we're going to be able to build now on the RCI project. And so, this has an impact and an offset.

And the second thing is, because of the plan to modularize the Army force, we cannot use MILCON. It doesn't work fast enough for us to get the barracks, et cetera, built fast enough. And, therefore, we're doing some of that with supplemental funding for the units that we're standing up to go to war through the temporary barracks, as an example. And we will follow up with permanent construction in those enduring facilities that we know, as we rebase, bringing 70,000 soldiers home from Europe, for example, and 100,000 family members, that will be absorbed in Continental United States (CONUS), and we want to make sure that, when we get through—if there is a Base Realignment and Closure (BRAC), we want to make sure that we get through the BRAC process and invest in the places that we need to invest, you know, as a result of that.

So it's very complex. I think we owe you an answer for the record.

Secretary HARVEY. Yeah, we do.

General SCHOOMAKER. But my view is, we're advancing the checker, not retarding it—

Senator HUTCHISON. Well—

General SCHOOMAKER [continuing]. And there's a fundamental difference between the Air Force and the Army in this regard, because they have a different situation on their hands than we do, as you know.

Senator HUTCHISON. Well, that's true. And let me say that I like the privatized housing. It is so much better quality. The neighborhoods look like neighborhoods, and the—all of the Army people that I've talked to love it. Well, all the servicepeople, where they have these units, love it, which is good. But that does mean you're going to have to use the savings from construction to go into the lease payments that are a part of that contract.

So I'm not against that, as long as you're not shortchanging the other types of buildings that are needed for better training facilities, for all of the troops that will be brought home and reconfigured.

Secretary HARVEY. In this regard, let me tell you, Senator, something we did—the Chief and I did a couple of weeks ago in looking into our Barracks Modernization Program, which is an ongoing pro-

gram to bring the 136,000 barracks that we have up to a quality standard, plus what we call a “One-and-One,” which is a very nice arrangement where there’s two separate rooms and a common area. We call that the “One-and-One.” It came to light in one of our briefings, to the Chief and I, that there are still 20,000 substandard barracks that don’t meet quality standards. The Chief and I looked at each other. We said, “That is unacceptable.” We’re reprogramming money within our accounts to take care of that this year, so that the 20,000 substandards—the good news is, 80 have been converted; the bad news is, there’s 20,000. Then you ask the question, “Well, when’s that going to happen?” They say, “Well, this is the program. It goes to 2009.” You say, “Unacceptable. We’re going to do”——

Senator HUTCHISON. Good.

Secretary HARVEY [continuing]. It right now.”

So you can rest assured that we’re sensitive to this and that we ask our soldiers and their—in this case, the single soldiers—to sacrifice for this country; they can live—and, as you heard, their quality of life should match their quality of service. So we—we’re putting our dollars where our words are.

General SCHOOMAKER. That 20,000 barracks are rooms. That is not buildings. So there’s 177 buildings and 20,000 barrack spaces——

Senator HUTCHISON. I understand.

General SCHOOMAKER [continuing]. Is what we’re talking about. And we will——

Senator HUTCHISON. And I like the——

General SCHOOMAKER [continuing]. Have that done.

Senator HUTCHISON [continuing]. I’ve seen the “One-and-Ones.” I like them very much.

Secretary HARVEY. Yeah.

General SCHOOMAKER. Yeah, the “One-Plus-One.”

ARMY DEPOT CAPACITY

Senator HUTCHISON. Second question, on depots. We are now—at Red River Army Depot, for instance, they are putting out two to three times the work, doing a great job in armoring vehicles. But there was a time when Red River was not doing as much. And my question is, as we are looking at the long term for the Army, do you look at being able to surge and keeping the, maybe, excess depot capacity in the future for your vehicles, looking at the kind of security threats we’re going to have, so that we would looking at needing to keep that capability that we are seeing in, now, all three of the vehicle maintenance depots that we have?

General SCHOOMAKER. From the military perspective, the answer is, yes. And these are the factors that we placed into the whole comprehensive look. I couldn’t speak directly to Red River. As you know——

Senator HUTCHISON. Right.

General SCHOOMAKER [continuing]. There are a number of arsenals and depots, et cetera. But I think it’s very clear that the surge capacity was absolutely fundamental to our success in doing what we just showed here on——

But I am concerned about things like industrial base. For instance, we have one ammunition plant in this country for 50 caliber and below that services not just the Army, but the Air Force, the Navy, the Marine Corps, and the Coast Guard, and everybody else. And our requirement's for about \$2 billion a year, and the machines in this factory are 1940 and 1942 machines, still run by leather belts. And much of this is a hand process. For instance, all of the primers for all of our small-arms ammunition are still hand-loaded and eye-inspected.

Senator HUTCHISON. Well, General Schoomaker, you mentioned that you don't like the acquisition process. That is a factor in what you're just saying, because, with one place to make that ammunition in America, and the costs are different from foreign competitors, I think looking at our own U.S. capabilities to make that kind of ammunition should be a factor in our—

General SCHOOMAKER. I couldn't agree more.

Senator HUTCHISON [continuing]. Acquisition decisions, because we're going to run the one out of business because they can't compete with foreign companies.

General SCHOOMAKER. Senator, I couldn't agree more. And I'll tell you that, as a mitigating factor, we went offshore to look at foreign capacity to produce the small arms, and we went inside the country to look at it, and there are limitations commercially; not only limitations in terms of numbers that can be produced, but quality. And, as you know, we have very—we have to have very high standards in the quality of our ammunition, you know, for our troops.

Senator HUTCHISON. Well, we want to work with you on that.

General SCHOOMAKER. Thank you.

Secretary HARVEY. Let me just add, Senator, to your point about the depots and the arsenals, which are very important in our ability to do what we just showed you, that, besides their own product lines and their own reset activities, they participate in a lot of the up-arming. In 2003, across the five depots and three arsenals, we generated about 12 million productive hours. This is how you measure a factory's output. This year, it will be something like 19 to 20 million productive hours. And next year, the schedule is for 25 million. So we have really cranked up, so to speak, the depots and arsenals. They have played a very important role. And we take a strategic look at those, and that's our view, based—it's based on this experience.

Senator HUTCHISON. Thank you very much.

Thank you, Mr. Chairman.

GROUND-BASED MID-COURSE MISSION

Senator STEVENS. I just want to ask one question, if you can provide an answer for the record. I understand there's a question of using dual-status 10 title—dual-status, title 10, title 32 Guard personnel for the Ground-Based Midcourse mission in Alaska. It's my understanding that was in the basis of the plan—original planning for that mission, but would you, for the record, explain which authority the Guard personnel for this mission will be designated, and whether a decision will be made to change the original plan?

Secretary HARVEY. We'll do that, Senator.

[The information follows:]

DUAL STATUS TECHNICIANS FOR GROUND BASED MID-COURSE MISSION IN ALASKA

There are no dual status technicians contemplated for this mission, all are Active Guard Reserve (AGR) or active duty Soldiers. It has been the Army's intent to employ the original manning model wherein the Colorado Army National Guard (ARNG) and the Alaska ARNG Title 32 Active Guard Reserve Soldiers who transition to title 10 to perform federal operational missions. These missions include duties to control, operate, or maintain the GMD system, or to secure or defend any GMD site or asset. Prior to making a formal decision, the Secretary of the Army entered into consultation with the Under Secretary of Defense for Personnel and Readiness (USD(P&R)). Those consultations continue with USD(P&R), with a decision forthcoming.

Senator STEVENS. Now, could we have the honor of having a photograph taken with these three young men who are part of the newest Greatest Generation? We'd like to personally congratulate them, if that would be possible.

Secretary HARVEY. Absolutely.

Senator COCHRAN. Can I ask a couple of more questions?

Senator STEVENS. Oh, pardon me, Senator, do you have—yes, we have time.

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

FIRESOULT UNMANNED AERIAL VEHICLE (UAV)

Let me ask, before we get to the photograph, there are a couple of questions that I had that I would like to get on the record today, if we could. I don't think the supplemental provides a request for funding of the Firescout, but I know that this is a new unmanned aerial vehicle that is being looked at very closely by both the Navy and the Army. Testing has already commenced by the Navy, and I understand the Army plans to commence testing soon. And if I'm correct, this is a new platform that will provide operational capability for commanders in the field far greater than we have in any other unmanned vehicle that is in the inventory at this time.

Could you tell me if—and this is the Firescout system that I'm talking about, specifically—it would provide the Army with the opportunity to accelerate force capabilities into the current force. And this is my question. Even though this was looked at as a part of the future Army inventory, could you provide an estimate for the record on the earliest integration that you foresee for Firescout into the Army's inventory of resources?

General SCHOOMAKER. Just to make sure I understand, I think you're talking about the A-160 rotary UAV. Is that—

Senator COCHRAN. It is—

General SCHOOMAKER [continuing]. Correct?

Senator COCHRAN [continuing]. It can be used as an attack helicopter, it can be used—

General SCHOOMAKER. Okay.

Senator COCHRAN [continuing]. To direct fire. It has a lot of capabilities, that's right.

General SCHOOMAKER. You are correct. That is being looked at as part of the Future Combat System. It is something, certainly, as it would be available, we would spiral. And we'll get you an answer for the record, in terms of that.

[The information follows:]

INTEGRATION OF FIRESOULT UNMANNED AERIAL VEHICLE (UAV)

The Army has selected the RQ-8 Firescout as the Future Combat Systems (FCS) Class IV Unmanned Aerial Vehicle (UAV) solution. The Army plans to field all four classes of UAV beginning in fiscal year 2014 to the first Unit of Action. The Army will continue to assess the technology readiness of the FCS UAVs in concert with the other FCS platforms and network to determine if an accelerated fielding date is feasible and prudent.

Senator COCHRAN. Thank you.

HOUSING AT KAWAJLEIN

The Senator from Texas asked you about barracks and the need to upgrade facilities. And this is a critical problem in some areas. We also want to point out, the Army has control and jurisdiction over Kwajalein. There's a lot of work being done out there in connection with our missile defense program. A lot of people come and go out there. But the facilities for housing are dilapidated, old, worn-out facilities. There are a lot of trailers that were built—put on the island in the 1960s, and are falling apart. There's a new dome construction housing program out there that's working well, and I'm told that you could use some more housing out there for the people who are working in this program. Since it's the Army's responsibility, would you look at that and see if you could accelerate the purchase of this—dome housing components. We think it's cost effective. That's what we were told. But verify that for me, and if it needs to be in the supplemental, let us know.

Secretary HARVEY. Okay, we'll do that.

[The information follows:]

U.S. ARMY KWAJALEIN ATOLL (USAKA) DOME HOME INITIATIVE

At this time, the Army is not able to accelerate funding to provide dome-style housing for the stationed workforce population at U.S. Army Kwajalein Atoll. Other pressing Army funding requirements in Military Construction, Army and Research, Development, Test and Evaluation (RDT&E), Army accounts outweigh the Army's ability to replace the 1960 vintage trailers.

While overall Army requirements exceed the ability to accelerate funding, the present housing situation is in an extremely deteriorated state. Kwajalein, an essential missile test and space surveillance facility, is basically a government-owned, contractor-operated installation. The demographics of Kwajalein include approximately 25 military, 70 Army civilians, and 1,100 American contractors. For the past couple of decades, the infrastructure has been failing and continued patchwork on many deteriorated structures, to include many of the trailers, is no longer an option. Over 200 single-wide aluminum 1960's vintage trailers continue to house the U.S. Army, government civilian and contractor personnel. Annual cost to maintain these trailers exceed \$5,000 per unit.

Direct appropriations for Kwajalein are provided through RDT&E. Recent housing upgrades at Kwajalein are the results of Congressional add items. Boeing, a tenant on Kwajalein, paid for 15 dome facilities for permanent residents in support of missile defense programs (specifically Ground-Based Midcourse under Missile Defense Agency). These domes have been in use for almost seven years, and will revert to government control upon vacation of Boeing as the GMD mission concludes. They are leak proof, mold and mildew resistant, free of pests, and are aesthetically consistent with island infrastructure. USAKA was Congressionally authorized and approved to build ten dome homes in 2003, but the funding was not appropriated. These homes were built with funds shifted away from other infrastructure needs. Commensurate with the construction, a number of trailers were disposed of. USAKA did receive \$2.1 million in a supplemental in 2004 to build eight domes, and \$1.8 million in 2005 for an additional eight domes. Total number of dome housing on island, either complete or under construction, is 41. These dome homes have a life expectancy of 50-75 years with much more cost effective maintenance costs than the trailers.

ADDITIONAL COMMITTEE QUESTIONS

Senator COCHRAN. Thank you.

Thanks, Mr. Chairman.

Senator STEVENS. Yes, sir.

Senator COCHRAN. I have other questions I'd like to submit for the record.

Senator STEVENS. We are going to submit some questions for the record, yes, sir. We would appreciate your response to those questions.

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

QUESTIONS SUBMITTED TO HON. FRANCIS HARVEY

QUESTION SUBMITTED BY SENATOR TED STEVENS

FUTURE COMBAT SYSTEMS

Question. What is your assessment of the Future Combat System and what technologies do you feel pose the greatest challenge to this program?

Answer. Building on the modular organization, the Future Combat System (FCS)-equipped Unit of Action (UA) is designed for the future operational environment that our strategic thinking predicts. The embedded network capabilities allow the FCS-equipped UA to fully leverage Joint capabilities and ensure that we have created a force that is fully integrated and capable of achieving decision superiority.

The FCS-equipped UAs will be the Army's future tactical warfighting echelon; a dominant ground combat force that complements the dominant Joint team. FCS will improve the strategic deployability and operational maneuver capability of ground combat formations without sacrificing lethality or survivability. The challenges for this program and the Army are developing the network centric environment, and defeating future kinetic threats. The FCS program takes these challenges head on to develop the kind of intelligence and situational awareness required for surviving in the current to future environment.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

ARMY NATIONAL GUARD INFORMATION SYSTEMS REDESIGN

Question. Secretary Harvey, in February 2004 the President mandated a significant redesign of Army National Guard installation information systems to bring them into compliance with existing management systems. I have been informed this redesign is critical to coordinating national and regional responses during a natural disaster or act of terrorism. The redesign would also improve mobilization and training of National Guard brigades supporting the Global War on Terror. I did not see any request in the fiscal year 2006 budget submission to fund this mandate. What is your assessment of the Army's approach to improve Enterprise Resource Planning for National Guard Installations, the capabilities required to support deployments, and the Army plan to fund this Presidential mandate?

Answer. The Army National Guard (ARNG) is currently in the process of overhauling and modernizing all of its automated systems to adhere more closely to a commercial enterprise resource planning (ERP) solution. The ARNG recognizes the importance of this initiative and reprioritized existing funding (\$1.7 million fiscal year 2004 and \$3 million fiscal year 2005 Operations and Maintenance, National Guard (OMNG)) which was supplemented with an fiscal year 2005 Congressional add (\$1 million OMNG). The ARNG is currently conducting an enterprise business process architecture study that includes not only installation management but also finance, logistics, and human resources.

The February 2004 Presidential order mandating establishment of a Federal real property asset management system requires a significant re-look of the Guard's information systems to bring them into compliance. Federal statutes mandate that state Guard funding and facilities be managed by the National Guard apart from the active Army. The Army has embraced ERP planning philosophy, methodology, and commercially-proven software to take an Army enterprise approach to modernizing its logistics management systems that affect the operation of Guard units in 54 states and territories. The ARNG has begun a process to develop an ERP-based

Guard installation management system which will allow Guard units, in the future, to support local and state authorities, state police, and state and federal agencies like FBI, NOAA, DEA, EPA, and CDC. Since the ARNG manages its military construction program, separately from the active Army, upgrades to the installation management system are essential for efficient modernization of the Army Guard's national infrastructure. In the future, State systems will be linked, allowing efficient and coordinated regional and national response. They will also be linked with the National Geospatial Agency's vast digital library of geospatial and mapping data, providing Guard commanders at all levels accurate and actionable visualization information of individual buildings, posts and Readiness Centers, highways, cities, counties, regions, and other items of interest. Army Guard facilities are used to deploy forces during emergencies and combat operations. The Guard's legacy information systems for installation management proved to be inefficient for deploying units to Afghanistan and Iraq. They are incapable of providing critical asset visibility outside of individual States, and do not have interfaces to the systems of federal and state emergency management agencies such as FEMA. The ARNG facilities receive, stage, train, and deploy ARNG during state emergencies and preparation for combat operations and require an installation management solution that will modernize installation business operations and support state and federal missions. In today's climate, where the Army plays an ever-increasing role in conflicts all over the globe, it is imperative that the ARNG take a proactive approach. The ARNG will continue to move ahead with modernization initiatives and fully intends to integrate Army initiatives when implemented.

The ARNG must continue with its efforts to develop an ERP-based installations management system. Extending the ongoing business process study from high level business processes to the transactional level would be valuable in determining the value added of an ERP project. The business model, in Department of Defense architecture framework standards of the ARNG installations management using the access request information system toolset and delivery of an integrated proof of concept pilot implementation of the installations management solution using commercial, off-the-shelf software—SAP™ (Enterprise and Solution Manager), and ESRI™/DISDI Geographic Information System would be in concert with other ongoing DOD and Army ERP projects. The proof of concept will be piloted at two ARNG facilities, to be determined at a later date.

ROTORCRAFT HUB

Question. Secretary Harvey, helicopters continue to perform a myriad of missions around the world while the cost of operating and maintaining these aircraft continues to rise. I would think that with the increased number of aircraft operating in combat, with many exceeding expected annual flying hours, any technology that improves maintainability and performance would provide a welcome benefit.

Hub drag is one major problem in helicopter operations that is in need of improvements. I have been informed that Brannon Industries, located in Johnson City, TN has a rotorcraft hub shroud design currently in development which could provide these needed improvements. What are your thoughts on this technology and its potential impact on aircraft operations, maintenance and overall savings?

Answer. We recognize the issue of hub drag in Army helicopter operations and are evaluating several solutions to this issue, including the one offered by Brannon Industries.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

RECRUITING AND RETENTION

Question. Do you believe that enhanced enlistment bonuses, increased recruiters and other incentives for individual soldiers will be enough to overcome current recruiting difficulties for the Army?

Answer. The Army has examined the fiscal year 2005 recruiting environment and expects this environment to remain equally challenging into fiscal year 2006 and fiscal year 2007. The operations in support of the Global War on Terror, Operation Iraqi Freedom and Operation Enduring Freedom are only a part of this recruiting environment. Additionally, the Nation is experiencing an improving economy as well as improving unemployment rates. Today's youth continue to have options that do not necessarily include the military. We believe that we are implementing a sound plan to address these issues.

The Army is not only aggressively adjusting our number of recruiters, advertising dollars, and incentives. We are shaping the Army's future policies to allow the com-

ponents to adapt much quicker to the Army's recruiting environment. We remain committed to attracting high quality men and women to serve as Soldiers.

END STRENGTH

Question. In a related question, do you believe that the current attempt to restructure forces so more soldiers are in combat roles rather than administrative jobs are enough to address "end strength" concerns? Or will a legislative increase in the number of troops be required?

Answer. No. Military to civilian conversions represent a fraction of Army efforts to make better use of available manpower and relieve force stress. We have numerous other actions underway such as rebalancing the numbers and types of capabilities between components, adjusting our overseas footprint, modular force designs, improved management of readiness and resources with the Army Force Generation model, use of contractors on the battlefield to offset soldier requirements, applying technology to leverage "reachback" capabilities here at home, and a host of other initiatives.

Individually, these actions are not enough to address "end strength" concerns. Collectively, they represent a powerful large-scale endeavor to relieve stress on our Soldiers and families. A legislative troop increase will be necessary if current force requirements persist (or increase) during the coming years. If force requirements decline over the coming months, a legislative increase will not be required.

QUESTIONS SUBMITTED TO GENERAL PETER J. SCHOOMAKER

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

MODULARITY

Question. Many are questioning the inclusion of Modularity funding in the supplemental. Please explain why Modularity requirements are included in the supplemental request and describe how Modularity has helped our troops currently deployed and those preparing to deploy to Iraq and Afghanistan.

Answer. There are two reasons that justify why the cost of modularity is part of the fiscal year 2005 Supplemental. First, these requirements directly support the war fight because they equip units planned for deployment to Iraq or Afghanistan. The Army developed estimates for the Army Modular Force after reviewing the specific equipment and facility needs of those units planned for conversion. The supplemental supports only those equipment requirements for these near term deployers, both active and Reserve Component.

Second, the accelerated process of the supplemental when compared to the normal budget process—a matter of months compared to almost two years—permits us to more precisely determine our requirements in this very dynamic environment. We have programmed for modularity requirements beginning in fiscal year 2007 when we will have more certainty of our deployment schedules and associated equipment and facility needs.

Modularity helps our forces deployed to or preparing to deploy to Iraq and Afghanistan by making them more lethal and mobile. We can incorporate the most recent lessons learned in our training techniques and tactics and we can ensure our soldiers have the equipment they need to defend against and attack the latest tactics used by the enemy.

In the future, modularity will relieve stress on the force by increasing the number of brigades and rotational depth of the force. With increased rotational depth, the Army can reduce the frequency and duration of deployments. In conjunction with the Army's force stabilization initiative, deployment schedules for Soldiers and their families will become more predictable. Modular force elements have full spectrum capabilities along the entire range of military operations. This allows the Army to generate force packages optimized to meet the demands of a particular situation, without the need to deploy additional Soldiers unless absolutely required.

ARMY AVIATION MODERNIZATION

Question. Your recently released aviation modernization plan contains sweeping changes; tell us about the status of this plan and how you plan to mitigate risks along the way.

Answer. The Aviation Modernization Plan is linked to the Army Aviation Transformation Plan and the current warfight. As such, we have already started the implementation of the modernization plan: acceleration of upgrades for aircraft survivability equipment on our aircraft deployed to Operation Iraqi Freedom (OIF) and

Operation Enduring Freedom (OEF), reset and recapitalization of our current fleets, and continuing to complete the acquisition documentation for the new start programs (armed reconnaissance helicopter, light utility helicopter, future cargo aircraft, and the extended range multi-purpose unmanned aerial vehicle system). We will continue to mitigate risk by leveraging supplemental funding to jump start our Reset and Recap efforts for our legacy fleet, oversight provided from the Department of Defense and Department of the Army Acquisition Executive, vetting the new start programs through the Joint Capabilities and Integration Development System (JCIDS), and monitoring programmatic to ensure cost and production schedules are maintained for our new start programs.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN
PROFESSIONAL MILITARY EDUCATION

Question. I have been informed that Secretary Rumsfeld asked the Joint Chiefs of Staff to provide options on how to reduce the officer professional military education programs during stress periods, such as during current operations. One of the recognized strengths of the United States Military is its professional military education. Would you share with this committee your thoughts on this matter?

Answer. The Army is in the process of developing and executing training transformation initiatives. These include changes in structure (additional Intermediate Level Education (ILE) capacity), course content, delivery methods, and course length/administration of Professional Military Education/Joint Professional Military Education (PME/JPME) (ILE Course Location capability). The Army has made significant strides in the execution of JPME. These changes will better support both the current war effort and those of the future by providing officers who are better educated, more prepared and able to adapt easily to situations in a joint/coalition environment. The Army can continue to support the combatant commander by releasing the minimal number of officers for mission support. This will not reduce the Army's educational investment in developing its leaders, who can contribute effectively to the joint warfight. The Army is committed to developing its leaders, while simultaneously fulfilling all operational requirements.

MODULARITY

Question. The Army is placing great emphasis on its efforts to transition to a modular force. We know that the fiscal year 2005 supplemental request contains funding for modularity, approximately \$5 billion for the Army. There are no funds in the fiscal year 2006 budget for modularity, even though this effort will continue well into the future. Could you describe what the current Army will look like at the end of fiscal year 2006 and the rate at which the remainder of the Army will become a modular force?

Answer. By the end of fiscal year 2006, the Army plans for 11 modular UEx headquarters, 46 modular combat brigades (heavy, infantry and Stryker) and 47 modular support brigade headquarters in the active Army, Army National Guard, and Army Reserve. The Army will continue converting active, Guard, and Reserve structure to modular force elements through fiscal year 2010 to create additional modular combat brigades, modular support brigades and subordinate elements, and modular UEx headquarters.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI
MOBILE TACTICAL HIGH ENERGY LASER (MTHL)

Question. The Army has not included funding for the Mobile Tactical High Energy Laser (MTHL) in its fiscal year 2006 budget request. It is my understanding that this decision is driven partly by a lack of funding contribution from the Israeli government (our international partner on MTHL), and partly because MTHL funds were reprogrammed to support overseas operations.

One of my great concerns about the operation in Iraq is the difficulty of addressing the threat posed to our troops by rockets, artillery and mortars (RAM). Furthermore, I believe that directed energy is the best solution to this problem. In particular, MTHL has shown maturity and testing success against RAM threats. I believe we have an obligation to our troops to accelerate MTHL operational capabilities to achieve better force protection.

Do you agree that directed energy (DE) is the most practical solution to the problem of defending against rockets, artillery and mortars? If so, what is the Army's level of commitment to DE?

Answer. Directed energy (DE) is certainly one solution the Army is considering. We have destroyed over 50 rocket, artillery and mortar (RAM) targets with the tactical high energy laser (THEL) testbed at White Sands Missile Range. In its current form, however, THEL is not easily deployable and could not provide a near-term, full-force protection capability against mortars.

The Army is fully committed to researching and developing DE weapons and recently established a product manager's office to transition DE applications from research and development (R&D) activities to the Soldier as fully integrated and supported systems.

In order to move technology supporting a counter RAM capability forward more aggressively, there are several activities we are pursuing concurrently. The Army continues to support the Joint Technology Office solid state laser (SSL) development strategy and has used fiscal year 2005 Congressional adds to help accelerate this process. The Army is also working with Defense Advanced Research Projects Agency to accelerate other highly promising SSL technologies and laser architectures.

Over \$21 million is budgeted in fiscal year 2006 for continuing SSL technology R&D. However, after discontinuing the MTHEL program, it is necessary to establish other means to address required parallel development of weapons system components other than the laser generator, such as pointing and tracking systems, dynamic fire control, and integration into existing air defense architectures.

Question. Given that solid state lasers (SSL) will not be operational for at least a decade (by most estimates) do you agree that the chemical MTHEL laser is the best near-term option to pursue?

Answer. The only demonstrated Directed energy (DE) counter rocket, artillery and mortar (RAM) solution to date is the THEL chemical laser. But unfortunately, in its current form, the THEL is not easily deployable and could not provide a near-term, full-force protection capability against mortars. Due to the urgency of the requirement, the Army is pursuing a counter RAM kinetic energy solution based on an existing gun system to defeat the RAM threat and which is available sooner than a directed energy solution.

Question. Please expand on the Army's decision to "zero" MTHEL and does the Army plan to reconstitute the program with different goals?

Answer. The Army terminated MTHEL for three reasons. To fund other higher priority requirements, Israel decided to reduce its funding commitment to the program, and user concerns about supportability of the chemical laser.

The Army has no plan to reconstitute the MTHEL program with different goals. Due to the urgency of the requirement, the Army decided to fund an existing gun system to defeat the near-term rockets, artillery and mortar (RAM) threat. The shorter timeline for integrating the gun into the counter RAM architecture was a major factor in this decision.

The Army remains committed to directed energy capabilities. The Deputy Assistant Secretary of the Army for Research and Technology has a robust Science and Technology effort aimed at development of solid state laser (SSL) technology. Solid state is the technology the Army will pursue long term.

FUTURE COMBAT SYSTEMS

Question. It is my understanding that the Army's biggest technology investment, the Future Combat System program, has been restructured to begin introducing more advanced network systems to the current force.

Can you discuss this restructuring initiative and describe the near-term benefit to our troops in the field?

Answer. On July 22, 2004, Army officials announced plans to accelerate the delivery of selected Future Combat Systems (FCS) to the current force. The plan expands the scope of the program's system development and demonstration (SDD) phase by adding four discrete "spirals" of capabilities at two-year increments for the current forces. Spiral 1 will begin fielding in fiscal year 2008 and consist of prototypes fielded to the evaluation brigade combat team (E-BCT) for their evaluation and feedback. Following successful evaluation, production and fielding of Spiral 1 will commence to current force units in 2010. This process will be repeated for each successive spiral. By 2014, the Army force structure will include one Unit of Action (UA) equipped with all 18 + 1 FCS core systems and additional modular UAs with embedded FCS capability. This is the centerpiece of this adjustment: providing the current force with FCS capability sooner rather than later. Examples of the technologies that will be received in Spiral 1 are the non-line of sight launch system,

integrated computer system, a version of the system of systems common operating environment, unattended ground sensors and intelligent munitions system.

Question. It is also my understanding that FCS will be comprised of a family of networked air and ground-based systems that will ensure warfighters and commanders are more interconnected than ever before. I assume that testing of these networked systems will require an environment that has minimal radio frequency emissions.

As you know, White Sands Missile Range in New Mexico offers the most comprehensive testing environment for military systems in the world. Furthermore, Southern New Mexico has relatively low frequency interference and may be well-suited for FCS “system of systems” testing.

Would you care to comment on the type of environment that is optimal for FCS systems testing and whether you believe WSMR might suit such testing needs?

Answer. The test program for the Future Combat Systems (FCS) detailed in the Test and Evaluation Master Plan (TEMP) was approved by the Office of the Secretary of Defense on May 8, 2003 and is presently under revision. The test strategy is well integrated into the systems engineering process and is characterized by a “crawl, walk, run” paradigm. Multiple integration phases are used to develop and integrate the Units of Action (UA) first in simulation and progressing to hardware, as simulations are replaced by emulations and subsequently prototype hardware. A contiguous thread of modeling & simulation (M&S) augmentation and support will be maintained throughout all testing and integration phases. These M&S include representations of components, systems, forces (UA, UE, Joint, and opposing forces), and threats; scenario generators; environment simulators; synthetic stimuli; and event controllers. These M&S will serve as input or nodes on the SILs and System of Systems Integration Laboratory (SoSIL) and wrap-arounds or players in technical field tests (TFTs), limited user tests, force development test and experiments, and the initial operational test.

Essential to the success of the FCS is the Army’s resourcing of an Evaluation Brigade Combat Team (E-BCT) to generate the first FCS equipped UA. The E-BCT is a current force Modular Brigade Combat Team whose purpose is to support the development, testing and evaluation of FCS core program, spin out technologies, and combat development. The E-BCT will transition over time, as the FCS program matures and technology develops, to become the first FCS equipped UA.

The Program Manager-UA (PM UA) will utilize E-BCT Soldiers to facilitate a full-motion test strategy, where movement of the Soldiers to multiple test sites is minimized, and Soldier interfacing with systems is maximized. All human resources will be conserved and leveraged by synchronizing test demands and requirements, and focusing soldier utilization to drive down program risk. This will be accomplished by effectively and efficiently seizing the full opportunity to challenge and test to the SoS’s highest potential. The strategy/plan allows for continuous-mode operations of training and learning for the E-BCT, with a robust feedback mechanism to support systems design/engineering. This facilitates continuous improvement, leading to superior fielded assets to our armed forces. As stated above, the current FCS TEMP is under revision to support a MS B update. Many potential locations are being considered, White Sands Missile Range being one of them. Therefore, PM UA Combined Test Organization and the U.S. Army Test and Evaluation Command (ATEC) are assessing what portion of the integrated qualification testing (IQT) can be performed at White Sands. This assessment will be included in next iteration of the FCS TEMP.

In addition to IQT, there are opportunities to access progress in a field environment during TFTs. A cooperative effort between the Lead Systems Integrator (LSI), ATEC, and the PM UA is currently defining range requirements and potential infrastructure upgrades to support the TFTs. A key to the success of the FCS test program is the SoSIL. The SoSIL is a distributed network that connects the LSI facilities in Huntington Beach, California (SoCAL Node) to their supplier’s integration laboratories and the ATEC test ranges over the Defense Research Engineering Network. The single point of entry for the LSI to the ATEC ranges will be the Inter-range Control Center (IRCC) located at the Cox Range Control Facility at White Sands. This facility is currently being developed and funded by ATEC as part of its growing distributed test mission. The IRCC will enable a key reach back capability to the SoCAL Node for FCS systems under test at ATEC ranges.

In conclusion, PM UA and ATEC are jointly assessing what portion of FCS IQT can be executed at White Sands to facilitate the full-motion test strategy detailed above.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

JOINT COMMON MISSILE

Question. The Joint Common Missile (JCM) was terminated in Presidential Budget Decision 753. Eight months into Phase 1 of System Design and Development, JCM is a remarkably healthy, low-risk program—on schedule, on budget, and successfully demonstrating important new capabilities for the warfighter. Canceling the JCM ignores the opinion of our top military leaders and deprives our service members of a new capability they need to survive against future threats. Can you explain why this program was targeted?

Further, the JCM meets Joint Service requirements and fills a critical capabilities gap that cannot be met by upgrading existing weapon systems. For example, JCM has twice the standoff range of the Hellfire, Longbow, and Maverick missiles it will replace on Army, Navy and Marine Corps aircraft. The accuracy of its tri-mode seeker will give our forces precision-strike lethality to eliminate threats that are located near non-combatants. That is why the top-ranking officers in all three services that have requested JCM—the Army, Navy, and Marine Corps—all believe the program must be restored. How can you justify terminating this program?

Answer. The Office of the Secretary of Defense issued PBD 753, dated December 23, 2004, which terminated the JCM program. The Army is engaged with the Office of the Secretary of Defense, the Joint Staff, and the other Services to assess capability and inventory gaps generated by the JCM termination and evaluate courses of action which mitigate the termination.

Question. How is the JCM program performing against established cost and schedule milestones?

Answer. The program has performed extremely well with a schedule performance index of 0.97 and cost performance index of 0.91 on December 23, 2004.

Question. In particular, what is the projected unit cost for JCM at full-rate production vs. the unit cost of a less-capable Hellfire missile?

Answer. The Service's joint cost position identified for JCM an average unit production cost of \$109,000 (fiscal year 2004 constant dollars) per missile based on a missile quantity of 48,613 with production planned for fiscal year 2008–18. Total program cost for the Army and the Navy is \$8.1 billion (\$1 billion for system development and demonstration and \$7.1 billion for procurement). These are the baseline costs. The Hellfire model currently in procurement (Metal Augmented Charge AGM–114) is estimated at \$78,000 (fiscal year 2004 constant dollars) based on a buy of about 13,250 missiles. The estimated unit cost of Longbow Hellfire is \$137,000 for a buy of about 3,500 missiles; however, Longbow Hellfire is no longer in procurement and Maverick is estimated at \$180,000 with an approximate quantity of 23,164 (fiscal year 2004 constant dollars) but is no longer in procurement for the Navy.

167TH THEATER SUPPORT COMMAND

Question. General Schoomaker, as you probably know, the future of Alabama's 167th, which became a Theater Support Command in 2000, is in jeopardy due to the Army's push to move from 5 Theater Support Commands to 4. Although I do not want to speculate, there appears to be an Active Component bias toward the 167th Theater Support Command—which comes at the expense of taxpayers' resources. Having one command under the control of the National Guard simply makes good sense in terms of stewardship of mission and cost. While I originally believed the issue would be resolved by moving the 167th under control of NORTHCOM, it now appears as if there may be resistance to this idea. In light of this development, I would appreciate hearing the Army's take on this situation. What is the current status of this issue and when do you expect to reach a resolution?

Answer. As a result of the Army's modular force transformation efforts, the Army Staff is revalidating every requirement and examining each organization to ensure the capability retained provides the most effective use of the force structure available. Part of the transformation of Theater Logistics includes conversion of the current five theater support commands to somewhat larger, more capable theater sustainment commands, each with multiple and separate deployable command posts. The exact number and locations of these organizations are, as yet, undetermined. The initial analysis and recommendations that have been staffed with the combatant commanders, Army components, and the National Guard Bureau have included several options for the 167th Theater Support Command that we continue to explore. A final decision on which course of action provides the best solution within our force structure requirements is pending a review of the mission capability

and accessibility required for each type of unit. The objective is to ensure an increased capability for Army theater logistics and a relevant mission for the Army National Guard.

The intent is to reach agreement on the number and locations of all theater logistics structures in early April.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

PERFORMANCE OF STRYKER

Question. General Schoomaker, the first Stryker Brigade Combat Team was deployed to Iraq in late 2003. Concerns were expressed prior to its deployment that it would be vulnerable to the types of threats prevalent in Iraq today. Can you comment on the performance of the Team to date?

Answer. The first deployment of a Stryker Brigade Combat Team (SBCT) occurred in December 2003 when SBCT 1, 3d Brigade/2d Infantry Division (3/2 IN) took over U.S. military operations in northern Iraq from the 101st Airborne Division. The SBCT's unique combination of increased number of infantry Soldiers and a robust reconnaissance capability, have made the SBCT an extremely effective force in Operation Iraqi Freedom when compared to other brigades. The SBCT has effectively used speed and situational understanding to kill and capture a significant number of enemy fighters. Tactics include the rapid movement of infantry to objectives and the employment of snipers to reduce civilian casualty threat. They have earned the nickname of the "Ghost Soldiers," as the non-compliant forces (NCF) never hear them coming. The Stryker vehicle is designed to enable the SBCT to maneuver more easily in close and urban terrain while providing protection in open terrain.

Stryker vehicle survivability is exceptional; as of March 14, 2005, there have been well over 345 incidents where the vehicles have been subjected to hostile action. These vehicles have been involved in over 168 separate Improvised Explosive Device (IED) incidents in Iraq with only 25 vehicles declared battle losses, and over 58 incidents involving Rocket Propelled Grenades with one vehicle declared a battle loss. There have only been three fatalities directly associated with these incidents. A majority of vehicles involved with these 345 incidents were able to continue the mission or return to base under their own power. All non-battle loss vehicles were quickly repaired and many returned to duty with within two days.

The operational readiness (OR) rate for the Stryker vehicles is being maintained above 95 percent. As of March 14, 2004, the Strykers have been driven over 4.7 million miles in Iraq. There are approximately 105 contractors embedded in the Stryker Brigade, providing logistical support for the Stryker and other systems. These contractors, working closely with the SBCT's mechanics, have played a key role in maintaining the high Stryker OR rate. Resupply of Stryker-specific and other repair parts to the brigade is also being accomplished very effectively.

PERFORMANCE OF STRYKER IN SMALL SCALE CONTINGENCIES

Question. General Schoomaker, the Director of Operation Test and Evaluation was critical of several of the Stryker vehicle variants in his last annual report. Many of the vehicles in the Stryker family were judged to have limitations for use in small-scale contingencies. What is your response to that criticism?

Answer. I would say two things. First, the report published in January 2004 was completed prior to the Stryker's remarkable combat performance. Second, the range of conditions in which the Stryker has and is performing clearly demonstrates its value in small-scale contingencies.

The Stryker Brigade Combat Team (SBCT) is a full spectrum combat force. The SBCT is designed and optimized for employment in small scale contingencies in complex and urban terrain, confronting low-end and mid-range threats that may employ both conventional and asymmetrical capabilities. The SBCT's core capabilities are high mobility and an ability to achieve decisive action through dismounted infantry assault, supported by organic direct and indirect fire platforms, and enabled by superior situational understanding.

True, the January 2004, Director of Operational Test and Evaluation (DOTE) Beyond Low Rate Initial Production (BLRIP) report identified some concerns about the Stryker. Now, over 14 months since data cut-off for the referenced DOTE report, we are well into the second successful SBCT operational combat deployment.

During the past 16 months, at least one SBCT, comprised of 311 Stryker vehicles, has been deployed in Iraq and has continuously demonstrated and validated the effectiveness of this organization. The Stryker is but one of the many components responsible for the success of the SBCT. Thus far, the Stryker has proven to be ex-

tremely reliable and survivable in combat operations. The Stryker fleet in Iraq has logged over 4.7 million miles (over five times the projected annual usage level) and has sustained a readiness rate over 95 percent, exceeding the Army standard. These vehicles have been exposed to over 345 incidents of hostile attacks, including over 168 improvised explosive device and vehicular improvised explosive device attacks, and over 58 rocket propelled grenade attacks. The cumulative resulting battle losses from these 345 attacks are 28 Strykers as of March 14, 2005.

Army Test and Evaluation Command's (ATEC) January 27, 2004, summary assessment of the Stryker family of vehicles stated "Overall, the Stryker family of vehicles is effective, suitable, and survivable; Engineer Squad Vehicle (ESV) suitability to be determined with additional testing. Stryker vehicles contribute to the key operational capabilities of the SBCT and achieve the desired capabilities of a medium-weight force which is more lethal, mobile, and survivable than light forces and more deployable and more easily sustained than heavy forces."

ATEC's assessment was that "vehicle performance limitations can be mitigated through (1) force augmentation as outlined in current doctrine, (2) tactics, techniques and procedures and unit leader training, (3) tailored support packages and (4) focused product improvement initiatives." The DOTE concerns were discussed during the Army System Acquisition Review Council (ASARC) in January 2004, where it was recommended that a systematic process be implemented to address these issues. During the Defense Acquisition Board Review, the Defense Acquisition Executive concurred with the ASARC recommendations and authorized full rate production of seven of the 10 Stryker configurations.

Actions the Army has already implemented include: refined the tactics, techniques and procedures for Stryker employment; provided digital capability to all Strykers in the SBCT, ensuring that every Stryker crew has full access to situational awareness information; corrected the quality control and assurance process for the Modular Expandable Armor System (MEXAS) such that all 14.5 mm ceramic appliqué armor meets the correct protection level; issued MEXAS battle damage repair kits to the Stryker Brigade in Iraq; improved the silent watch capability through routine component replacement with a battery possessing higher storage capacity; validated several improvements required for extreme cold weather operations; replaced the current automotive-style seat belt with an aircraft-style belt that accommodates easier use in full combat gear; applied selected force protection improvements to enhance crew survivability; and recently awarded a production contract for one brigade set of Rocket Propelled Grenade add-on armor.

Actions currently being implemented in production, and planned for full retro-fit to previous delivered vehicles include: upgrading the remote weapon station with a more powerful thermal imagery sight, laser range finder, auto-focus and several other improvements; incorporating built in diagnostic capability; and integrating several human factor engineering modifications.

Major design actions currently in development include: improved central tire inflation system to accommodate the increased weight of add-on armor; and improved crew escape hatches for emergency egress.

We are continuing to assess emerging technologies and review recommendations from the deployed SBCT to further enhance the capability, force protection and performance of all the Stryker vehicle configurations.

SUBCOMMITTEE RECESS

Senator STEVENS. The subcommittee will reconvene next week, March 16, at 10 a.m., when we will hear from the Department of the Navy.

[Whereupon, at 11:20 a.m., Wednesday, March 9, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 16.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

WEDNESDAY, MARCH 16, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Domenici, Burns, Inouye, Dorgan, and Mikulski.

DEPARTMENT OF DEFENSE
DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY

STATEMENTS OF:

**HON. GORDON R. ENGLAND, SECRETARY OF THE NAVY
ADMIRAL VERN CLARK, CHIEF OF NAVAL OPERATIONS
GENERAL MICHAEL W. HAGEE, COMMANDANT, UNITED STATES
MARINE CORPS**

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good morning, Mr. Secretary. Good morning, Admiral and General. We're pleased to welcome the Secretary of the Navy, the Chief of Naval Operations (CNO), and the Commandant of the Marine Corps to discuss the fiscal year 2006 budget request, as well as the current status of the Navy and Marine Corps operations.

Secretary England and General Hagee, we welcome you back to the subcommittee and look forward to your testimony.

Admiral Clark, we welcome you here today for your fifth budget hearing before this subcommittee. And you have informed us, sadly, that this will be your last hearing, as you plan to retire this summer, after 37 years of service. We all congratulate you for that service, commend you for the way you have conducted yourself and your service to the subcommittee, but, even more so, for your service to the Nation, and for the long-range thinking you're trying to do in the last months of your career, so that you can leave a large footprint on the Navy.

Mrs. Hagee, thank you for coming. We're pleased to have you here. We welcome you.

The fiscal year 2006 budget for the Department of Navy totals \$125.7 billion, approximately \$6 billion above the level provided

last year, excluding the supplementals. Despite this budget increase, the Navy request includes funding for only four ships. The shipbuilding budget has been well publicized, and we look forward to further discussion on this topic and other Navy budget issues today.

We also look forward to hearing about the performance of our Marine Corps and learning more about the Marine Corps plan for reorganizing its force structure, while successfully continuing to prosecute the global war on terrorism.

As always, your full statements will appear in the record. I must tell you that the two of us, as co-chairmen, are involved in the debate on the floor, so, from time to time, one of us may go, and then the other will go when the first one returns, hopefully. Hopefully, he'll return.

Senator INOUE. I will.

Senator STEVENS. Let me turn to our co-chairman, Senator Inouye, for his statement, if he wishes to make one.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. I thank you very much, Chairman.

Gentlemen, I join my chairman in welcoming you before this subcommittee once again. Let me join my chairman in noting that this may well be Admiral Clark's last appearance before this subcommittee.

Admiral, I thank you very much for your service. During your tenure, the Navy has undergone some very important changes. I recall when you assumed your current position, your first goal was to improve readiness and get control over the cost of Navy operations.

You challenged your fleet commanders to work toward consistent standards across the Navy communities. Since then, you have worked tirelessly with the Secretary and the Commandant to streamline the Navy, improving efficiency. And, if that weren't enough, you and the Secretary brought a new shared vision to the Navy to modernize the fleet, while making it more responsive to the Nation's needs. This vision will bring the marines and Navy closer together, with the seabasing and sea-shield concepts. Sir, I'm certain the Navy will miss your steady hand and strong resolve as you depart from your position.

Gentlemen, this is a most challenging time for all of you.

General Hagee, like the Army, the marines are being called upon increasingly for overseas rotations. We know this is straining our marines. We have seen it in recent recruiting statistics. But, on behalf of all members of the subcommittee, I think I can say thank you to all the men and women in the Marine Corps for their dedication to duty, their willingness to serve us, and their ability to meet any challenge.

And, Mr. Secretary, no one in this administration has been tasked with more duties than you. On top of helping to manage the sea services, you have been assigned the responsibility to implement a new personnel system for the Defense Department. Many would say this has been a thankless task, as you have attempted to streamline personnel policies of our Government's largest department.

The budget which you have submitted to this subcommittee is not without controversy. The number of V-22s anticipated to be purchased is down; so, too, the overall objective for the KC-130 tanker. Ship production is down. You have plans to reduce your carrier force and a proposed acquisition strategy for destroyers which may threaten the financial viability of at least one private shipyard.

We have all seen press reports of how our colleagues have received your proposals. Based on your testimony, this subcommittee understands why you might decide to compete the DD(X) and delay the purchases of the V-22s and ships. But we will need to hear your explanation for these controversial decisions as we establish a permanent record for the United States Senate.

And, Admiral, once again, thank you very much for your continued service. We wish you the very best, sir.

Admiral CLARK. Thank you, Mr. Chairman.

Senator STEVENS. Senator Mikulski, do you have an opening comment?

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Mr. Chairman, I'm just pleased to be here today to hear the testimony of these very fine men.

You know, we, in Maryland, we're a Navy State, from the Naval Academy to Pax River, Indian Head, the hospital ship Comfort; the marine presence, from guarding the Academy against terrorists to intelligence agencies. And being on the Naval Academy Board of Visitors—we're very enthusiastic about listening to the leadership and how we can be supportive.

And I will have other questions.

Senator STEVENS. Well, gentlemen, if Columbus had sailed the other way, all those things might be in Alaska. But they're not, so—

Senator INOUE. Or Hawaii.

Senator STEVENS. Or Hawaii. Well, Captain Cook got there first, anyway, but we'd be pleased to have your statement, and I hope, as we go forward, we can talk how we can maintain the Navy that this Nation needs, as a superpower. The two of us are very, very worried, as we said to you before, about the rate of building our new ships. So maybe this isn't the place, but we ought to have some conferences on how to break through this barrier and assure that we have the vessels that we need to protect this country.

Secretary England, we'd be pleased to have your statement.

SUMMARY STATEMENT OF GORDON R. ENGLAND

Secretary ENGLAND. Mr. Chairman, thanks very much. And, Senator Inouye, thank you very much.

First of all, thanks for the opportunity to be here, and thanks for your very nice comments about our men and women in uniform, and also your very nice comments about my great friend the CNO, Admiral Clark, who, unfortunately, will be retiring shortly. I just want to comment that all of our men and women in military—our sailors, marines, our airmen, Coast Guard, and our soldiers—are doing an absolutely magnificent job, and they are, indeed, part of this greatest generation. I also thank everyone on this sub-

committee for your financial support of our great Department of the Navy, but also for the support you personally provide for our men and women in uniform.

Regarding your comments about the naval forces, and particularly our ships, I will comment that we are in the process of making a major transition for our naval forces. And this is a very, very challenging and stressful time for some of our people in the Department of Navy, both our civilian and our military people, and I know it's also a stressful time for our valued industrial base, and perhaps even for some of the Members of the Congress. Change is always difficult, but it is vitally important that we go forward and structure the Navy and Marine Corps for the capabilities that we will need in the future. And we have not yet fully transitioned from the deepwater-centric force of the cold war to the types of ships and capabilities that we need to fight the war on terror while, at the same time, deterring and, if necessary, defeating future threats.

Now, the leadership team before you today, we have been transitioning the naval forces for the past 4 years, and this year, fiscal year 2006, is the apex of that change. This year, per plans over this period of time, the ship procurement funding is down in fiscal year 2006. But that's due to the fact that we are turning the corner to new capabilities and on the verge of buying new capabilities.

Our shipbuilding research and development (R&D) is at a peak in fiscal year 2006. We have increased our R&D 325 percent from 2002 to 2006; or, in absolute terms, our R&D in shipbuilding has increased from \$705 million to over \$2.3 billion in this year's budget. Now, after 2006, that R&D will decrease, while our planned procurement account correspondingly increases with the number of ships we will procure. So you are at a dip at this point, as we transition to new types of ships for the United States Navy.

We are moving to a different force. It's going to be smaller. It's going to be more agile. It's going to be faster and more adaptable, and more capable than, we believe, any naval force we have had in our Nation's 229 year history. And we do need your help to bring this about. And we do look forward to having this discussion with you today.

I do want to make one comment about the great people who serve. We do have absolutely magnificent people who serve today. They're well educated, they're highly trained, they're highly motivated, and they are dedicated to protecting and defending our Nation. And they have performed heroically. We've had brave young men and women at sea and ashore in Iraq and Afghanistan and throughout the world fighting the enemies of freedom. And, as Secretary, I'll tell you, I am absolutely blessed to be able to serve these magnificent men and women, and the leaders of those magnificent men and women who are here with me today, the CNO and the Commandant.

As we look back, the comments of the CNO, after 37 years, who is retiring, I do want to make a very brief comment, but a very sincere and heartfelt comment. CNO and I are very, very close friends, and I have great, great admiration for the CNO, for his professional leadership, his ethical leadership, and his willingness to tackle very, very tough issues and bring about great change in

our naval forces. And I have just the highest respect for his vision and his capabilities. It has been a delight. It has been an honor and a privilege to serve with him these past 4 years. He still has a few months to go, and, Senator Stevens—Mr. Chairman, you're absolutely right, we still have high expectations to utilize his capabilities and to leave a legacy and a vision as he goes forward into retirement.

To Vern and Connie Clark, I do want to wish them both fair winds and following seas as they move into a new life together. And God bless them for their great service to America.

With that, I will turn this over to Admiral Clark and General Hagee for their opening statements. We, of course, are looking forward to a dialogue with you this morning, because this is a very, very important year for the Department of Navy. It's absolutely critical that we go forward with our new programs, and programs that we can afford to fit our budget.

PREPARED STATEMENT

Thanks, again, for the opportunity to be here. We look forward to the dialogue. And I'll turn it over to Admiral Vern Clark.

[The statement follows:]

PREPARED STATEMENT OF HONORABLE GORDON R. ENGLAND

WINNING TODAY . . . WHILE TRANSFORMING TO WIN TOMORROW

INTRODUCTION

Mr. Chairman and members of the Committee, I appreciate the opportunity to appear today.

The Navy and Marine Corps Team continues to answer our Nation's call in the Global War on Terror (GWOT) and in the establishment of stability and security in the world's trouble spots. From combat operations in Iraq and Afghanistan to tsunami relief in Indonesia, the Navy and Marine Corps Team has proven ready to meet any task and answer any challenge. Throughout 2004, the unique capability the Naval Services brought to our joint forces was a central element of our Nation's military power.

Outstanding performance in 2004 validated the high return on your past investment in our combat readiness, people, and unique maritime warfighting capabilities. The challenge for the future is ensuring we are maintaining the proper investment balance between the needs of today and the requirements of tomorrow. Our fiscal year 2006 Budget request strikes that balance. It delivers the appropriate readiness posture at the right cost to win the GWOT, to support today's military needs, and to continue the transformation needed to ensure that we win tomorrow's fights as well. We are good stewards of the taxpayer's money, however, no amount of new capability and organizational reshaping will matter if we cannot hold down costs. The challenge in the coming decade is to stabilize the rising costs of new weapon systems, operations and maintenance, and personnel.

In the past four years, our country has been incredibly supportive of the Navy and Marine Corps Team. Since 2001, when I first took over as the Secretary of the Navy, the Department's budget has increased from over \$94 billion to over \$125 billion in fiscal year 2006. Your investment has been used to significantly increase our operational readiness, fund the research and development required to provide the foundation for several transformation programs, begin the procurement of new classes of ships and aircraft, properly price the acquisition accounts, and fairly compensate our people. The Department is eternally grateful for your confidence in your Navy and Marine Corps.

The Department has made significant progress towards achieving the transformation goals set forth in the 2001 Quadrennial Defense Review (QDR). However, we continue to face the challenge of making the Naval Team more efficient to develop an ever more effective fighting force. When realized, these efficiencies will not only free up valuable resources but also allow the Navy and Marine Corps Team to better augment the total joint force. The 2005 QDR provides an opportunity to

continue to reshape the Department to meet its current and future security challenges.

Our Navy and Marine Corps are actively engaged in combat operations—we have a shared responsibility to ensure our Sailors and Marines are trained, equipped and prepared for the fights we ask them to undertake. The fiscal year 2006 Budget meets these requirements.

WINNING TODAY . . .

OPERATIONS

Winning the GWOT is our number one priority. We continue to support the GWOT through naval combat forces that are capable and relevant to the missions assigned.

Global War on Terror (GWOT)

During my last testimony to this Committee, the Marine Corps was beginning preparations to send the First Marine Expeditionary Force (I MEF) to Iraq in support of Operation IRAQI FREEDOM (OIF). Currently, we have over 34,000 Marines and 3,000 Navy personnel in Iraq taking part in combat operations and providing stability and security in the Al Anbar, An Najaf, and Karbala Provinces. Their innovative pre-deployment combat skills training, rapid modifications of combat equipment to meet evolving threats, and their emphasis on cultural and language capabilities contributed to considerable accomplishments in this complex region. Marines are currently executing multiple security, urban combat, counter-insurgency, command and control, and force protection missions with great confidence and skill, in the face of an adaptable and dangerous enemy.

Naval efforts in Iraq include not only the Marine Corps but also virtually every type of deployable Naval asset in our inventory. Navy and Marine carrier-based aircraft flew over 21,000 hours, dropped over 54,000 pounds of ordnance and played a vital role in the fight for Fallujah. Last year over 1,000 active and reserve Seabees were responsible for managing construction projects throughout the I MEF area of responsibility. Naval Coastal Warfare forces provided security for Iraqi oil terminals and thwarted terrorist forces from disrupting one of the world's largest energy supplies. Finally, hundreds of Naval medical personnel deployed to Iraq in support of Marine forces. All have served with pride and compassion, providing quality medical care to wounded American and Iraqi personnel.

In Afghanistan this past spring, the Marine Corps provided, on short-notice, a regimental headquarters, an infantry battalion and a combined arms Marine Expeditionary Unit (MEU). This Marine force was a major portion of the combined joint task force assigned to counter a suspected Taliban "Spring Offensive." This force was a key element in setting the conditions for the successful election that has advanced the process of establishing a secure and stable government in Afghanistan. They continue to provide both ground and aviation forces—currently an infantry battalion, elements of two helicopter squadrons, and training teams—to protect and foster this new democracy.

Terrorist networks have a wide range of options to move personnel and cargo by sea—from containers, to merchant ships, to small dhows. The United States Naval forces are well trained to carry out the mission of deterring, delaying, and disrupting the movement of terrorists and terrorist-related material at sea. In support of the GWOT, Naval forces conducted over 2,200 boardings of merchant ships.

During the year, the Navy and Marine Corps will conduct a major rotation of our Central Command deployed forces. Many of these units have previously deployed to this theater. We continue to aggressively adapt our training and equipment to the changing threat.

Global Presence / Flexibility.

Humanitarian Assistance and Disaster Relief.—The Navy and Marine Corps Team can rapidly respond to crises around the globe, whether they are humanitarian or combat-related without impeding our ongoing commitments to combating terrorism. We continually train for humanitarian assistance missions in order to respond rapidly and efficiently to large-scale disasters.

The Navy and Marine Corps provided assistance to the governments of Indonesia, Sri Lanka, Thailand and other affected nations as they dealt with the effects of the earthquake and tsunami. At the peak of this effort, the Department of the Navy (DON) had more than 13,000 Sailors and Marines afloat providing humanitarian assistance. Led by forces from the *Abraham Lincoln* Carrier Strike Group (CSG) and the Bonhomme Richard Expeditionary Strike Group (ESG), the Navy and Marine

Corps Team delivered over six million pounds of relief supplies to the people affected by the disaster that swept Southeast Asia on December 26th.

In addition, nine P-3C reconnaissance and surveillance aircraft supported search and rescue efforts, while the High Speed Vessel (HSV) Swift, an aluminum hulled catamaran, provided high-speed transport to the shore. USNS *Mercy* is providing a base of operations for joint United States military medical organizations and international nongovernmental and private relief operations. The hospital ship is supporting medical units ashore with internal medicine, pediatric, dental, mental health and infectious disease control. Additionally, over 400 Seabees are deployed to the region to provide a variety of disaster recovery efforts such as clearing roads, removing debris, assessing damage, performing port surveys and assisting in off-loading MPF ships.

Homeland Security.—Under the National Security Presidential Directive (NSPD-41) signed by the President this past December, we are continuing to cultivate relationships and develop capabilities to maximize the advantage that the maritime domain brings to homeland security. We are broadening our relationship with the navies of our international allies to prosecute the GWOT. We are expanding the Proliferation Security Initiative (PSI) to other countries and working bilateral boarding initiatives in all hemispheres. We are integrating intelligence and command and control systems with other governmental agencies like the United States Coast Guard (USCG) in the Department of Homeland Security (DHS) to effectively evaluate the maritime environment for anything that could adversely influence the security, safety or economy of the United States and our allies. We are developing the Navy's role in the Maritime Domain Awareness (MDA) concept to identify threats as early and as distant from our borders as possible. We are working with other parts of the Department of Defense (DOD) and with DHS to develop a comprehensive national maritime security response plan to address specific security threats and command and control relationships. Lastly, this past October, the Navy, in a cooperative agreement with the USCG, transferred four patrol craft to the USCG for use in homeland security. Everything we do in the maritime domain will take into consideration the broad implication to homeland security.

Surge Capability.—The GWOT requires that the Navy operate differently in order to be ready and responsive. We continue our successful readiness transformation under the Fleet Response Plan (FRP). The goal of the FRP is to provide the Nation with five or six CSGs deployed or ready to deploy within 30 days and an additional one or two CSGs ready to go within 90 days. The FRP aims to transform the fleet into a more effective force by creating a culture of readiness; meeting new readiness and surge thresholds; changing manning, maintenance and training processes to support surge and deployment; and lengthening inter-deployment cycles.

The readiness efforts developed to support the FRP allowed the Navy to surge the USS *Bataan*, *Boxer*, and *Kearsarge* and enabled Marine forces to quickly redeploy in support of operations in Iraq. Last year's fleet surge exercise, "Summer Pulse 2004", successfully demonstrated the Navy's ability to operate seven carriers simultaneously in five theaters under the FRP.

Law of the Sea Convention.—Today, the Navy has undisputed command of the seas. Joining the convention will support ongoing military operations while preserving future access for the force. The CNO and I firmly support United States' accession to the Law of the Sea Convention.

SAILORS AND MARINES

Smart, motivated and capable people are a key element to any successful transformation effort. Our Navy and Marine Corps are increasingly a technologically advanced maritime force and we are in competition with the private sector to attract and retain the best men and women we can find. Accordingly, our budget includes a 3.1 percent DOD-wide basic pay raise for all military personnel. The budget supports reduced Navy end strength resulting from the way we manage military human capital. We will accomplish all assigned missions with these reduced levels by changing our force structure, gaining efficiencies from technology, altering our workforce mix, and adopting new manning practices.

Concurrent with this commitment to provide an appropriate level of pay and benefits to our Sailors, Marines, and their families is a responsibility to operate this Department as efficiently and effectively as possible. While we want the very best people to serve in our Navy and Marine Corps, we don't want a single person more than we need to properly operate the force. Job satisfaction comes not only from compensation, but also from meaningful service.

Protecting Our Sailors and Marines

In response to growing force protection concerns in Iraq and Afghanistan the Department has expeditiously acquired technology and hardware to equip our Marines and Sailors for current wartime operations. In excess of \$600 million has been reprogrammed to support over 120 warfighting requirements including those focused on counter-fire, counter-improvised explosive devices, and counter-rocket propelled grenade technologies. Initiatives include:

Vehicle Hardening.—We reprogrammed \$239 million in fiscal year 2004 Naval funding to support various Marine Corps vehicle-hardening programs. Throughout this effort, both the Marine Corps Systems Command and the Marine Corps Warfighting Lab have worked with the Army Developmental Test Command to test and rapidly assess various ballistic materials to include ballistic glass, armor, and ceramic materials for use in vehicle hardening. To date over 4,000 vehicles have been hardened. Other vehicle hardening initiatives include the Marine Armor Kit (MAK) for the HMMWV and the Medium Tactical Vehicle Replacement (MTVR) Armor System (MAS) and Gunner shields. MAK and MAS armor will replace the interim (first generation) and zonal (second generation) armor with an integrated, comprehensive (improved perimeter, top, and under-body) armor kit. One hundred forty-nine MAKs have been installed in support of the 26th Marine Expeditionary Unit (MEU) deployment as part of the next rotation. MAK installation in theater will begin as soon as February 2005 as the operational situation allows. MAS will begin low rate initial production in April 2005 with full rate production by June 2005. Gunner shields provide an armored turret as an additional level of protection for gunners operating in HMMWVs and MTVRs; to date over 1,600 are in service.

Counter-Improvised Explosive Device Technology and Equipment.—The Department has reprogrammed over \$28 million for the testing, assessment and fielding of technology and equipment to counter the IED threat. Specific focus areas include robots, IED electronic countermeasures, X-Ray systems, and specialized search dogs.

Personal Protective Equipment.—Every Sailor, Marine and Departmental Civilian is issued a complete set of body armor before going into Iraq or Afghanistan. To meet this requirement Marine Corps Systems Command has procured over 31,000 Armor Protection Enhancement Systems as an additional capability to augment the Outer Tactical Vest and the Small Arms Protective Insert (SAPI) plate. Over 36,000 SAPI plates have been procured. Additionally over 84,000 pairs of ballistic protective goggles have been procured. Other initiatives, such as an improved lightweight combat helmet, lower face and body armor, are in development.

Unmanned Aerial Vehicles (UAV).—UAV efforts include the Dragon Eye and Scan Eagle initiatives. The Dragon Eye is a lightweight, man portable system designed to give the small unit leader a reconnaissance and surveillance capability to see over the next hill or around the next building. Thirty-three Dragon Eye UAV systems have been used in Iraq. In addition, I MEF is battle testing two Scan Eagle systems consisting of 14 aerial vehicles. The Scan Eagle provides the MEF with a persistent (24 hours a day) electro-optical Intelligence Surveillance Reconnaissance (ISR) capability.

Unmanned Ground Vehicles (UGV).—In addition to the robots deployed in Iraq for counter IED operations, 12 Dragon Runner man portable UGVs used as mobile ISR systems have been fielded. The system is a low profile UGV and is being used for small unit reconnaissance and IED investigations.

Other force protection initiatives include language translation devices, counter-sniper technology, medical advancements, helicopter ballistic protection, and advancements in the tactics, techniques and procedures for urban operations.

Recruiting/Retention

The DON continues to successfully recruit our Nation's finest young people while carefully forecasting future recruiting requirements. The Navy has met its recruiting goals in each of the last six years, while the Marine Corps has met recruiting goals for the last nine years. Coupled with higher retention rates, our recruiting success has allowed the Navy and Marine Corps to focus on critically manned ratings and Military Occupation Specialties (MOS) and on improving recruit quality.

In fiscal year 2004, the Navy exceeded its recruiting goal and attained a 50 percent increase in recruits with college experience while at the same time increasing the number of recruits with high school diplomas. The Marine Corps also exceeded recruiting goals while at the same time 97 percent of their recruits had a high school diploma (above the goal of 95 percent). Even with the improved economic conditions and higher recruit quality standards, the Navy and Marine Corps are on track for meeting their 2005 goals.

Retaining the best and brightest Sailors and Marines has always been a core objective to our continued success. To date in fiscal year 2005, strong reenlistment ac-

tivity has occurred along with Navy attrition rates at or near 15 year lows. The Marine Corps also continued their strong performance in this area by meeting their retention goals for the 14th consecutive year. A key to these successes has been the DON's aggressive program to enhance quality of service and quality of life through innovative programs that ensure our Sailors and Marines and their families continue to view the Navy and Marine Corps as their career of choice. Targeted and special pays continue to have the desired impact on reenlistments, while maintaining Selective Re-enlistment Bonus (SRB) funding is proving essential to sustaining retention of critical skills.

Safety

The Navy and Marine Corps continues to aggressively pursue the Secretary of Defense's two-year goal to reduce mishaps by 50 percent, from the fiscal year 2002 baseline, by the end of fiscal year 2005. At the end of Calendar Year 2004, the Department was on track to meet the 50 percent reduction in over 70 percent of the targeted areas. For example, the Marine Corps fiscal year 2004 Class A aviation mishap rate was reduced by over 76 percent and Marine Corps Personal Motor Vehicle (PMV) fatalities dropped 30 percent from the fiscal year 2002 baseline. An aggressive return to fundamentals in order to revitalize Operational Risk Management (ORM) principles is successfully targeting our aviation mishap rates. Over \$54.5 million, across the Future Years Defense Plan (FYDP), was added in the fiscal year 2006 Budget for military flight operations quality assurance—a process to help refine the use of recorded flight data to reduce aircrew error and to achieve greater efficiencies in aircraft maintenance.

The Department is pursuing Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) status and has achieved significant reduction in lost workdays due to injuries at key installations. A professional safety community and safety intern program for our civilian personnel has also been established.

The DON has embraced safety as a readiness multiplier. The Naval leadership team (Chief of Naval Operations (CNO), Commandant of the Marine Corps (CMC) and Secretary of the Navy) emphasized safety and mishap reduction as one of our published top ten 2005 objectives for the Department.

Family Support

Housing Initiatives.—Ensuring service members and their families have access to quality housing continues to be a DON top priority. The fiscal year 2006 Budget request continues the effort to eliminate inadequate family and bachelor housing by fiscal year 2007 through a three pronged strategy consisting of privatization of housing, improved housing allowances, and military construction. Additionally, housing allowances have been increased to eliminate out-of-pocket housing expenses for our military personnel. Finally, fifteen Navy and Marine Corps family housing privatization projects totaling over 26,000 homes have been awarded to date. In addition, we continue on path to provide sea duty Sailors with off-ship quarters by 2008 under the Navy's "Homeport Ashore" initiative.

Healthcare.—Providing quality medical care to our Sailors, Marines, and their families is a vital part of the DON's ability to fight the GWOT and execute our many worldwide missions. Navy medicine continues to ensure that our Sailors and Marines are physically and mentally ready for whatever challenges lie ahead. Providing outstanding medical care is a commitment we proudly make, however it is a budgetary challenge.

To meet the requirements of the GWOT, Navy Medicine has developed and improved methods to expedite care for our forward deployed forces around the world. For example:

- The ten-bed Expeditionary Medical Unit (EMU) is providing Navy medicine with new response capabilities in combat situations.
- The Forward Resuscitative Surgery Systems (FRSS) are highly mobile, six-bed emergency rooms now deployed as part of the Marine Corps' Combat Service Support Company. Through the FRSS, Navy trauma doctors are available during the "golden hour," the critical period within 60 minutes of an injury.
- Forward Deployed Preventive Medicine Units (FDPMU) have been created to provide quick, flexible and agile responses to a host of medical contingencies including weapons of mass destruction. These highly specialized units are staffed with preventive medicine physicians, industrial hygienists, hospital corpsmen, environmental and radiation health specialists, microbiologists and entomologists and have been deployed in Iraq, Haiti and other remote locations around the globe. The FDPMU's focus is on decreasing disease and non-battle injuries through health surveillance, environmental monitoring and education.

—The Disaster Preparedness, Vulnerability Analysis, Training and Exercise (DVATEX) program was developed to evaluate and test military, federal and local community responsiveness. DVATEX includes a military treatment facility, threat vulnerability and capability assessment, and provides training in medical and operational management.

Navy medicine will continue to evolve to meet the demands of an ever-changing battlefield and deliver medical care anywhere around the world. Navy medicine is performing its critical mission to promote, protect, and restore the health of DON service members, families, and retirees, while at the same time ensuring the highest level of emergency preparedness.

Care of Injured Marines and Sailors.—The DON is working closely with the DOD to develop new strategies and initiatives that improve support to our injured personnel and their families. In an effort to improve the immediate and long-term care for injured Marines and their families, the Marine Corps has created the Marine for Life—Injured Support Program. The program provides a single organization to act as the primary patient advocate to improve medical care, provide family support, eliminate seams in care, and increase transition assistance for disabled Marines. This program began limited operations in early January 2005.

The DON is developing the Injured Marines and Sailors Initiative, to formulate policies and procedures to achieve the following objectives in support of Marines and Sailors wounded in combat operations:

- Ensure every Marine and Sailor who desires to remain in the active component is provided the opportunity to do so.
- Ensure that every Marine and Sailor who desires to work within the DON or Federal/State government is provided the opportunity to do so.
- Ensure that every Marine and Sailor that desires to work in the private sector or to attend school is provided the opportunity to do so.

A survey of injured service members revealed that over ninety percent of Marines and Sailors expressed a desire to remain in service. In order to allow injured service members the opportunity to work in the Pentagon, the DOD initiated Operation Warfighter. This program seeks to reintroduce severely injured service members back into the workforce. Additionally, the DON in cooperation with the DOD Joint Severely Injured Operations Center and the Marine For Life—Injured Support Program is reaching-back to discharged and separated Marines and Sailors to render employment assistance, family counseling, and transition assistance through Veterans Administration and other government agencies.

Family Programs.—In support of the GWOT, the Navy established “Extended Hours” child care centers for watch-standers and shift workers, ensuring our Sailors are mission ready around the clock. These successful, 24/7 centers, located in Norfolk and Honolulu, have decreased missed man-hours and provided piece of mind to our Sailors as they perform their duties in support of our Nation.

EQUIPMENT

The Naval Services are rotational and expeditionary, requiring additional funding not in the baseline budget for long and extensive contingency operations. The fiscal year 2005 supplemental will request funding for incremental war related costs not included in the baseline budget. This request includes essential warfighting and force protection equipment, replacement of destroyed equipment, anticipated attrition repair costs due to accelerated usage and replenishment of ammunition. These funds will help sustain the fighting force and enable recovery from the accumulated demands on our material assets.

WHILE TRANSFORMING TO WIN TOMORROW

SHAPING OUR 21ST CENTURY MANPOWER

At the heart of our combat capability and the future transformation outlined in Naval Power 21 are people who are well trained, well led, and adequately compensated. America’s Naval forces are combat ready due to the dedication and motivation of individual Sailors, Marines, and civilians. We will continue to dedicate resources on four fronts: recruiting the right people, retaining the right people, reducing attrition, and training our people to meet the challenges of the 21st century.

Human Capital Strategy

The DON is developing the Human Capital Strategy (HCS) that will provide a new framework to assess, train, develop and distribute our manpower. The Department faces a number of significant challenges as it continues its transformation to a more agile and technology-based force. Our strategy envisions a new human capital management system that leverages technology to allow each individual to maxi-

mize their capability to make valuable contributions toward achieving our mission. Central to the strategy is the need to fully understand the manpower requirement of our future force. This will allow us to tailor our total manpower needs, expanding or contracting where it is required. Our strategy is aligned with DOD's Human Capital Initiative and responds to the President's Management Agenda (PMA) and the priorities of the Secretary of Defense. The HCS represents the first step in what will be a complex process to meet the challenges of the 21st century. The HCS goals include:

- Implement the National Security Personnel System for the Department's civilian force.
- Transform our military personnel force by creating a modern human capital management system to replace the Department's legacy human resources systems and achieve the objectives of Naval Power 21.
- Achieve active /reserve integration by rebalancing requirements and capabilities.

A key component of HCS is the Sea Warrior program, which is the Navy's initiative to develop 21st century Sailors and is the "people" part of Sea Power 21. This initiative takes into account new platforms, technologies, and rotational crewing concepts (Sea Swap) that will revolutionize crew sizing, and provide interactive computer based tools and training techniques. The goals of Sea Warrior include:

- A mission-centric force that is effective and efficient.
- A Navy that maximizes the value of service for all of our Sailors and civilians.
- A more effective work distribution across the work force.
- A work and life balance.
- Recruitment and retention of a diverse range of Sailors and civilians possessing a wide scope of knowledge, skills and experience.

The Sea Warrior concept and other manpower initiatives such as more efficient infrastructure manning, improved training techniques and the decommissioning of older, manpower intensive platforms will allow the Navy to reduce active end strength from 373,197 in fiscal year 2004 to 352,700 in fiscal year 2006.

Military-to-Civilian Conversions

Military-to-Civilian conversions are progressing as planned. The programmed conversions target non-warfighting functions currently staffed and performed by military personnel. Because the military-to-civilian conversions are a key component of the Department's objective to reduce military authorizations, we have intentionally exceeded the established DOD targets. The Navy is scheduled to convert over 2,000 military billets to civilian positions this fiscal year. The Marine Corps is programmed to convert over 1,700 billets in fiscal year 2005. While the Navy is principally using this tool to drawdown end strength, the Marine Corps is using the military-to-civilian conversions to help realign Marines into high-demand specialties and create additional warfighting capabilities, such as two additional infantry battalions. As part of the Competitive Sourcing Initiative in the President's Management Agenda, DOD receives credit for converting military members now doing commercial functions into war-fighters and other core defense functions.

Active Reserve Integration

The Reserve Component remains an integral part of our Navy and Marine Corps Team. Since September 11, 2001, the Navy has mobilized over 25,000 reserve personnel (2,000 of these twice), with approximately 3,600 currently mobilized. This is from a drilling reservist population of just over 69,000. The Marine Corps has mobilized 32,000 reserve personnel from an authorized Selected Reserve end strength of 39,600 and just over 4,100 from the Individual Ready Reserve. Currently over 13,000 reserve Marines are on active duty.

The Navy's Zero Based Review is validating the Navy Reserve mission requirements and associated billet structure, creating efficiencies, and allowing resources to be more effectively integrated into Navy operations. Our vision is to create one fully integrated Navy Team and the Navy's active reserve integration is the cornerstone of that effort. We are aligning organizations, training together, consolidating resources and assets, and financially planning as one, so we can better operate as one team and "train like we fight."

The Navy and Marine Corps will continually measure its reserve billet structure and capabilities against evolving warfighting requirements to fill critical billets when needed. Early responsiveness, relieving stressed career fields, and employing innovative management practices will continually be addressed by both services. The Navy and Marine Corps reserve mobilization is a requirements-driven process and reservists, trained and ready, are making significant contributions. While the numbers of mobilized reserves can fluctuate as GWOT requirements dictate, our ob-

jective is use the efforts stated above to keep the number of mobilized personnel at a minimum.

Strategically Focus Naval Education and Training

Education and training of our Sailors and Marines is critical to implementing the Naval Power 21 transformation and ensuring our continued combat effectiveness. To more effectively and efficiently train our forces the Department is transitioning its training concepts and methods from the traditional schoolhouse classroom approach to processes that involve the use of simulators, trainers, and other computer-based interactive training curriculums. The pace at which technology is changing tests our Sailor's and Marine's abilities to innovate and adapt, as well as to apply knowledge and experience to new and dynamic situations. Old paradigms governing training and education must change to meet future technological challenges. It is essential that our Sailors and Marines remain on the cutting edge and for our leadership to commit to a lifelong educational program. The future demands a more highly educated Naval Service capable of operating in an environment of ever increasing technical complexity. We intend to meet that demand by providing increased opportunity for all Sailors and Marines to commit to life-long learning.

National Security Personnel System (NSPS)

The Fiscal Year 2004 National Defense Authorization Act allowed the DOD to establish a new human resource management system for DOD civilians known as the National Security Personnel System (NSPS). This legislation provides flexibility in the hiring and management of civilian workers and links pay to mission accomplishment and performance. The NSPS reforms will provide supervisors and managers greater flexibility in managing our civil service employees, facilitate competition for high quality talent, offer compensation that is competitive with the private sector, and reward outstanding service. Properly executed, these changes will also assist us in better utilizing the active duty force by making it easier to employ civilians in jobs currently filled by uniformed military personnel.

Workers will be converted to the new system in three spirals. Spiral One will include approximately 300,000 Army, Navy, Marine Corps, Air Force, and other DOD civilian employees and will be rolled out in three phases over an 18-month period beginning in July 2005. Spiral One includes over 80,000 DON civilian employees. Spiral Two will comprise the remainder of the eligible workforce and will be initiated following an assessment of Spiral One and after the Secretary of Defense certifies the Department's performance management system. Spiral Three would comprise the personnel at DOD labs, if current legislative restrictions are eliminated.

IMPROVING BUSINESS PRACTICES

Throughout my time as Secretary of the Navy, we have been faced with the challenge of making the Naval Team more efficient in order to develop a more effective fighting force. These efficiencies will not only free up valuable resources but also allow the Navy and Marine Corps Team to better augment the total joint force. Our recent performance indicates the business initiatives we are pursuing are on the right track. Highlights of our business initiatives are discussed below.

Enterprise Resource Planning (ERP) Program

The DON ERP initiative has created the framework that will enable the transformation of key acquisition, logistics, and financial business activities into an integrated network of decision-making processes. This past August the Joint Requirements Oversight Council (JROC) approved the Navy ERP Operational Requirements Document (ORD) and cleared the way for the Navy to purchase ERP software and hire an integration contractor. With the fiscal year 2006 Budget, the Navy will continue to capitalize on demonstrated ERP technology advances in creating and disseminating decision-making information. The ERP program is expected to continue to improve integration, leverage economy-of-scale, consolidate legacy systems and software using the best business and commercial practices available. The first release is scheduled for initial deployment in fiscal year 2006.

Sea Enterprise

Sea Enterprise will improve organizational alignment, refine requirements and invest resources to re-capitalize, transform, and increase the combat capability of our Naval force. To improve efficiency, Sea Enterprise has begun initiatives to improve productivity and cost effectiveness, reduce manpower investments, streamline processes and organizations, and leverage technology. Together these initiatives will produce tens of billions in savings for the Department.

Continuous Improvement

The Navy and Marine Corps Team continues to implement continuous improvement initiatives consistent with the goals of the PMA that enable realignment of resources to increase our output and re-capitalize our force. The cornerstone of our continuous improvement effort is the implementation of industry proven Lean and Six Sigma efficiency methodologies in our day-to-day operations. Our industrial activities are all institutionalizing closed loop continuous improvement practices. These initiatives enable us to increase our combat capabilities with the expectation that we become more efficient, agile, flexible and reliable at a reduced cost of doing business.

Commander Navy Installations (CNI)

Since the establishment of CNI, we have begun to align shore assets in support of Navy requirements, to find efficiencies for Navy recapitalization and to provide consistent shore installation services in order to allow the operational commanders and major claimants to focus on primary missions. CNI is the single responsible office for Navy shore installations and the services they provide. It includes sixteen Navy regions and 98 installations. CNI is providing operating forces support, community support, base support and mission support to enhance the Navy's combat power. We are providing product and services at the right place, at the right time, at the right levels and at the right cost to achieve the right fleet readiness.

Acquisition Excellence

We have substantially streamlined our business practices to work toward a more efficient Navy and Marine Corps. By emulating smart business practices from commercial industry, we have made management teams more product-oriented, and have pushed responsibility, authority and accountability down to the operational unit(s) or activities wherever possible. We are developing leaders with a better understanding of business strategies, cost control, program risk and rapid flexible design. In 2004, we worked with industry to identify effective ways, including the use of appropriate profit and incentive arrangements, to encourage improved performance under Navy and Marine Corps contracts.

Naval Acquisition Integrity Office

To help guard against the ever-present danger of procurement fraud, the DON is establishing a new Naval Acquisition Integrity Office. This office will coordinate all parts of the procurement fraud program, provide training and guidance on procurement fraud matters, serve as the DON's central point of contact on this issue, establish and maintain a centralized data base for monitoring procurement fraud, and interact with other DOD procurement fraud programs. This organization will provide the necessary deterrent, detection, protection, and recovery functions through increased awareness, a streamlined reporting process, internal consistency, and improved communication among all the stakeholders.

Maintenance Initiatives

SHIPMAIN.—SHIPMAIN is a fleet wide initiative designed to improve the efficiency of ship maintenance and modernization. The primary mission of SHIPMAIN is to generate savings through improvements in the surface ship maintenance and modernization planning processes. SHIPMAIN is developing a single process that ensures that the right maintenance is identified and that it is performed at the right maintenance level at the right time.

One Shipyard Concept.—The One Shipyard Concept is designed to best utilize the Nation's four public and two private nuclear shipyards and contractor support. Initially established to build commonality and leverage best practices across the nuclear capable shipyards, it has gained influence across the entire ship repair enterprise. One Nuclear Shipyard concept provides the Navy the flexibility to handle maintenance surge, emergent, and other ship work with minimal impact to ongoing projects across the public and private nuclear shipyard industrial base. Illustrative of the One Shipyard Concept in action was the post-sea trial work for USS *Virginia*. When a dry dock was not available at the Groton, Connecticut facilities of General Dynamics, the Norfolk Naval Shipyard provided a dry dock for USS *Virginia* and support facilities for 250 Electric Boat employees.

Regional Maintenance Centers (RMCs).—RMCs were established to consolidate multiple commands with overlapping responsibilities for ship maintenance and modernization within the seven major fleet concentration areas. Each RMC provides a fleet concentration area single point of contact for all ship maintenance and modernization issues. This consolidation was undertaken to gain efficiencies to support Navy recapitalization requirements. These savings are being realized through a long list of efforts: reduction of overhead positions, increased production efficiencies

gained by the synergistic effect of aligning highly skilled former Fleet Technical Support Center personnel with production personnel, reduction of waste and inefficiencies, and implementation of improved ship maintenance business processes being developed under the SHIPMAIN initiative.

Naval Aviation Enterprise (NAE).—NAE is improving the readiness of Naval Air Forces by defining and executing changes that will sustain near and long term aviation readiness goals, including those relative to aircraft readiness, financial management, and human capital. The aircraft readiness component of NAE is the Naval Aviation Readiness Integrated Improvement Program (NAVRIIP), a comprehensive approach that changes the way the Navy provides manpower, equipment and training in Naval Aviation commands. NAVRIIP integrates best business practices, which includes Theory of Constraints, Lean and Six Sigma, into maintenance, supply, and administrative processes. Current results include the reduction of turnaround time for production of T700 power turbines at AIMD North Island from 23 to 1.5 days. By institutionalizing this way of doing business through a single process owner who integrates the efforts of all levels of maintenance, NAVRIIP will enable significant productivity improvements and cost-wise readiness throughout the NAE.

Marine Corps Equipment.—Due to continuous combat operations in support of the GWOT, the Marine Corps ground equipment usage rate is eight times greater than normal peacetime usage. The high usage rate in harsh environments, coupled with added weight of armor and unavoidable delays in scheduled maintenance due to combat, is degrading equipment at an accelerated rate. To improve equipment readiness, the Marine Corps has created a limited aircraft depot maintenance capability, coordinated with the Army to leverage their ground depot maintenance capability, and established a pool of ground equipment to expedite the replacement of damaged major items. Of note, the Marine Corps is using pre-positioned stocks to ensure the sustained readiness of deployed ground units.

Delegation of Authority/Assignment of Responsibilities

My goal is to allow all organizations within the DON the latitude to lead their activities without intrusion from above. As we delegate responsibility and authority, we will unshackle organizations from undue administrative processes. By streamlining our organization, we are empowering activities to publish details regarding requirements and procedures at their level. The ultimate objective is to provide an environment for our people to innovate and excel in whatever job responsibility they have.

Environmental

For the last three years, Congress has addressed critical Navy needs regarding encroachment and future training challenges. Readiness-specific changes to the Marine Mammal Protection Act (MMPA), Endangered Species Act, and Migratory Bird Treaty Act have helped the Navy meet training and operational challenges. The Navy and Marine Corps has and will continue to demonstrate leadership in both its military readiness role and as an environmental steward of the oceans we sail and the lands we train upon. We are pursuing opportunities for acquiring land buffers adjacent to our training lands. We are committed to fully implementing the Integrated Natural Resources Management Plans prepared under the Sikes Act to address endangered species concerns in lieu of designating critical habitats. We will continue operational actions to minimize harm to marine mammals, as we continue investments in research into marine mammal biology and behaviors. The Marine Mammal Protection Act is due for reauthorization in this legislative cycle. To continue to meet future challenges for military readiness, during the reauthorization debate, Congressional support is necessary to preserve the proper balance between environmental protection and military readiness previously authorized by Congress.

Information Technology

Implementing Navy and Marine Corps Internet (NMCI) has enabled the DON to increase the security posture of our networks and has allowed unprecedented visibility into Information Technology (IT) costs and capabilities. The budget supports total NMCI-specific costs for fiscal year 2006 of \$1.6 billion and implementation of approximately 346,000 seats. To date, we have ordered 338,000 of the expected 380,000 seats and cutover approximately 237,000 seats. We have reduced the number of legacy applications in the Navy's inventory from 67,000 to around 8,000—an 88 percent reduction. This reduction of applications will continue as we proceed with complete migration to NMCI throughout the Department. Additionally, we anticipate other opportunities for progress in areas such as enterprise voice, wireless connectivity, broadband remote access service for laptop computers, anti-SPAM services for all e-mail accounts, and revised focus on many customer satisfaction issues.

The DON leads a robust Information Assurance (IA) program to preserve the confidentiality, integrity, availability, authorization and non-repudiation of information on DON IT systems. The DON IA program provides the warfighter and warfighter support current IA guidance to reduce risk and vulnerabilities and enhance the security posture of the DON network/systems.

Base Realignment and Closure (BRAC)

The Fiscal Year 2002 Defense Authorization Act authorized another round of BRAC in 2005. We will scrupulously follow the process laid out in the law. We will treat each base equally and fairly, whether considered for closure or realignment in the past or not. In no event will we make recommendations concerning any closures or realignment of our bases until all the data has been collected, certified and carefully analyzed within the overall BRAC 2005 statutory framework. The goal of BRAC is to reconfigure our current infrastructure to maximize our warfighting capability. By eliminating excess infrastructure, we optimize readiness and realize significant savings. Resources freed up by this process will be used to re-capitalize our ships, aircraft, equipment and installations for the future.

Prior Rounds of BRAC.—The DON completed the closure and realignment of activities from the 1988, 1991, 1993 and 1995 rounds of BRAC. All that remains is to complete the environmental cleanup and property disposal on all or portions of 17 of the original 91 bases. We made significant successes on both fronts. We are using property sales as a means to expedite the disposal process as well as recover the value of the property for taxpayers. For example, we sold 235 acres in 2003 at the former Marine Corps Air Station, Tustin, California for a net \$204 million. We sold 22 acres at the former Naval Air Facility Key West, Florida in January 2004 for \$15 million. The public sale of the former San Pedro housing site in Los Angeles and the sale of the former Marine Corps Air Station El Toro are now underway.

We are accelerating cleanup at remaining prior BRAC locations. Of the original 161,000 acres planned for disposal from all four prior BRAC rounds, we expect to have less than five percent (or about 8,000 acres) still to dispose by the end of this fiscal year. Additionally, in 2006 we expect to dispose of property at the former Naval Station Roosevelt Roads, Puerto Rico, as directed in the Fiscal Year 2004 Defense Appropriations Act.

CHANGING THE WAY WE FIGHT

The hallmark of the Navy and Marine Corps Team has been the ability to change, adapt, and transform to meet new threats to America. The Navy and Marine Corps Team has embraced a culture of transformation that will enable us to develop new weapons systems, realign infrastructure, establish new concepts of operations, and streamline our business practices. The realization of this transformation process will ensure that we continue to contribute to joint warfighting in the future and will ensure our place as the preeminent global naval power. We appreciate the support of Congress in enabling this transformation.

Joint Concepts and Operations

TACAIR Integration.—The CNO and the CMC approved a plan in 2002 to integrate the Navy and Marine Corps tactical aviation (TACAIR) mission using fewer units of more capable aircraft. Navy and Marine Corps TACAIR integration optimizes core combat capability to meet national security requirements with fiscal efficiency. With the implementation of the FRP, the Navy and Marine Corps continue to work together to fully integrate Marine Corps squadrons into carrier air wings and Navy squadrons into the Marine Corps' Unit Deployment Plan (UDP). Highlights of the plan include:

- The TACAIR integration plan reduces the services' tactical aviation force structure by disestablishing five squadrons and reducing the total number of aircraft we plan to buy to 1,296.

- On September 12, 2004, Navy Hornet Strike Fighter Squadron 97 (VFA 97), the Warhawks, deployed to Marine Corps Air Station Iwakuni, Japan, as the first Navy squadron to deploy in support of the UDP. The Navy squadron will spend six months supporting Marine Aircraft Group (MAG) 12 before returning to Naval Air Station Lemoore, California.

Sea Basing.—Central to Naval Power 21 success is the full maturation of the Joint Sea Basing concept. When realized, Sea Basing will provide a national capability for projecting and sustaining naval power and joint forces from a base at sea, without the need to establish an intermediate land base. Sea Basing will strengthen force protection, free airlift and sealift assets to support missions ashore, and provide a foundation for projecting offensive and defensive fires. As the proliferation of weapons of mass destruction grows and the access to overseas bases declines, it

is militarily and politically vital to reduce the vulnerability of our forces through the use of secure, mobile, and networked sea bases.

This year the Sea Basing Joint Integrating Concept (JIC) is in development and being worked with the Joint Chiefs of Staff and the Joint Requirements Oversight Council (JROC). Sea Basing will provide the Joint Task Force Commander with the capability to dissuade a potential adversary and, if necessary, project joint combat power within reduced timelines. This will enable persistent combat operations wherever and whenever required with operational independence of host nation or coalition nation support.

Missile Defense.—A viable regional and terminal sea based ballistic missile defense system is important to ensure the safety of United States forces and the flow through foreign ports and airfields when required. Sea based missile defense can also allow us to assist allies and friends while at the same time deterring coercion and threats. During the past year, USS *Curtis Wilbur* became the first ship capable of conducting Long-Range Surveillance and Tracking (LRST) in support of homeland missile defense. In addition, during fiscal year 2005 the Standard Missile (SM-3) ballistic missile defense mission capability will be available for deployment onboard USS *Lake Erie* and USS *Port Royal*. Programming is in place to modify fifteen DDGs and three CGs to add the LRST and SM-3 mission capability.

Sea Swap.—Sea Swap is a promising initiative designed to increase forward naval presence by keeping a ship continuously deployed in a given theatre of operation, while replacing entire crews at six-month intervals. The primary objective of Sea Swap is to effectively and efficiently increase forward Naval presence without increasing operating costs. By leaving the ship in theatre and moving only the crews, the Navy saves on ship transit time and fuel costs, while at the same time increasing the ships on station time. Sea Swap has the potential to reduce force structure requirements in the long term. Consequently, the Navy is studying Sea Swap to determine the future impact on force structure.

Force Structure/Capability

Our Department is embarked on a transformation that requires us to continuously balance force structure and capability. The transformation is driven by technology that is significantly increasing capabilities of naval systems. New operating concepts such as the Fleet Response Plan have already altered the employment and make-up of naval forces. Today's 290 ship Navy is much more capable than the more than double the size Navy of the late 1980s. Numbers still matter, but only when carefully balanced with capabilities.

This year's budget reflects the increasing capabilities and evolving operational concepts of our forces. After careful and lengthy analysis, we decided to retire an aircraft carrier. Our assessment is that we have developed the operational flexibility and increased capability, to retire an older carrier without risk to national security. The cost avoidance of this action will allow additional investment in transformational programs that further increase our capabilities.

Our budget request increases investment accounts (Research, Development Testing and Evaluation (RDT&E), procurement, and Military Construction (MILCON)) from approximately \$49 billion in fiscal year 2005 to about \$52 billion in fiscal year 2006. Due to a confluence of numerous programs, a peak year for Navy RDT&E funding for the JSF, increased aircraft procurement, and our investments in transformational ships, we are limiting new construction to four ships in fiscal year 2006. In fiscal year 2006, we are also investing over \$1 billion in RDT&E and over \$700 million in Shipbuilding and Conversion, Navy (SCN) funding toward the first DD(X) as well as over \$1 billion in a CVN Refueling Complex Overhaul.

New Construction Ships and Submarines.—Fiscal year 2006 will be a transformational year as the Department continues the shift to next generation warships. New construction is limited to four ships as we focus on shifting to next generation surface combatants and sea basing capabilities. The total number of new ships procured over the FYDP is 49, averaging 8.2 ships per year, including the *Virginia* Class SSN, *San Antonio* Class LPD, Littoral Combat Ship (LCS), T-AKE, CVN-21, DD(X), LHA(R), CG(X), Maritime Preposition Force (Future) (MPF(F)), and the T-AOE(X). For fiscal year 2006, our shipbuilding programs are limited by their place in the development and initial construction phase.

In 2004, the Department delivered and commissioned the lead ship of our newest class of submarines, the USS *Virginia*, initiating a new era of undersea capabilities that are aligned to the littoral regions. The lessons learned in constructing and testing the first submarine in more than six years are being applied to the follow-on ships. The USS *Jimmy Carter* was delivered to the Navy at the end of 2004 and will be commissioned in early 2005. The Navy also commissioned five DDGs in 2004 and laid the keels for the eighth ship of the LHD Class, the first *Lewis and Clark*

Auxiliary Dry Cargo Ammunition Ship (T-AKE), and the third and fourth *Virginia* Class Submarines. In Calendar Year 2004, the Navy completed three Engineered Refueling Overhauls of SSN 688 Class Submarines.

Virginia Class SSN. The fiscal year 2006 Budget continues the strong support for the *Virginia* submarine program and provides the funding for the eighth submarine of the Class. In addition, funds for economic order quantity and advanced procurement for the ninth and tenth submarines are requested. These ships will continue to be built using the teaming approach adopted by Congress in 1998, which maintains two nuclear capable submarine shipbuilders. The Navy is procuring one submarine per year through the FYDP.

San Antonio Class LPD. The LPD-17 is an amphibious transport dock ship optimized for operational flexibility and designed to meet Marine Air-Ground Task Force lift requirements. In 2005, the first LPD-17, *San Antonio*, will be delivered. The fiscal year 2006 Budget provides full funding for LPD-24, the eighth ship of the LPD-17 class.

Littoral Combat Ship. A critical component of Sea Shield is the LCS, which is envisioned to be fast, agile, stealthy, relatively small and affordable. Primary missions for the ship will include small boat prosecution, mine warfare, shallow water anti-submarine warfare, intelligence, surveillance, and reconnaissance. It will operate in environments where it is impractical to employ larger ships. LCS final system design contracts were competitively awarded to two teams in fiscal year 2004. The detail design and construction of the first LCS flight ship is underway. Detail design for the second ship is ongoing with construction starting in fiscal year 2006. Procurement of the three mission packages is also planned in fiscal year 2006.

Lewis and Clark Class T-AKE. The fiscal year 2006 Budget request includes funding for the ninth ship of the class. The first eight ships have been authorized and appropriated and are under contract for construction. Lead ship construction commenced in September 2003, with a projected delivery date of January 2006. Projected delivery date for the first follow on ship is September 2006 with remaining ship deliveries at three to six month intervals.

CVN-21. CVN-21 will be the centerpiece of tomorrow's CSGs and contribute to every capability pillar envisioned in Sea Power 21. CVN-21 will provide the United States the capability to quickly project combat power anywhere in the world, independent of land based support. CVN-21 will increase sortie generation rate and increase survivability to better handle future threats. The new design nuclear propulsion plant and improved electric plant together provide three times the electrical generation capacity of a *Nimitz* Class carrier. This capacity allows the introduction of new systems such as Electromagnetic Aircraft Launching System, Advanced Arresting Gear, and a new integrated warfare system that will leverage advances in open systems architecture to be affordably upgraded. The fiscal year 2006 Budget request includes advance procurement funding for the continued development of CVN-21. The construction contract is scheduled for award in fiscal year 2008, with ship delivery in 2015.

DD(X). DD(X) will be a multi-mission surface combatant designed to provide precision strike, volume fires, and littoral area air defense. It will provide credible forward presence while operating independently or as an integral part of naval, joint, or combined expeditionary forces. Its offensive fires capability will be a critical element of our future Sea Strike and Sea Shield capabilities. The fiscal year 2006 Budget request includes RDT&E funds for continued technology development and advance procurement for lead ship detail design and construction. The Navy is three years into the competitively awarded DD(X) design and technology development effort. Planned technologies such as an integrated power system and total ship computing environment in an open architecture, will provide more affordable future ship classes in terms of both construction and operation. DD(X) will be the first forward fit open architecture combat system. This investment will pay dividends to other surface ship procurements, including CVN-21 and the LHA Replacement Ship.

LHA Replacement Ship (LHA(R)). The fiscal year 2006 Budget request includes advance procurement funding for the LHA(R). The Navy's objective for the LHA(R) program is to replace the capability of the LHA-1 Class to provide required amphibious lift and presence capability. The fiscal year 2007 Flight Zero ship features improved aviation capabilities. With the addition of advance procurement in fiscal year 2006, construction of the LHA(R) has been accelerated to start in fiscal year 2007.

Maritime Preposition Force (Future) (MPF(F)). Most prominent in highlighting the value and power of the nation's naval expeditionary capability was the Marine Corps' participation in OIF. Success in this operation was due to our naval dominance, our expeditionary nature, and our flexibility and adaptability to defeat the challenges posed by enemy threats. Among other naval assets, eleven strategically

located Maritime Pre-positioning Ships (MPS) were unloaded in 16 days to provide the equipment and sustainment required for two Marine Expeditionary Brigades. Exploiting the operational speed, reach, and inherent flexibility of seapower, the Navy and Marine Corps Team achieved a rapid buildup of sustained warfighting power that was combat ready to support United States Central Command. The current MPS ships are essentially forward-located floating warehouses with limited sea-based logistics support capabilities. They can only off-load pier-side, or in-stream close to shore under favorable weather and sea conditions, or in a protected harbor. They have a very limited ability to facilitate rapid force closure due to limited ship transit speeds and extended periods for off-load, assembly and distribution. Equipment must be off-loaded from the existing ships, made ready for combat, and married up with the troops ashore prior to beginning combat operations. The MPF(F) will eliminate these limitations and provide for a greatly expanded joint military capability including decking for strike aircraft.

T-AOE(X). The next generation fast combat support ship is being studied and may eventually replace the *Sacramento* Class of fleet auxiliaries. The T-AOE(X) is envisioned to provide rapid replenishment at sea of petroleum, munitions, provisions, and fleet freight. Acquisition is currently scheduled to start in fiscal year 2009.

Ship/Submarine Conversions and Modernizations

SSGN. The fiscal year 2006 Budget provides the funding to convert the last of four SSBNs to SSGNs. When complete, the SSGN will be a covert conventional strike platform capable of carrying up to 154 Tomahawk missiles and supporting deployed special operating forces.

Cruiser (CG) Modernization. The CG Modernization program was restructured in fiscal year 2006 in accordance with Congressional direction. Under the restructured plan, the older Baseline 2 and 3 ships will be modernized first. Funding begins in fiscal year 2006 for long lead-time procurements for a fiscal year 2008 Baseline 2 modernization availability. This modernization will reduce combat system and computer maintenance costs, replace obsolete combat systems, and extend service life. It will also incorporate manpower reduction improvements and quality of service enhancements from the smart-ship program.

CVN-70. The fiscal year 2006 budget provides funds for the first increment of the CVN-70 Refueling Complex Overhaul (RCOH). The planned schedule will have the CVN-70 available to the Fleet in late 2009, after both RCOH and subsequent work-ups.

SSBN Extended Refueling Overhaul. The refueling and overhaul of the USS *Alabama* is budgeted in fiscal year 2006. This is the second SSBN ERO that will sustain our strategic forces well into the future.

Mine Warfare.—The fiscal year 2006 Budget includes funding to support the Navy's goal of an organic mine countermeasures capability while upgrading the dedicated mine countermeasure force. The budget continues the development and integration of five organic systems for the MH-60S platform to be deployed from the LCS: the AQS-20A Minehunting System, the Airborne Laser Mine Detection System, the Airborne Mine Neutralization System, the Rapid Airborne Mine Clearance System, and the Organic Airborne and Surface Influence Sweep System. The fiscal year 2006 Budget request also supports the development and procurement of the Remote Minehunting System integrated into DDG-51 hulls 91-96 as well as for deployment from the LCS. In fiscal year 2006, we will continue with our Surface Mine Countermeasures (MCM) mid-life upgrade plan. We have initiated a product improvement program for the engines of the MCM-1 *Avenger* Class mine countermeasure ships to enhance their reliability and availability. We are upgrading our minesweeping capability with new acoustic generators and magnetic sweep cables, and have requested resources to replace our maintenance-intensive mine neutralization system (AN/SLQ-48) with an expendable mine neutralization system. For the Marine Corps, the budget continues to support the Assault Breaching System, that, when fielded, will counter the mine and obstacle threat in the beach and surf zones.

Aircraft.—The Department's fiscal year 2006 Budget request is structured to maintain the continued aviation superiority of the Navy and Marine Corps. The Naval aircraft procurement plan emphasizes replacing costly stand-alone legacy platforms with more efficient and capable integrated systems. Including the aircraft funded with RDT&E, the number of aircraft requested increases from 115 in fiscal year 2005 to 138 in fiscal year 2006. This includes the first four EA-18G aircraft, five VXX helicopters and three Firescout unmanned aerial vehicles (UAV). The budget continues to maximize the return on procurement dollars, primarily through the use of multi-year procurement (MYP) for the F/A-18E/F and EA-18G, the E-2C, and the MH-60S programs.

F-35 Joint Strike Fighter (JSF). Our recapitalization plan includes the JSF, a stealthy, multi-role fighter aircraft designed jointly to be an enabler for Sea Strike and Sea Shield. The fiscal year 2006 Budget contains funding for the continuation of System Development and Demonstration (SDD) on the JSF. The JSF will enhance the DON's precision strike capability with unprecedented stealth, range, sensor fusion, radar performance, combat identification and electronic attack capabilities. Carrier based JSF will complement the F/A-18E/F and EA-18G in providing long range strike capability and much improved persistence over the battlefield. The Short Take Off/Vertical Landing (STOVL) JSF combines the multi-role versatility of the F/A-18 and the basing flexibility of the AV-8B. The commonality designed into the JSF program will reduce acquisition and operating costs and allow enhanced interoperability with our Allies and sister Services. The JSF continues working to translate concept designs to three producible variants. Manufacture and assembly of the first flight test Conventional Take Off and Landing (CTOL) aircraft is underway, with assembly times much less than planned. Detailed design work continues for the CTOL and STOVL variants. The first flight is scheduled for 2006. The JSF program has aggressively addressed weight and airframe design issues identified last year. All three variants are projected to meet key performance parameter requirements. The JSF program is completing a re-plan effort that began approximately a year ago. The fiscal year 2006 Budget reflects the revised SDD and production schedule.

F/A-18E/F and EA-18G. The F/A-18E/F continues to be the centerpiece of Navy combat aviation and entered into a five year multi-year procurement contracting starting in 2004. The F/A-18E/F program has also been funded to introduce a transformational radar, helmet-mounted sight, advanced targeting pod, and a fully integrated weapons system. The budget also includes funding for the first EA-18G, which is the follow-on aircraft to the EA-6B electronic attack aircraft.

MH-60R/MH-60S. The fiscal year 2006 Budget requests funding for the procurement of 12 aircraft and continued RDT&E for the replacement and upgrade of Light Airborne Multi-Purpose System MK III SH-60B and carrier-based SH-60F helicopters to the new configuration designated as MH-60R. In addition, the budget requests funding for RDT&E and the procurement of 26 MH-60S, which is the Navy's primary combat support helicopter designed to support Carrier and Expeditionary Strike Groups.

V-22. The V-22 program is designed to meet the expeditionary/vertical assault needs of the Marine Corps, the strike rescue needs of the Navy, and to supplement the special mission aircraft for U.S. Special Operations Command. The fiscal year 2006 Budget request includes funding for 11 V-22s (9 MV-22s and 2 CV-22s) and funding for continued aircraft testing and evaluation. Progress continues towards delivering a high-quality aircraft that improves capability and interoperability of the aircraft, reduces production costs, and maximizes production efficiency. Since the resumption of V-22 flight-testing, in May 2002, the V-22 is satisfying the threshold levels for all its key performance parameters. V-22 test pilots have recorded more than 4,500 flight hours since that time. The V-22 will enter Operational Evaluation in March 2005, leading to a full rate production decision expected in late Calendar Year 2005.

AH-1Z/UH-1Y. The current fleet of AH-1W attack helicopters and UH-1N utility helicopters continues to perform superbly in the GWOT. High demand for their capabilities in a harsh environment is highlighting known deficiencies of these aging helicopters—particularly with regard to crew and passenger survivability, payload lift, power, endurance, range, airspeed, maneuverability, and supportability. The DON determined that the H-1 Upgrade Program is the most cost-effective alternative for the Marine Corps' attack and utility helicopter requirements. The H-1 Upgrade Program is a key modernization effort designed to resolve existing safety deficiencies, enhance operational effectiveness of both the AH-1W and the UH-1N, and extend the service life of both aircraft. In October 2003, the program entered initial low-rate production. A follow-on low-rate production is scheduled to start in February 2005, and operational and evaluation testing is planned to begin in July 2005. Due to aircraft attrition in combat operations, we plan to pursue funding in the future for a "build-new" strategy for additional AH-1Z and UH-1Y aircraft, in order to prevent inventory shortfalls that would be unacceptable in light of current and expected operational commitments.

Multi-Mission Maritime Aircraft (MMA). In June 2004 the Navy selected Boeing's 737 for the MMA. The MMA will be a long-range Anti-Submarine Warfare (ASW), Anti-Surface Warfare (ASUW), and ISR aircraft capable of broad area maritime and littoral operations. The MMA is the replacement for P-3C Orion and will begin to enter the fleet in 2013.

CH-53X. The Marine Corps' CH-53E continues to demonstrate its value as an expeditionary heavy-lift platform, with significant assault support contributions in Afghanistan, the Horn of Africa and Iraq. Vertical heavy lift will be critical to successful 21st century operations in anti-access, area-denial environments, enabling the force application and focused logistics envisioned within the joint operating concepts. The CH-53X series aircraft will address our emerging heavy-lift requirements. The fiscal year 2006 Budget requests RDT&E funds to begin the System Development and Demonstration phase of the CH-53X program.

Advanced Hawkeye (AHE). The AHE program will modernize the E-2 weapons system by replacing the current radar and other system components to maintain open ocean capability while adding a robust overland capability against current and future cruise missile type targets. The budget requests funds to procure two E-2Cs as the third year of a four-year multi-year procurement. This effort will keep the production line viable while the AHE continues spiral development toward an Initial Operational Capability (IOC) in fiscal year 2011.

Presidential Replacement Helicopter (VXX). The fiscal year 2006 Budget requests RDT&E funding for VXX systems development efforts and the procurement of five pilot production aircraft. The goal of this accelerated program is to introduce a new Presidential helicopter by October 2009. The VXX program will utilize an evolutionary acquisition approach through a two-part incremental development to deliver a safe, survivable and capable vertical lift aircraft while providing uninterrupted communications with all required agencies.

Marine Corps Equipment.—The fiscal year 2006 Budget supports the development and fielding of equipment used by Marine Corps ground forces. The Marine Corps' number one ground acquisition priority continues to be the Expeditionary Fighting Vehicle (EFV). The EFV will join the MV-22 and the LCAC as an integral component of the amphibious triad required for executing expeditionary maneuver warfare. Low-rate initial production procurement begins in fiscal year 2007 and will start delivery in fiscal year 2008. The Department intends to procure 15 vehicles in fiscal year 2007 with IOC planned for fiscal year 2010.

Also critical to the Marine Corps transformation efforts is the Lightweight 155 Howitzer (M 777). The M 777 is a joint USMC/Army 155 mm towed artillery system that will provide significant improvements over the current M198 system. The M 777 is currently in its third year of low-rate initial production for the Marine Corps.

Marine Corps modernization efforts within the fiscal year 2006 Budget include the High Mobility Multi-Purpose Wheeled Vehicle (HMMWVA2) program and the Light Armored Vehicle Product Improvement Program (LAV PIP).

Unmanned Aerial Vehicles (UAV).—The fiscal year 2006 Budget continues to demonstrate the DON's commitment to develop, acquire, and field transformational UAV technologies for ISR and tactical missions. The Navy's UAV programs are focused on two areas, the Vertical Takeoff and Landing Tactical UAV (VTUAV), designated the Fire Scout, and the Broad Area Maritime Surveillance (BAMS).

The Fire Scout (VTUAV) is capable of operating from all air-capable ships. It carries modular mission payloads and operates using the Tactical Control System (TCS) and Tactical Common Data Link. The Fire Scout will provide day/night real time ISR and targeting as well as communication-relay and battlefield management capabilities for ASW, MIW and ASUW on LCS. The BAMS UAV program will meet the Navy requirement for a persistent ISR capability as well as address the growing ISR gap and the shortfall in maritime surveillance capability. The BAMS UAV System is intended to be a Navy fleet asset for tactical users such as Battle Group Commanders and the Joint Forces Maritime Component Commander (JFMCC).

The Marine Corps continues to examine options for the sustainment and eventual replacement of its aging Pioneer fleet. Requirements for Vertical Unmanned Aerial Vehicle (VUAV) are being developed in consonance with Ship to Objective Maneuver concepts from Expeditionary Maneuver Warfare and with lessons learned from recent operational experience. The Marine Corps will procure a small number of United States Coast Guard Eagle Eye tilt rotor UAVs as an interim step to replace the Pioneer.

Finally, the Air Force and Navy Joint Unmanned Combat Air System (JUCAS) will provide persistent, carrier-based penetrating surveillance in high threat areas that will leverage existing investment in long-range weapons to ensure access against future threat air defense systems to allow strike options with low risk of friendly loss/capture. This joint program is in the science and technology development and demonstration phase.

Unmanned Surface Vehicles (USV).—The fiscal year 2006 Budget request supports advanced technology development for a mine influence system integrated into an unmanned 11-meter craft for deployment from LCS.

Unmanned Ground Vehicles (UGV).—We continue to pursue man-transportable robotic systems to perform explosive ordnance disposal tasks, to include technology development of bottom crawling vehicles for mine reconnaissance and neutralization.

Unmanned Undersea Vehicles (UUV).—The fiscal year 2006 Budget continues the development of a family of Unmanned Undersea Vehicles as described in the UUV Master Plan issued in 2004. The Modular 21-inch UUV program will provide a robust mine counter measures capability that can be deployed covertly. Its design will support the ability to reconfigure for other missions due to its open architecture design. A family of smaller diameter (7.5-inch), low-cost, man-deployable UUVs will provide the capability for mine clearance in shallower areas as was demonstrated during OIF, as well as support force protection missions. In fiscal year 2006, we are initiating the development of a 12.75-inch UUV for deployment from LCS in support of mine countermeasures missions and environmental data gathering. A larger diameter UUV will provide a long endurance capability and expand the types of missions that can be conducted.

Munitions Programs.—During OEF and OIF, the Department expended less precision ordnance than projected. As a result, the purchases for fiscal year 2006 have been decreased for Joint Direct Attack Munitions (JDAMs) and Laser Guided Bombs (LGBs). This decrease in procurement provides no increased risk to the DON but merely reflects lower ordnance utilization rates. Partnerships with the Army and the Air Force in several of our munitions programs continue to help us optimize both our inventories and our research and development investments.

The Navy provided an Early Operational Capability (EOC) and accelerated deliveries for 500-pound JDAM variant (GBU-38) for Navy F/A-18E/F platforms. This variant was deployed immediately after approval for production was granted as it met an urgent warfighter need to deploy precision munitions with limited collateral effects in congested urban environments in support of OIF. The 500-pound JDAM filled the mission need so well that over one-third of the initial inventory was expended within one month of weapons arriving in theater. This resulted in a Navy and Marine Corps request for accelerated production and delivery. The fiscal year 2006 Budget funds JDAM to meet all known warfighter demands and we will closely monitor expenditures to make any adjustments, as needed.

We also approved a new variant of the JSOW family of weapons for Full Rate Production in December 2004. Similar to the new 500-pound JDAM program, this capability is in demand by the warfighter to provide new options for precision attack against point targets vulnerable to blast fragmentation effects and hardened targets.

Technology Insertion.—We continue to sustain a robust RDT&E effort as we transform the Navy and Marine Corps to the next generation of combat systems. This budget reflects our commitment to future transformational capabilities maintained in joint forward sea basing initiatives and technology insertion for major platforms including DD(X), LCS, SSN, VXX and MMA, and supports a new design for future undersea superiority system. While the long term pace of transformational programs has slowed in this budget, desired future capabilities have been preserved across the warfighting spectrum. Continued technology improvements will ensure Naval forces' ability to project offensive power, defend the homeland, and sustain operational independence around the world.

Science and Technology (S&T). The Navy pursues an integrated and comprehensive science and technology program, from basic research through manufacturing technology, focused on enabling the Naval warfighter as outlined in the Department of the Navy's vision Naval Power 21. The President's Budget request for science and technology efforts to support the Navy and Marine Corps Team is \$1.8 billion. Program officers manage specific investment portfolios and are responsible for integrating basic research with applied science and technology in their areas, while promoting the effective and expeditious transition of discovery and invention into real-world applications. The success of the Navy S&T program is not measured simply by the basic science it supports, but also by the successful transition of that science to support our Sailors and Marines in the field.

FORCENet. The Navy and Marine Corps FORCENet is an initiative to achieve Net Centric Warfare and joint transformation by providing robust information sharing and collaboration capabilities across the Naval enterprise and with other services, agencies, the joint community, and coalition partners. We are beginning to implement FORCENet capabilities in our acquisition programs, including programs that procure either warfighting or support systems afloat and ashore, to provide this critical capability as soon as possible across the Department. We expect FORCENet-supported operations to have a higher tempo and greater effectiveness, efficiency and adaptability. In short, we expect better results faster, with less waste and greater

responsiveness to changing circumstances. Some distributed network concepts and systems that provide the building blocks for FORCEnet include: Open Architecture, Cooperative Engagement Capability, Mobile User Objective System, and Joint Tactical Radio System.

CONCLUSION

The Navy and Marine Corps Team is providing great value to our Nation. Today, your Navy and Marine Corps Team is forward deployed, answering the call in protecting America's strategic interests. "Being there" around the world, around the clock, with combat ready forces—your Navy and Marine Corps Team will continue to be ready to win the fight across a wide range of contingencies.

The fiscal year 2006 Budget request is both about prevailing in today's environment and bridging for a successful future. While we are balancing between today and tomorrow's force, we are clear in purpose and focused on success in the future. We are confident in our capabilities and where we are headed together with the joint force. In preparing for the future, we will never overlook the present. With this budget, we have set a course to win our Nation's wars and transform to meet future challenges.

In supporting the challenges outlined in the fiscal year 2006 Budget request, Congress will continue to provide the DON the right capability at the right time to meet our Nation's needs.

Senator STEVENS. Admiral Clark, we welcome you for your last statement. But I've got to start off by telling you about the advice my first father-in-law gave me as he reached 95. He said, "Just keep in mind that only in the English language does the word 'retire' mean other than go to bed."

We expect to see you again and again. Admiral, welcome before the Committee.

SUMMARY STATEMENT OF ADMIRAL VERN CLARK

Admiral CLARK. Thank you very much, Chairman Stevens, Senator Inouye, Chairman Cochran, and Senator Mikulski.

It is a real privilege to be here; actually, a great honor for me to be here representing the sons and daughters of America who wear sailor uniforms in service to this Nation, and especially to be here with this team that's sitting to my left, Secretary England and General Hagee. I am privileged to work with people like this, committed to our Nation, and making the Navy/Marine Corps team stronger.

And, as you have said, this is a meaningful event for me, because it's the last time I'm going to be here, at least in an open session, talking about this Navy that I love.

This posture statement that I've submitted to you, the written one, is the longest one I've ever given to you. I'll take about 4 or 5 minutes here and just talk about what's in here.

This budget before you ensures that you will continue to see credible combat naval forces deployed overseas in the immediate years ahead, just as they are doing this morning, providing warfighting and/or deterrent forces in the far corners of the Earth. The way I like to say it is, "options for the President with the freedom to represent our Nation in the maneuver space that's guaranteed by international law, operating in our maritime domain with a capability which comes to you only from the investment that this Nation has made in its Navy."

This is a capability that will become more and more important with a future that I believe will focus on generation-four warfare in a global war on terror that will last for many years to come.

In this budget proposal, which I support, we've carefully allocated the resources provided by this Nation, and propose increases in every major segment of the Navy's budget.

In particular, the military personnel account will increase by \$1.1 billion in a package that enhances the overall benefits of military service, from pay, to housing, to special allowances, and directly supports our efforts to recruit and retain a talented and dedicated fighting force.

Our operations and maintenance account increases to ensure the continued readiness of the Navy to fight and win in the long war against terror. If we've learned anything since 9/11, it is that our forces must be ready. And your Navy is more ready today than at any time since any of you or I have been engaged in this national security business.

Let's talk about procurement. It increases by almost \$2 billion, seeking to achieve future warfighting wholeness and funding important new ship and aircraft programs.

Continuing the emphasis on transformation, the aircraft procurement plan in this budget has \$6.6 billion in R&D for our aviation programs—Multi-Mission Maritime Aircraft (MMA), Joint Strike Fighter, V-22, Aerial Common Sensor (ACS), and Presidential Helicopter Replacement (VXX). And the return on these programs is high. For instance, today our carrier strike groups can strike four times the number of targets per day than they could in Desert Storm. And because of our investment strategy, what's in the budget today, this naval aviation strike capability is expected to double again by the end of 2010.

The fiscal year 2006 to 2011 program includes \$89.6 billion and a procurement plan of 1,263 aircraft across the Future Years Defense Plan (FYDP). The 2006 budget alone includes \$10.5 billion to procure 128 aircraft, including helicopters, representing an additional \$1.7 billion above what was appropriated in 2005.

And we made a significant commitment to increase research and development, as the Secretary said. Now, let me just point out one fact here. Our research and development budget is now, in this budget, double what it was when I came into office 5 years ago. In 2006, it goes up by \$1.2 billion, of which 66 percent is going to design the ships and the submarines and aircraft that will support our transformational goals, like seabasing, and maximize our operational availability with speed, access, and persistence.

So, overall, this budget is well balanced. It increases the quality of naval service, ensures combat and operational readiness for the fighting force today, and invests in future capabilities.

Having said that, I must share with you a number of challenges that do lie before us and the Nation.

First, the majority of our naval force structure was built to fight two major theater wars, yet the strategic landscape is vastly different today than when I came to this job and demands, in my view, a different set of capabilities to accomplish increasingly discreet missions. I'm speaking specifically about other missions, such as peacekeeping, stability operations, and the tasks involved in the global war on terror. As a result, I believe that our Navy must be reshaped and better balanced to be optimized for the future. Building a force set to deal only with major combat operations, given all

the other tasks that we face in the world today and will face in the future is not, in my view, a responsible approach.

The budget is a transformational gearshift, as the Secretary said, to properly shape us for the future by fielding platforms and sensors and capabilities that are key to winning the wars that we may have to fight in the future. We must build platforms like the Littoral combat ship, where we've decoupled the combat capabilities from the frame—the sea frame itself. And the EA-18G, with its advanced weapons and sensors, that transforms the battle against IADS, integrated air defense systems, from one of suppression to one of lethality. And we must also continue development of advanced technology for DD(X) and the developing CVN-21 and CG(X), which will take on the missile defense threats of the future, along with Joint Strike Fighter and maritime pre-positioned force and the replacement Amphibious Assault Ship (LHA) for our marine friends.

Let me give you another challenge. While transitional threats are the focus of today's efforts, we must keep watch on the increased anti-access and sea-denial capabilities that are being developed by nations in the Middle East and Asia.

Third, we must deal with the spiraling cost of our systems. Spiraling costs are competing with our ability to transform for the future. Slowing the pace and reducing the scale of our vital programs, escalating procurement costs in shipbuilding and aircraft are eroding my buying power, and we need your help to partner with industry to deliver more fighting power at less cost to the Nation.

My written statement addresses the soaring costs of ships and aircraft over time, and the impact of this loss of buying power. I think the conclusion is obvious. We must address the central issue. What size Navy with what kinds of capabilities must this Nation have to live in a world where globalization is the rule of the day? This addresses, directly, your comment, Mr. Chairman, about your concern for the future and the size and the number of ships that we will have in the days to come. I believe that this is a national security issue that requires our collective attention.

Finally, personnel costs continue to rise, especially regarding healthcare. Now, there is no question that we owe them, our men and women and their families, a standard of living that properly reflects the value of their service to the Nation, and we also owe them the tools to do their job. So, we must ensure that our force is properly shaped and trained and educated to provide the maximum return on investment. And there are many initiatives underway. And I would love to talk today about how we are winning the battle for people.

To meet these future challenges, we need congressional support to help us implement more flexible ship and aircraft procurement funding mechanisms, such as level funding and advanced procurement and split funding and multi-year procurements, all of these things somehow put together, just as we do with other major defense acquisition programs. In my view, the status quo is inadequate. If we do not transform our acquisition methods, we will not be able to deliver the 21st century Navy that this Nation needs.

We also ask your support for our continued experimentation with innovative force-shaping tools for our people to ensure our Navy is properly sized and trained to meet the challenges of the 21st century.

And so, in closing, I want you to know that your Navy is ready, as ready as I have ever seen it. And I want you to know that this readiness did not happen by accident. You gave us the resources, and we got here because of the tremendous men and women living a lifestyle of service in uniform today.

Over the past year, they have deterred and disrupted the movement of terrorists at sea, supported the United States (U.S.) and coalition forces on the ground in Iraq and Afghanistan, guarded Iraq's critical oil infrastructure in the Persian Gulf, and provided quick and vital support to the tsunami relief effort.

Today, the spotlight is on the Army and the United States Marine Corps, and that's exactly as it should be, as they fight in Iraq and Afghanistan. There are, to some people's surprise, 7,000 sailors ashore in Iraq with them, and that number is growing. And there are 13,000 sailors at sea in General Abizaid's theater. And when Iraq is over and everybody else comes home, your Navy will still be out there every day, just like it is today, with our number one joint partner, the United States Marine Corps, representing our Nation in ways that no other service can on the high seas in our maneuver space, with the freedom to go wherever we need to go.

PREPARED STATEMENT

I want you all to know that I could not be more proud of the operational accomplishments of our Navy and the men and women who make it possible. It's been a thrill of a lifetime to have this opportunity. And I thank you for the chance to represent them here today, and I look forward to the opportunity to discuss our Navy in the future.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL VERN CLARK

Mr. Chairman and members of the Committee, this will be my fifth opportunity to talk with you about the investments that you've made in America's Navy and about our budget request for the coming year. I want you to know that it has been an honor for me to come to this "house of the people" and work with all of you in the service of our great nation. Your dedication to the public good has been an inspiration, and I am personally grateful for having had the privilege to speak with you on so many occasions.

I also want to express my gratitude on behalf of the men and women of your Navy. Your exceptional and continuous support has made possible their remarkable achievements of the last five years in manpower, readiness levels, and our ability to generate capabilities the joint force will need to fight and win in the dangerous decades ahead.

These marvelous Americans—active and reserve, uniformed and civilian—will continue to make this nation proud as they take the fight to today's enemy, while steadily transforming our institution to meet tomorrow's challenges. It is they who make ours the greatest Navy ever to sail the world's oceans; our ability to attract, train, and retain them is a testament to the health of our service and an indicator of our proper heading as we chart our course into the twenty-first century.

YOUR NAVY TODAY—FOCUSED ON WINNING THE FIGHT

We are engaged in a war that I believe will be a generational challenge. Your Navy has been at the forefront of this war at sea and on land, and Sailors have

represented themselves with great distinction. In this fight, your Navy is making history as we contribute unprecedented reach, precision, persistence, and awareness to the joint force. In this time of great consequence for our future, our men and women operating in the air, on and under the sea, and on the ground are at the leading edge of the Global War on Terrorism.

Today, there are 85 ships on deployment (29 percent of the Fleet); this includes three aircraft carriers, and two big deck amphibious ships (LHA/LHD). They are deployed in support of the nation's interests in the Persian Gulf, the Mediterranean, the Indian Ocean and the Western Pacific (see Figure 1). And because of the changes we've made in how we maintain our ships and train our crews, still others are ready to surge forward on short notice or are continuing operations like strategic deterrence; intelligence, surveillance and reconnaissance missions; and counter-drug patrols in support of other national imperatives.

YOUR NAVY TODAY



Figure 1

There are now approximately 22,000 Sailors deployed to the Central Command area of responsibility (AOR) in support of Operations ENDURING FREEDOM (OEF) and IRAQI FREEDOM (OIF). This includes more than 14,000 men and women of the HARRY S. TRUMAN Carrier Strike Group (CSG), CARL VINSON Carrier Strike Group and BONHOMME RICHARD Expeditionary Strike Group (ESG) as well as some 8,000 Navy personnel on the ground throughout the theater. Among them are more than 2,500 medical personnel in direct support of ground combat missions, and more than 1,000 Seabees managing construction projects for new Iraqi schools, bridges, roads and facilities. They are also teaching construction skills as part of the Iraqi Construction Apprentices Program.

OIF.—In the past year, Navy aircraft have provided the reach, precision, persistence, and awareness needed by Soldiers and Marines engaged in OIF ground combat operations. Navy sea-based tactical aircraft flew more than 3,000 sorties and dropped more than 100,000 pounds of ordnance in close support missions. Less visible, but no less valuable, have been the nearly 5,000 hours of dedicated surveillance and reconnaissance flown by both sea-based and shore-based Navy aircraft, providing the eyes and ears of our people on the ground in Iraq. At sea, Naval Coastal Warfare forces protect Iraq's oil terminals in the Persian Gulf.

GWOT.—In multiple theaters in the war on terror, your Navy is conducting Maritime Interdiction Operations (MIO) and Expanded MIO. EMIO is the maritime component of the GWOT and its purpose is to deter, delay and disrupt the movement of terrorists and terrorist-related materials at sea. With our extensive MIO experi-

ence in the Persian Gulf and elsewhere, we are well trained to monitor, query and board merchant vessels, and we have done so 2,200 times in the last year alone.

We are actively participating in an ongoing series of Proliferation Security Initiative (PSI) exercises as well as working groups composed of operational experts from PSI partner nations in an effort to prevent the flow of WMD, their delivery systems, and related materials. This initiative is led by the State Department and envisions partnerships of states working in concert to develop a broad range of legal, diplomatic, economic, military, and other tools to interdict shipment of such items.

We have also been working closely with the U.S. Coast Guard to better defend the homeland, including developing a new operational concept called Maritime Domain Awareness (MDA). MDA will enable identification of threats as early and as distant from our borders as possible to determine the optimal course of action. Armed with this better awareness and visibility, we will provide an active, layered system of defense that incorporates not only the maritime domain, but space and cyber-space as well. The success of these operations can be credited to the synergy developed between our Navy, the Coast Guard and other agencies.

I would like to point out here, as I have testified in prior hearings, that to fully develop our concept of Sea Basing and to realize the fruits of MDA for the defense of our homeland, we must take maximum advantage of the widely accepted rights codified by the Law of the Sea Convention.

From transit passage, to reaffirming the sovereign immunity of our warships, providing a framework for countering excessive claims of other states, preserving the unfettered right to conduct military activities in the exclusive economic zones, the Convention provides the stable and predictable legal regime with which to conduct our operations today and in the future. Joining the Convention will support ongoing U.S. military operations, including continued prosecution of the Global War on Terrorism, and will enhance our leadership role in maritime matters. I strongly support United States' accession to the Law of the Sea Convention because joining the Convention will strengthen our nation's defenses.

Operation UNIFIED ASSISTANCE.—By sea-basing our relief efforts for South Asian tsunami victims in Operation UNIFIED ASSISTANCE, for example, the ABRAHAM LINCOLN CSG and the BONHOMME RICHARD ESG (including Marines from the 15th Marine Expeditionary Unit) delivered more than 6,000,000 pounds of relief supplies and equipment quickly and with more political acceptance than may have been possible with land-based relief efforts.

In addition, nine of our versatile P-3C reconnaissance and surveillance aircraft supported search and rescue operations, while the High Speed Vessel (HSV) SWIFT, an aluminum-hulled catamaran, deployed from Naval Station Ingleside, Texas, in January to provide high-speed connectivity to the shore with its ability to transit shallow water. The hospital ship USNS MERCY is now on scene to provide a base of operations for joint U.S. military medical organizations and recognized international nongovernmental and private relief organizations. And, more than 400 Seabees assisted in disaster recovery efforts such as clearing roads, removing debris and assessing damage.

Our most precious resource.—At the heart of everything good that is happening in our Navy today is the vital fact that we are winning the battle for people. We are attracting, developing, and retaining a talented cadre of professionals who have chosen a life of service. Our ability to challenge them with meaningful, satisfying work that lets them make a difference is fundamental to our covenant with them as leaders.

To better fulfill this promise, we are in the process of developing a Human Capital Strategy that fits the twenty-first century—a strategy that delivers the right skills, at the right time, for the right work. We would not be in a position to do that today had we not first tackled the fundamentals: recruiting the right people, increasing retention, and attacking attrition.

We have consistently met or exceeded our recruiting goals since 2000. This has allowed more selectivity and a consequent increase in the quality of recruits. Nearly 15 percent of our current recruits, for example, now have college experience, up by more than 300 percent since 2000. More than 95 percent of new recruits now have high school diplomas. And minority officer applications have increased by 27 percent.

We have experienced extraordinary retention in our Navy fostered by a new culture of choice and a focus on professional development for our Sailors. This new culture has led to the highest retention in our history. Therefore we are able to be more selective in recruiting and establish the kind of competitive environment for reenlistment and detailing. This, in turn, allows us to more effectively shape of the force, developing a more educated and experienced group of professionals to lead and manage our high-tech Navy. Sailors in many ratings have been given new op-

opportunities to compete and grow in our institution through adjusted NEC-targeted Selective Reenlistment Bonuses and the Perform-To-Serve program. We have also piloted choice in assignments with a new Assignment Incentive Pay pilot program. Sailors are now able to compete for select jobs in duty stations across the globe.

Since 2000, we have also reduced attrition by nearly 33 percent. This past year alone, leaders throughout our Navy attacked the number one cause for attrition: illegal drug use. Despite an increase in testing of nine percent Navy-wide, the number of positive samples was down by 20 percent since 2003. In short, we now have the highest quality workforce the Navy has ever seen.

Readiness to fight.—We have a responsibility to you in the Congress and to the taxpayers to ensure that the Navy the nation has already bought is properly equipped. We have invested billions of dollars in training, maintenance, spare parts, ordnance, flying hours and steaming days so that the current force is prepared on a day-to-day basis to deliver combat power whenever and wherever it is needed. Today we have the best readiness performance I've seen in my career.

To enhance our Navy's ability to respond to crises whenever and wherever needed, we implemented a Global Concept of Operations that increases both the number and capabilities of naval assets that are forward deployed throughout the world. This new operating concept delivers a sustainable global reach to influence current events through the sovereign presence of our naval forces.

This past year, we maintained Fleet Response Plan's (FRP's) "6+2" readiness to consistently deliver six forward-deployed or ready-to-surge CSGs almost immediately, plus two additional CSGs in 90 days or less. The FRP allows us to surge 50 percent more combat power on short notice to deal with future global contingencies than in the past. For example, we were able to maintain the JOHN C STENNIS CSG in a "ready for war" state for 418 of the 509 days of its most recent readiness cycle that included deployed operations.

Three Months, Five Theaters, Seven CSGs



Figure 2

As part of the FRP, we demonstrated "presence with a purpose" in a multi-CSG surge exercise, SUMMER PULSE 2004 (see Figure 2), as well as the four-month deployments of USS RAMAGE and ROSS. We also surged USS BATAAN, BOXER, and KEARSARGE to enable Marine Corps deployments to ongoing operations in Iraq, and we maintain this surge capability across the Fleet 365 days per year. To support this level of operational availability, we have been improving our maintenance processes and organizations. Innovative programs like SHIPMAIN and the Naval Aviation Readiness Integrated Improvement Program (NAVRIP) helped develop and share best practices, streamline maintenance planning and improved performance goals in shipyards, depots and other maintenance facilities.

Transforming for the Future.—At the Naval War College in June 2002, I introduced our vision of tomorrow's Navy, Sea Power 21 (see Figure 3).

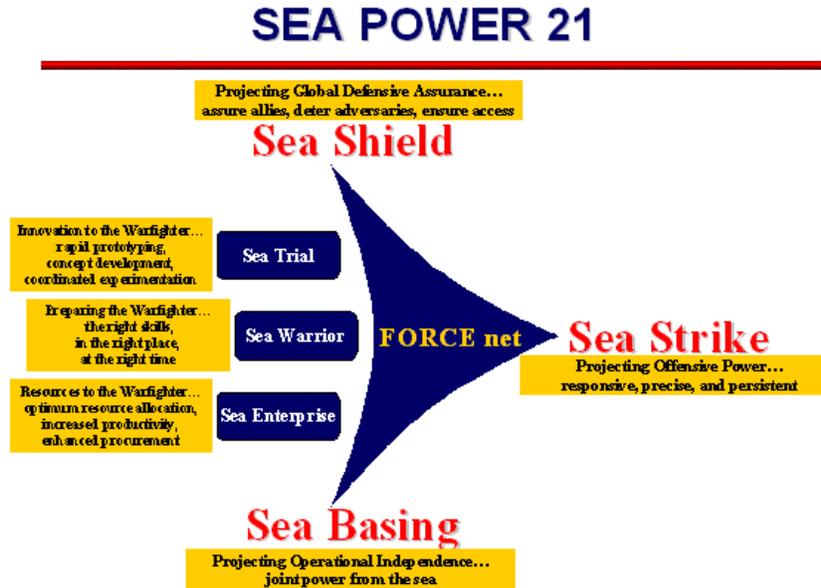


Figure 3

Sea Power 21 began the process of translating theory into practice for a wide range of advanced concepts and technologies—ranging from the stand up of the Fleet ASW Command to the initiation of ballistic missile defense—that will increase the combat effectiveness of the joint force. We are moving forward with the main concepts of that vision to transform the way we fight.

We have introduced Sea Strike capabilities that extended our reach and precision, providing joint force commanders with a potent mix of weapons. In OIF, we deployed F/A-18E/F Super Hornet squadrons, providing greatly enhanced range, payload, and refueling capability. Tactical Tomahawk has entered service, allowing in-flight target re-programming and increasing our time sensitive strike capabilities. The Shared Reconnaissance Pod (SHARP), the Advanced Targeting Forward-Looking Infrared (AT-FLIR), the Joint Helmet Mounted Cueing System and the Multi-Functional Information Distribution System (MIDS) arrived in the Fleet and showed us the power of these new knowledge dominance technologies. The Advanced SEAL Delivery System made its first deployment with USS GREENEVILLE this year, and we started conversion of the third of four SSBNs for conventional strike and SOF insertion.

Our Sea Shield capabilities also improved, extending the defensive umbrella over joint forces ashore during OIF. USS CURTIS WILBUR conducted the nation's first ballistic missile defense patrol. Within four years, 18 warships will be fitted with a transformational ballistic missile surveillance, tracking, and engagement capability. We also published an Anti-Submarine Warfare Concept of Operations (ASW CONOPs), describing ASW force attributes, warfighting principles, and development priorities.

Recent results from at-sea experiments have yielded significant insights into revolutionary distributed ASW sensor technologies and communications that demonstrate the potential of this new CONOPs. Additionally, we refined our Mine Warfare Roadmap to expedite the fielding of new technologies and capabilities into the Fleet, demonstrated the defensive capabilities of Anti-Torpedo Torpedoes, and awarded a contract to design and develop the Multi-Mission Maritime Aircraft for maritime surveillance to replace the aging P-3.

With our number one joint partner, the Marine Corps, we continue to explore options to best realize Sea Basing, studying the optimal ship mix for future ESGs and

Maritime Pre-positioning Force (Future) squadrons. We commissioned USS VIRGINIA (SSN 774), our first submarine designed for littoral missions, and accepted delivery of USS JIMMY CARTER (SSN 23) with significantly improved payload capability. We also approved baseline designs for the Littoral Combat Ship (LCS) and begin construction on our first LCS in June of this year.

Among our FORCENet initiatives to integrate the power of a networked combat force, we established an enterprise-wide architecture that puts in place standards for both infrastructure management and the networking of combat systems. We have also developed a plan for increased use of unmanned systems in tactical ISR and collaborated with the Air Force to develop an Airborne Networking strategy for tactical as well as command and control aircraft. In that vein, we have begun to align the C⁴ISR concepts of all the Services: FORCENet (Navy and Marine Corps), C² Constellation (Air Force) and LandWarNet (Army). We have also enhanced joint and coalition interoperability in our deploying ships through installation of CENTRIX and COWAN nets.

Sea Trial, our initiative to streamline and formalize our experimentation process, is up and running with the Fleet in charge. This past year, we conducted 43 different experiments, ranging from LCS concept of operations development to Missile Defense Surface Action Groups. We tested SSGN effectiveness in a joint scenario with networked forces at sea, in the air, and on land. We conducted a highly complex and challenging ASW experiment in UNDERSEA DOMINANCE 04, while we tested dynamic bandwidth management and reach-back in TRIDENT WARRIOR 04. We sponsored leading edge technologies for future naval warfare including: X-Craft, an innovative ship to be used as a test platform for the Littoral Combat Ship; an operational-scale electromagnetic rail gun; new concepts for persistent littoral undersea warfare; programs to enhance the joint tactical use of space; and Sea Basing enablers. We also focused the Future Naval Capability program to close warfighting gaps and overcome technical barriers.

We are also transforming the business of running the world's greatest Navy. Our Sea Enterprise Board of Directors employs a disciplined review process that helped ensure maximum effectiveness of every dollar we spend. In addition, we established a Corporate Business Council to aid business process transformation, and to foster a culture of productivity and continuous improvement. This forum of senior Navy leaders is chartered to:

- Develop and advocate high potential, cross-functional initiatives and ensure enhanced performance and organizational efficiencies.
- Ensure savings are harvested and returned to the leadership for reallocation against other Navy priorities.
- Track and integrate Echelon II business initiatives, and facilitate barrier removal and organizational impediments to change.
- Ensure Sea Enterprise and CNO Echelon II Execution Review lessons-learned are leveraged across all commands.

Initiatives such as AirSpeed, Task Force Lean, SHIPMAIN, and NAVRIIP are also improving ship and aircraft support processes while sustaining readiness.

Service that Makes a Difference.—Sailors are the core resource of the Navy and we compete with industry to retain them. Congressional commitment to competitive pay has made this possible including base-pay raises and elimination of out-of-pocket expenses for housing. Additionally, we have funded achievement of Homeport Ashore, aimed at moving single sea-duty Sailors to Bachelor Quarters by fiscal year 2008.

Quality of service has also been enhanced for the families of our Sailors. We have improved family housing and remain on track to eliminate inadequate family housing units by fiscal year 2007. Family medical care benefits have been enhanced through the initiation of TRICARE for Life, ensuring superb medical care for qualified families after their military service. We have also joined partnerships with private industry to provide mobile career opportunities and enhance the Spouse Employment Assistance Program.

Training and education for our Sailors are a critical component of their quality of service. We have created a system to accelerate the implementation of training and education improvements that has become a model for DOD. These programs seek to create the workforce for the twenty-first century and to ensure the right skills, in the right place, at the right time. Education opportunities have also been enhanced through the Navy College Program, including partnerships with civilian colleges, to provide rating-related associate and bachelor degrees via distance learning.

In July of last year, the Navy established a Professional Military Education (PME) Continuum. This continuum of learning will provide career-long educational opportunities for the professional and personal growth of Sailors. It incorporates

Joint PME and Navy PME with advanced education and leadership training, and will be a key factor in job assignment and career progression.

The Power of Alignment.—Over the last five years, we launched numerous initiatives aimed at increasing the alignment of our organization. Alignment within our Navy is about two fundamental things. First, it ensures that organizations, systems, and processes are constructed to effectively and efficiently produce a combat-ready Fleet. It also ensures we share a common understanding of our missions and objectives.

As part of that effort, we created the Commander, Fleet Forces Command (CFFC) to integrate policies and requirements for manning, equipping, and training all Fleet units. This year, we put in place a Fleet requirements generation process with CFFC as the lead Fleet integrator, to review and approve all Navy requirements documents, and provide formal Fleet input at all requirements generation levels. We also aligned the Navy Warfare Development Command and warfare centers of excellence under CFFC, to stimulate concept development and technology insertion to the Fleet.

We created Fleet Type Commanders to lead their communities from the waterfront. That effort is now helping us to better design a twenty-first century Human Capital Strategy, and to refine our training and maintenance processes.

The Human Performance Center (HPC) was established in September 2003 to apply Human Performance and Human System Integration principles in the research, development, and acquisition processes. HPC will help us understand the science of learning and ensure training is driven by Fleet requirements. This is helping to provide better growth and development opportunities, eliminate performance and training deficiencies, save money, and improve readiness.

We established the Commander, Navy Installations Command (CNI) to guide the operations, administration, and support for Navy installations world-wide while reducing infrastructure management layers. CNI improved our capability to manage dispersed facility operations, conserve valuable resources, establish enterprise-wide standards, and improve our facility infrastructure.

We established the Assistant CNO for Information Technology (ACNO-IT) to promote Navy-wide alignment between warfighting and business information technologies, and to ensure IT investments and resources are targeted for highest value efforts and return on investment.

We also established the Commander, Navy Education and Training Command to serve as the Chief Learning Officer for the Navy and to be the single authority for individual training (officer and enlisted) strategy and policy.

We improved the integration of our Total Force, streamlining Reserve headquarters and increasing Reserve access to Active platforms and equipment. On any given day during 2004, more than 20,000 Reservists were on active duty engaged in Fleet and joint operations as part of the “total force.”

YOUR NAVY TOMORROW—BRIDGING TO THE FUTURE

Previously, our force structure was built to fight two major theater wars. However, the strategic landscape is vastly different today, and this new strategic landscape requires additional capabilities to accommodate a wide array of missions. We are therefore adjusting the scope and scale of our warfighting capabilities to support small-scale contingencies, such as peacekeeping and stability operations in addition to traditional warfighting requirements. We are also diversifying our capabilities in order to mitigate greater risk against irregular, catastrophic, and disruptive challenges that we face today and for the foreseeable future. (See Figure 4).



Figure 4

In meeting today's challenges, we must improve the strategic speed necessary to move significant, joint combat power anywhere around the globe. U.S. military force must be immediately employable and rapidly deployable, seizing and maintaining the initiative in any fight, anywhere.

Second, we must continue to develop "precision." As precision weaponry becomes commonplace throughout the joint force, we must develop concepts of operation and doctrine to maximize these powerful capabilities.

Third, we must establish an "unblinking eye" above and throughout the battlespace. Technological leaps in miniaturization have begun to make possible an increasing array of unmanned sensors along with the communications networks and command and control (C²) capacity to yield pervasive awareness of the battlespace.

We must also continue to develop to the fullest measure of joint interdependence. We are more effective as a fighting force and more efficient with taxpayer dollars when service missions and doctrine are designed from the start to be fully integrated.

Attributes of Tomorrow's Success.—In short, speed and agility are the attributes that will define our operational success. But, the importance of these qualities extends beyond operations to the very foundations of our institution. This is true regardless of whether we're talking about our personnel system, the size and adaptability of our technological and industrial bases, the design and function of our supporting infrastructure, or the financial planning necessary to put combat power to sea. Speed and agility define our operational response but also need to characterize our acquisition process. We must continue to find new and better ways to develop and field our emerging technologies, and the cycle in which this occurs needs to be measured in months not years.

The drive to increase our speed and agility means increasing the operational availability of our forces. We will do so by continuing to refine and test the Fleet Response Plan and its associated training and maintenance processes. It means studying our base structure to ensure that we are in a position to win. And it means that we have to do what we can to lighten the load of joint forces going ashore and reduce our ground footprint. To that end, we must more fully develop the operational concepts and tools required for the delivery of precision, sea-based fires and logistics to support forces ashore.

The Maritime Domain.—The increasing dependence of our world on the seas, coupled with growing uncertainty of any nation's ability to ensure access in a future

conflict will continue to drive the need for naval forces and decisive joint capability. Additionally, increased emphasis on the littorals and the global nature of the terrorist threat will demand the ability to strike where and when required and the maritime domain will serve as a key enabler for U.S. military force.

We will continue to refine our operational concepts and appropriate technology investments to deliver the kind of dominant military power from the sea envisioned in Sea Power 21. We will also continue to pursue the operational concepts for sea basing persistent combat power. As part of that effort, we will work to expand our combat logistics force capacity, and we will build a Maritime Pre-positioning Force (MPF) with higher-capability alternatives to support sea basing a greater proportion of USMC tactical aviation, other supporting fires and logistics.

We will invest in technology and systems to enable a moderate number of naval vessels to fight above their weight, delivering decisive, effects-based combat power in every tactical and operational dimension. We will pursue network-based, cross-platform systems for fusing sensor information and for supporting multi-static processing of sensor signals delivered in large part by sea-based, unmanned tactical surveillance systems. Our network-based command and decision systems will permit tactical commanders to view an integrated battlespace picture that supports time-critical, precise, accurate tactical actions. We will also pursue an offensive information operations capability on naval ships, aircraft, and weapons.

We will also invest in technology and systems to enhance the survivability of the joint force against anti-access threats and threats in the densely packed littoral environment. These include hard-kill defense systems (including directed energy weapons) that are effective against anti-ship missiles, small high-speed surface craft, and torpedoes. They also include disabling (“non-lethal”) systems that can neutralize close-in ambiguous threats; radars and sonars that achieve higher performance without higher power; precise, retargetable, sea-based strike weapons with significant “loiter on station” capability for close fire support; over-the-horizon surface-to-air missiles and the sensor network to target them; and higher-performance organic mine countermeasure systems, including systems for very shallow water.

Total Force Endstrength.—Changes in our operational concepts and our investments in technology will require us to recruit, train and retain a warrior force that is more educated and technically savvy. Smart ship technologies embedded in future-design ship classes, capital-for-labor substitutions for performing manpower-intensive tasks, and condition-based maintenance with systems that identify when maintenance is required will all fundamentally change the nature of the work that we do. And because the nature of the work will change, we will need to reassess and modify the fundamental elements of our personnel structure to maximize the benefits of that change.

Technology, innovation, and outsourcing are changing the endstrength requirements for our Navy. Technology continues to change the nature of work and allows us to optimize the number of personnel that once performed more manpower intensive tasks. Innovative manning methods such as Optimal Manning and Sea Swap also offer enormous potential and we will continue our experimentation. Outsourcing non-warfighting functions and civilian conversions also reduce endstrength requirements.

We therefore seek to reduce our Navy endstrength to 352,700 active Sailors by the end of fiscal year 2006 as seen in Figure 5.

Active Duty Glideslope



Figure 5

We have already used existing authorities and our Perform-to-Serve program to preserve the specialties, skill sets and expertise needed to continue the proper shaping of the force. To date, more than 4,000 Sailors have been steered to undermanned ratings, and more than 42,000 have been approved for in-rate reenlistment since the program began. Our Perform-to-Serve and early release programs are part of a deliberate, controlled, and responsible strategy to become a more experienced, better trained, but smaller force.

The National Security Personnel System (NSPS) provides an additional opportunity to increase our organizational speed and agility by improving the way we hire, assign and compensate our civilian employees. NSPS will make us more effective, while preserving employee protections and benefits as well as the core values of the civil service.

Force Capabilities.—As we evolve advanced concepts for employment of forces, we will also refine analyses and requirements, to include the appropriate number of ships, aircraft, and submarines. As discussed above, I believe that the wave of transformation now washing over our armed forces is essentially about developing the means for pervasive awareness of the battlespace, and for exploiting that knowledge with rapid and precise firepower to achieve desired strategic effects. We're going to carry that revolution forward into all mission areas, from supporting Marines ashore in Distributed Operations, to Anti-Submarine Warfare and Missile Defense. To achieve this, we are making significant Research and Development (R&D) investments to bring the necessary technologies rapidly to the Fleet, with R&D funds surging in fiscal year 2006 as several programs—including LCS, MMA, JSF and others—peak. See Figure 6 below.

R&D INVESTMENT SURGES IN FY06

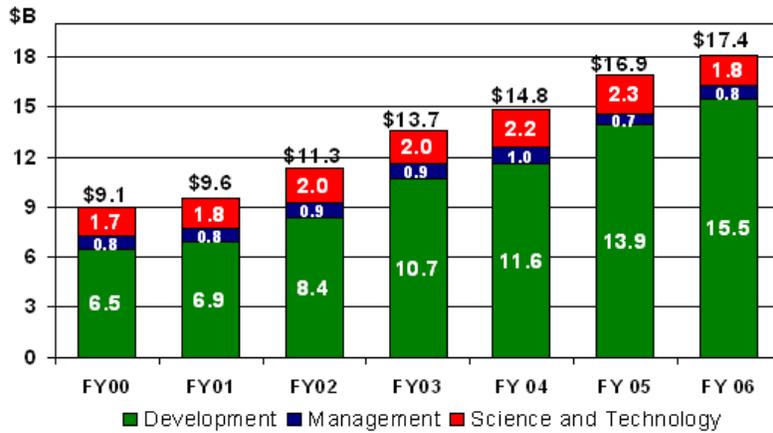


Figure 6

In fact, our fiscal year 2006 budget request is up in every appropriation category compared to fiscal year 2005, including our investments in future capabilities. As can be seen in Figure 7, our investment glide slope is headed in a positive direction in this budget, including money for ship and aircraft procurement, R&D, and weapons programs.

DoN INVESTMENT FUNDING

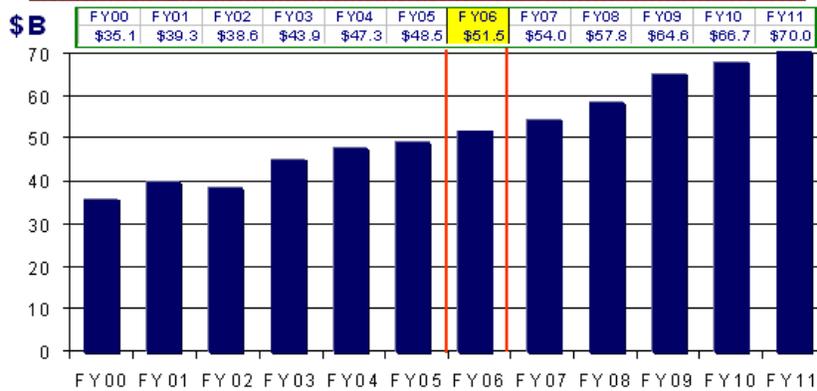


Figure 7

In a sensor-rich construct, the numbers of platforms are no longer a meaningful measure of combat capability. And just as the number of people is no longer the primary yardstick by which we measure the strength or productivity of an organization in an age of increasing capital-for-labor substitutions, the number of ships is no longer adequate to gauge the health or combat capability of the Navy. The capabilities posture of the Fleet is what is most important.

CARRIER AIRWING AIMPOINTS PER DAY

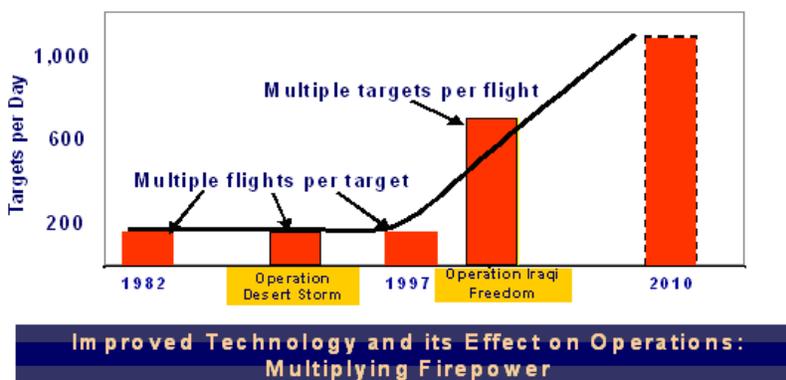


Figure 8

In fact, your Navy can deliver much more combat power, more quickly now than we could twenty years ago when we had twice as many ships and half again as many people. See Figure 8, for example, on the effects of technology and new operational concepts on the capabilities of the Fleet.

Shipbuilding and Design.—In addition to new concepts of operation and the technology that supports them, we are thinking anew about shipbuilding and design. For the first time in decades, we are building entirely new types of ships in fiscal year 2006 and beyond; the modular nature of these ships will give us flexibility and adaptability to fight in diverse environments against a variety of possible enemies. It also allows us to dramatically expand their growth potential with less technical and fiscal risk.

What all of this means is that we are investing in the right capabilities for the future, not just the platforms that carry them. Further, I believe that the current low rate of ship construction and the resultant escalation of platform cost will constrain the future size of the Fleet. As I have previously testified, I don't believe that it's all about numbers; numbers have a quality all their own, there's no question about that. But, it is more important that we buy the right kinds of capabilities in the ships that we're procuring in the future, and that we properly posture our force to provide the speed and agility for seizing and retaining the initiative in any fight.

The ultimate requirement for shipbuilding, however, will be shaped by the potential of emerging technologies, the amount of forward basing, and innovative manning concepts such as Sea Swap. Additional variables range from operational availability and force posture to survivability and war plan timelines.

The notional diagram below (Figure 9) illustrates how manning concepts and anticipated technological adaptation will modify the number of ships required. The blue and yellow lines represent levels of combat capability and the ships required to achieve that capability. For example, the left side of the diagram shows our current number of ships (290) and the current projection of ships required to fully meet Global War on Terror requirements (375) in the future. The right side of the diagram shows a projection that provides the same combat capability but fully leverages technological advances with maximum use of Sea Swap. It is a range of numbers because the degree of technological adaptation is a variable, as is the degree to which we can implement Sea Swap. The middle portion of the curve (in the red ellipse) shows a projected range that assumes a less extensive projection of technological adaptation and use of Sea Swap. Although simplified, this diagram shows how the application of transformational new technologies coupled with new manning concepts will enable us to attain the desired future combat capability with a force posture between 260 and 325 ships.

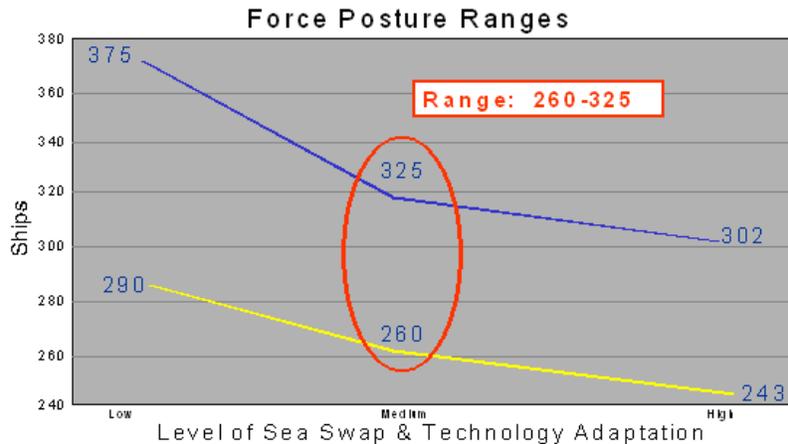


Figure 9

Shipbuilding Priorities.—Our shipbuilding priorities and my testimony to Congress on that subject over the last five years have been consistent. My themes have been and remain:

- The ship procurement rate—dating back to the procurement holiday of the 1990s—was insufficient to sustain long-term needs;
- We seek a level-loaded shipbuilding investment stream;
- We need to partner with you and with industry to regain our buying power. Acquisition and budgeting reforms, such as multi-year procurement, Economic Order Quantity, and other approaches help to stabilize the production path, and in our view, reduce per unit cost of ships and increase the shipbuilding rate.

In no other area of our Armed Forces do we make such large capital investments that, in turn, impact important technological and industrial sectors of our economy. In making these investments, we would appreciate legislative relief with more flexible funding mechanisms to support shipbuilding—such as funding CVN-21 and LHA(R) over two years—as we fight a global war while transforming to meet the demands of the changed strategic landscape. Our investments are influenced by:

Cost of War.—The shift in the strategic landscape occurs as we cope with the fiscal realities of funding current operations. Of note, the Navy absorbed \$1.5 billion in corporate bills for Cost of War items not funded by fiscal year 2004 GWOT Supplemental. To meet this obligation, \$200 million was charged to my Working Capital Fund, \$600 million was charged to O&M funds (including \$135 million from CNI infrastructure), and \$687 million was charged to our investment funds to fund force protection, equipment and personnel costs.

Procurement cost growth.—Among the greatest risks we face is the spiraling cost of procurement for modern military systems, and shipbuilding and aircraft procurement are no exception. When adjusted for inflation, for example, the real cost increase in every class of ship and aircraft that we have bought since I was an Ensign, United States Navy, has been truly incredible.

Cost Growth Challenge

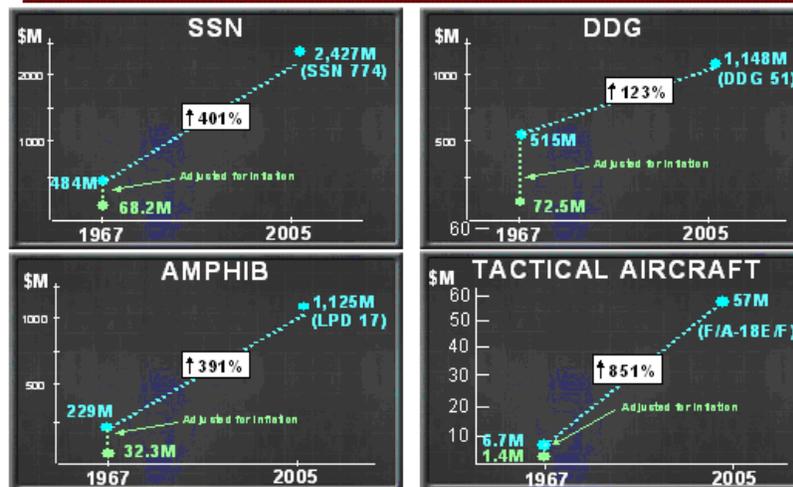


Figure 10

It becomes more so when taken in comparison to other capital goods like automobiles, where the inflation-adjusted cost growth has been relatively flat over the same period of time. Cost increases have grown beyond our ability to control as compared to decades prior. As we seek greater combat capability and greater operational efficiencies through upgraded power, propulsion, and computing technologies, we find a ratio of cost growth beyond our seeming control, which may not be fully explainable solely by reduced economies of scale. See Figure 10.

The total costs of manpower have increased significantly since I have been CNO. Those costs are having an impact, not only on our ability to maximize the talents of our people, but also on the investments needed to transform our combat capability for the future. We have kept faith with those who serve by advocating better pay and benefits, and we have also kept faith with the taxpayers who expect that the Navy they have bought and paid for is ready when you call upon us. Having said that, the combat power of your Navy is not defined by the number of Sailors in the ranks. We are therefore taking steps to redefine our approach to human capital and to our operational concepts. Once again, I ask you to approve a force with reductions in personnel endstrength.

OUR FISCAL YEAR 2006 BUDGET REQUEST

This past year our Navy's budget request continued our effort to sustain our current readiness gains, shape the twenty-first century workforce, and invest in our transformational Sea Power 21 vision while harvesting the efficiencies needed to fund and support these three critical priorities. The current strategic environment demands balanced funding between current operations and future investments, and the fiscal year 2006 budget meets this balance in funding.

This year we intend to:

- Continue to deliver the right readiness at the right cost to fight the Global War on Terrorism and support the nation's war fighting needs;
- Accelerate development of our Human Capital Strategy that delivers the right skills, at the right time, for the right work, unleashing the power of our people;
- Maximize our investment in Sea Power 21 capabilities to transform our force and the joint warfighting team;
- At the same time, we will continue to pursue the Sea Enterprise improvements that make us a more effective Navy in both fiscal year 2006 and beyond.

As our budget is finalized in the coming months, there will be a number of fiscal issues and processes that will have an impact, specifically: the cost of war in Iraq, Base Realignment and Closure decisions, and the findings of the Quadrennial De-

fense Review. With that in mind, our Navy budget request for fiscal year 2006 and the future includes:

- Four (4) new construction ships in fiscal year 2006: One (1) SSN 774; One (1) Littoral Combat Ship; One (1) T-AKE; and One (1) LPD-17.
- The investment plan across the future year's defense program (FYDP) calls for 49 new construction ships, including DD(X), LHA(R) Flight 0, MPF(F), CVN-21, and SSN 774s. While our build rate dips to four ships in this budget year, this is a reflection of a shift in focus to the next generation surface combatants and sea basing capabilities.
- Procurement of 138 new aircraft in fiscal year 2006, including the first four EA-18G aircraft and three Firescout unmanned aerial vehicles (UAVs). The budget continues to maximize return on procurement dollars, primarily through the use of multi-year procurement (MYP) for the F/A-18E/F and EA-18G, the E-2C, the MH-60S and the KC-130J programs. We have also made research and development investments in the Joint Strike Fighter (JSF) and the broad area anti-submarine, anti-surface, maritime and littoral intelligence, surveillance and reconnaissance (ISR) capable Multi-mission Maritime Aircraft (MMA).
- Investment in transformational unmanned underwater vehicles (UUV) like the Mission Reconfigurable UUV System, and unmanned aviation vehicles (UAV) such as the Broad Area Maritime Surveillance UAV and the Joint Unmanned Combat Air System. The budget also requests funding for experimental hull forms like the X-Craft, and other advanced technologies including the Joint Aerial Common Sensor (JACS).
- A 3.1 percent basic pay raise for our Sailors, a 2.3 percent pay raise for our civilian workforce, and investment in housing and Public-Private Ventures that will help eliminate inadequate barracks and family housing by fiscal year 2007 and enable us to house shipboard Sailors ashore when their vessel is in homeport by fiscal year 2008;
- Readiness investment that supports the Fleet Response Plan, including sustained funding for ship and aircraft operations, aviation depot maintenance, and precision guided munitions. This includes improvements in ship maintenance and training scheduling to maximize surge capabilities.

Continuing to deliver the right readiness at the right cost to fight the Global War on Terrorism

Getting to the fight faster to seize and retain the initiative means that a key word in our future is "surge." If a resource doesn't have surge capability, we are not going to own it. Every part of the Fleet will be organized around this surge operational concept and its associated training, maintenance, and logistics processes. We must understand and adapt our warfare doctrine, supporting procedures, training, and schedules to take best advantage of FRP and other emerging operational constructs. And we must also determine, accurately articulate, and continuously validate our readiness requirements. Taking prudent risks and attacking cost will permit us to fund essential requirements, optimizing the operational impact of today's Navy while creating a future Navy that capitalizes upon and can rapidly field new technology.

- Ship Operations and Flying Hours requests funds for ship operations OPTEMPO of 51 days per quarter for our deployed forces and 24 days per quarter for our non-deployed forces. We have properly funded the flying hour account to support the appropriate levels of readiness and longer employability requirements of the FRP. This level of steaming and flying hours will enable our ships and air wings to achieve the required readiness over the longer periods defined by the Fleet Response Plan, and as a result, it will improve our ability to surge in crisis and sustain readiness during deployment.
- Ship and Aviation Maintenance. We have made significant improvements these last few years by reducing major ship depot maintenance backlogs and aircraft depot-level repair back orders; improving aircraft engine spares; adding ship depot availabilities; ramping up ordnance and spare parts production; maintaining steady "mission capable" rates in deployed aircraft; fully funding aviation initial outfitting; and investing in reliability improvements. Our fiscal year 2006 request continues the improved availability of non-deployed aircraft and meets our 100 percent deployed airframe goals. Our ship maintenance request continues to "buy-down" the annual deferred maintenance backlog and sustains our overall ship maintenance requirement. We are making great strides in improving the visibility and cost-effectiveness of our ship depot maintenance program, reducing the number of changes in work package planning and using our continuous maintenance practices when changes must be made.

- Shore Installations. Our Facilities Sustainment, Restoration and Modernization (SRM) program remains focused on improving readiness and quality of service for our Sailors. Our fiscal year 2006 Military Construction and Sustainment program reflects difficult but necessary tradeoffs between shore infrastructure and fleet recapitalization. Facilities sustainment is 95 percent in fiscal year 2006, the same as in fiscal year 2005. Our budget request keeps us on a course to achieve the DON goals to eliminate inadequate family and bachelor housing by fiscal year 2007 and provide Homeport Ashore Bachelor Housing by fiscal year 2008. We are exploring innovative solutions to provide safe, efficient installations for our service members, including design-build improvements, and BRAC land sales via the GSA Internet. Additionally, with the establishment of Navy Installations Command, we have improved our capability to manage our dispersed facility operations, conserve valuable resources, establish enterprise-wide standards and continue to improve our facility infrastructure.
- Precision Guided Munitions receive continued investment in our fiscal year 2006 request with emphasis on the Joint Stand-Off Weapon (JSOW), Joint Direct Attack Munition (JDAM), Tactical Tomahawk (TACTOM), and Laser-Guided Bomb (LGB) inventory levels. Joint partnerships with the Air Force and Army in several of our munitions programs continue to help us optimize both our inventories and precious research and development investments and will remain a focus for us in the future.
- Training Readiness. We continue to make significant strides in this critical area. In fiscal year 2004, the Congress supported two important programs to advance our training readiness. First, you endorsed the Training Resource Strategy (TRS), to provide more complex threat scenarios and to improve the overall realism and value of our training. Additionally, you funded the Tactical Training Theater Assessment and Planning Program to provide for a comprehensive training range sustainment plan. Our fiscal year 2006 budget continues this work. We are working to make the Joint National Training Capability a reality. We have established a single office to direct policy and management oversight for all Navy ranges as well as serve as the resource sponsor for all training ranges, target development and procurement, and the Navy portion of the Major Range Test Facility Base (MRTFB).
- Environmental Readiness. I would like to highlight our gratitude to you in the Congress for the amendments to the Endangered Species Act (ESA), the Marine Mammal Protection Act (MMPA) and the Migratory Bird Treaty Act (MBTA) enacted in the 2003 and 2004 NDAA. These amendments made favorable changes that have improved our Navy's performance in both environmental stewardship and Fleet training operations. Clarifying our current and future responsibilities and providing assurances that these standards will remain constant is helping us to plan and resource for stable, long-term programs that will benefit both fleet readiness and the land and life that abounds on and around our ranges.

Accelerating Development of our Human Capital Strategy

When I testified before your committee last year, I said that we would take the opportunity afforded by success in recruiting, retention and attrition to begin the hard work of fundamentally restructuring our personnel system to compete for talent in the twenty-first century marketplace. Your support has been instrumental in getting to this point. The improvements and pilots that Congress has supported—including bonuses, pay table adjustments, retirement reforms, better medical benefits, and our Sea Warrior initiatives—are having the desired impact.

We also continue to challenge all assumptions when it comes to determining manning strategies. The Fleet is implementing best practices from last year's Optimal Manning experiments to find the right mix of talent for pilot programs in USS NIMITZ and Carrier Air Wing ELEVEN. We've begun a new pilot program in USS DECATUR designed to allow Chief Petty Officers to fill the majority of Division Officer billets. And we are continuing our Sea Swap experiments with USS GONZALEZ, LABOON, and STOUT crews, even as we examine results from previous DD/DDG experiments to determine this concept's applicability to other ship classes.

Inherent to our new Human Capital Strategy will be the pursuit of new technologies and competitive personnel policies that will streamline combat and non-combat personnel positions, improve the integration of active and reserve missions, and reduce the Navy's total manpower structure. We will change our processes to eliminate "make-work," and use available technology to do away with work that is unfulfilling. We're going to change policies and organizational structures—like non-rated billets—that inhibit the growth and development of our people. And we're

going to build future ships and aircraft to maximize human performance while inspiring great leaps in human possibilities.

Our fiscal year 2006 budget request includes the following tools we need to enhance mission accomplishment and professional growth:

- Selective Reenlistment Bonus (SRB). Targeted bonuses such as SRB are critical to our ability to compete for our highly trained and talented workforce both within the Navy and with employers across the nation as well. Proper funding, adequate room for growth and the flexible authorities needed to target the right skills against the right market forces are important to the shape of the workforce. This program specifically targets retention bonuses against the most critical skills we need for our future. We ask for your continued support and full funding of this program.
- Perform to Serve (PTS). Two years ago, we introduced PTS to align our Navy personnel inventory and skill sets through a centrally managed reenlistment program and instill competition in the retention process. The pilot program has proven so successful in steering Sailors in overmanned ratings into skill areas where they are most needed that the program has been expanded. More than 46,000 Sailors have been steered to undermanned ratings and approved for in-rate reenlistment since the program began in 2003 and we will continue this effort in 2006.
- Assignment Incentive Pay (AIP) is a financial incentive designed to attract qualified Sailors to a select group of difficult to fill duty stations. AIP allows Sailors to bid for additional monetary compensation in return for service in these locations. An integral part of our Sea Warrior effort, AIP will enhance combat readiness by permitting market forces to efficiently distribute Sailors where they are most needed. Since the pilot program began in 2003, more than 9,000 AIP bids have been processed resulting in nearly 3,000 Sailors receiving bonuses for duty in these demanding billets. We ask for continued support of this initiative.

SEA WARRIOR



Figure 11

—Professional Military Education (PME). Full implementation of the relevant provisions of the fiscal year 2005 National Defense Authorization Act (NDAA) is a significant step forward for Joint PME, and has my full support.

This year, we plan to take several actions that can ensure that our professional military education programs continue to foster and build upon the confidence we currently experience in our joint warfighting capabilities.

First, JPME should focus more sharply on the interagency aspect of military operations. Given the necessity of interagency planning and decision-making in the execution of the Global War on Terrorism, we should examine this area closely for possible introduction to the JPME requirement.

Additionally, we need to prepare more officers to be joint operational planners. These officers must be ready to plan and execute new joint operational concepts in both headquarters staffs and joint task forces. We also need to better identify the knowledge and skill sets required for specific joint duty assignments, and then provide learning opportunities that target these requirements via multiple delivery methods. This effort should capitalize on reusable content and joint standards at all of our service colleges as well as training within the Combatant Commands.

In view of the foregoing, JPME is clearly relevant to the Navy's development of a Human Capital Strategy. In fact, JPME must be a central element of that strategy if we are to be successful in creating a better trained, better educated and better compensated, but smaller workforce in the future. In this regard, we are moving forward with efforts to exploit the Naval War College's web-enabled, non-resident program to create new delivery mechanisms for PME across the total force. That includes not just active and reserve forces, but our civilian workforce as well. The Defense Leadership and Management Program (DLAMP) is an important tool that complements DON efforts in this area, and I support DLAMP initiatives to better incorporate senior civilians from DOD and other federal agencies in PME programs. Lastly, I believe we can improve the trust and confidence of officers in coalition forces by focusing on the issue of participation by international officers in our JPME programs and by U.S. students at foreign war colleges.

—The Integrated Learning Environment (ILE) is the heart of our Revolution in Training. ILE is a family of systems that, when linked, will provide our Sailors with the ability to develop their own learning plans, diagnose their strengths and weaknesses, and tailor their education to support both personal and professional growth. They will manage their career requirements, training and education records. It will match content to career requirements so training is delivered at the right time. Most importantly, these services will be provided anytime, anywhere via the Internet and the Navy-Marine Corps Intranet (NMCI).

Maximizing Our Investment in Sea Power 21

As I have previously testified, Sea Power 21 defines the capabilities and processes that the twenty-first century Navy will deliver. Bridging to the future described in that vision requires innovation, experimentation, and rapid technology insertion resulting in mid- and long-term war fighting improvements. Speed, agility and a commitment to joint and coalition interoperability are core attributes of this evolving Navy. Further analyzing, understanding, and applying prudent risk to capability and program decisions are essential to achieving future war fighting wholeness.

This year, we will further maximize our investment in Sea Power 21 capabilities, pursuing distributed and networked solutions, focusing on the power of Sea Basing and our complementary capability and alignment with our number one joint partner, the U.S. Marine Corps.

Sea Basing is the projection of operational independence. Our future investments will exploit the largest maneuver areas on the face of the earth: the sea. Sea Basing serves as the foundation from which offensive and defensive fires are projected—making Sea Strike and Sea Shield a reality. Sea Basing capabilities include: Joint Command and Control, Afloat Power Projection and Integrated Joint Logistics. Our intent is to maximize our sea basing capability and minimize as much as possible our reliance on shore-based support nodes. To do this, we will make doctrinal, organizational and operational changes mandated by this concept and by the underlying technology that makes it possible. We have an opportunity here, along with the U.S. Marine Corps and the U.S. Army, to reexamine some of the fundamentals of not only how we move and stage ground forces, but how we fight ashore as well.



Figure 12

Our highest priority Sea Basing investments include:

—Surface Combatant Family of Ships. As I've already testified, the power of joint forces in OIF was in the synergy of individual service strengths. The same concept holds true within the Navy itself. We seek the synergy of networks, sensors, weapons and platforms that will make the joint force greater in combat power than the sum of the individual parts. Development of the next generation of surface combatants as “sea frames”—analogous to “air frames”—that are part of a modular system is just such an endeavor.

The surface combatant family of ships allows us to dramatically expand the growth potential of our surface combatants with less technical and fiscal risk. To bring these concepts to life and to take them—and the fight—to the enemy, we have decided upon three entirely new ship classes. The first to premier will be the Littoral Combat Ship (LCS) in 2007. The advanced guided missile and strike destroyer (DD(X)) will follow in about 2011. And just a few years after the first DD(X), the keel will be laid on the first CG(X), the next class of cruiser designed from the keel up for theater air and ballistic missile defense.

Our research and development efforts and experimentation with high speed and theater support vessels like HSV SWIFT and the X-Craft are helping us reduce our technical risk and apply important lessons in hull design and mission modularity to the development of the surface combatant family of ships. DD(X) is the heart of the family and will spiral promising technologies to both CG(X) and LCS in the future. I will discuss each one of these ships in more detail below.

—CVN 21 is the centerpiece of the Navy Carrier Strike Group of the future. It will bring transformational capabilities to the fleet, including a new electrical generation and distribution system, the electro-magnetic aircraft launching system (EMALS), a new/enlarged flight deck, weapons and material handling improvements, and a crew reduction of at least 800 personnel. It will be able to generate higher daily and sustained sortie rates than our NIMITZ-class aircraft carriers. Our fiscal year 2006 request of \$873 million in SCN and R&D funding continues the development of CVN 21 and several critical technologies in the lead ship, including the EMALS prototype and testing already ongoing in Lakehurst, New Jersey. Construction of the CVN 21 will start in fiscal year 2008 with delivery in fiscal year 2015.

—MPF(F). These future Maritime Pre-positioning Ships will serve a broader operational function than current pre-positioned ships, creating greatly expanded operational flexibility and effectiveness. We envision a force that will enhance the responsiveness of the joint team by the at-sea assembly of a Marine Expeditionary Brigade that arrives by high-speed airlift or sealift from the United States or forward operating locations or bases. These ships will off-load forces, weapons and supplies selectively while remaining far over the horizon, and they will reconstitute ground maneuver forces aboard ship after completing assaults

deep inland. They will sustain in-theater logistics, communications and medical capabilities for the joint force for extended periods as well. Our fiscal year 2006 request of \$66 million in research and development reflects our emphasis on Sea Basing capabilities.

—CG Modernization. The CG Modernization program was restructured in fiscal year 2006 in accordance with congressional direction. Under the restructured plan, the older Baseline 2 and 3 ships will be modernized first. The Cruiser Modernization Program is a mid-life upgrade for our existing AEGIS cruisers that will ensure modern, relevant combat capability well into this century and against evolving threats. These warships will provide enhanced area air defense to the joint force commander. These modifications include installations of the Cooperative Engagement Capability, which enhances and leverages the air defense capability of these ships, and an ASW improvement package. These converted cruisers could also be available for integration into ballistic missile defense missions when that capability matures. Our first cruiser modernization begins in fiscal year 2008.

—DDG-51 Modernization. The DDG-51 class guided missile destroyer program has been an unqualified success. We believe these ships will continue to be a “workhorse” of the Fleet for the foreseeable future, with 62 hulls eventually planned. But the first ships of this class are already approaching mid-life. Keeping these ships in fighting shape will mean making the appropriate investment in their engineering plants and updating their combat system to pace new threats in the next two decades. It is also important that we continue to apply new technologies to the ARLEIGH BURKEs that will permit reductions in crew size, so that the Navy’s manpower footprint continues to decrease. Funding for DDG modernization begins in fiscal year 2006, and the program will commence with the completion of the last new construction DDGs of the ARLEIGH BURKE class in fiscal year 2010.

Sea Strike is the projection of precise and persistent offensive power.

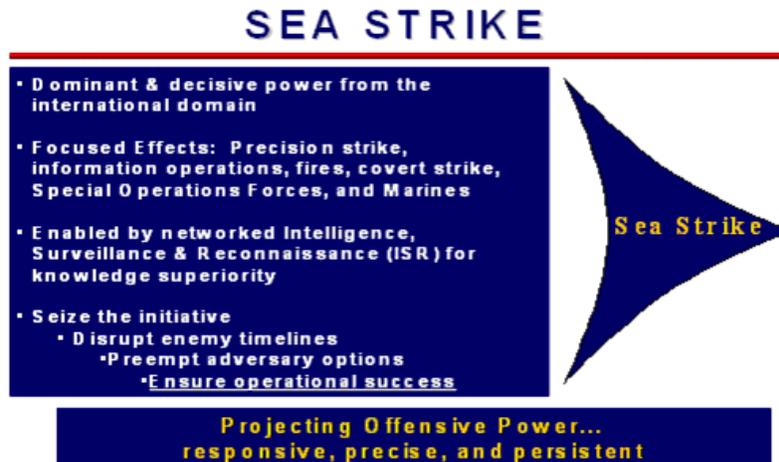


Figure 13

The core capabilities include Time Sensitive Strike; Intelligence, Surveillance and Reconnaissance; Ship to Objective Maneuver; and Electronic Warfare and Information Operations. We are already investing in impressive programs that will provide the capabilities necessary to support Sea Strike; these include the following fiscal year 2006 priorities:

—*DD(X)*.—The technology engine for the Fleet and the bridge to CG(X), DD(X) is the centerpiece of a surface combatant family of ships and will deliver a broad range of capabilities. This advanced multi-mission destroyer will bring revolutionary improvements to precise, time-critical strike and joint fires and our Expeditionary and Carrier Strike Groups of the future.

Transformational and leap ahead technologies include an electric drive and integrated power system; an Advanced Gun System with the high rate of fire and precision to reach almost eight times farther and command more than 110

times the area of our current five inch capability; the new Multi-Function Radar/Volume Search Radar suite; optimal manning through advanced system automation, stealth through reduced acoustic, magnetic, IR, and radar cross-section signature; and enhanced survivability through automated damage control and fire protection systems. DD(X) is an enabler both technically and operationally. This seaframe will also reduce our seagoing manpower requirements and will lower total ownership costs.

This program will provide a baseline for spiral development of technology and engineering to support a range of future seaframes such as CG(X), LHA(R) and CVN-21; the new Multi-Function Radar/Volume Search Radar suite is currently operational at our Wallops Island site and is delivering impressive results. It will also enable the transformation of our operations ashore as on-demand, persistent, time-critical strike revolutionizes our joint fire support and ground maneuver concepts of operation and frees our strike fighter aircraft for more difficult targets at greater ranges. DD(X)'s all-electric drive, called the Integrated Power System (IPS), will not only drive the ship through the water, but will also generate the kind of power capacity that will enable eventual replacement of the Advanced Gun System (AGS). When combined with the physical capacity and volume of the hull form, DD(X) could lead us to revolutionary technologies from the naval research enterprise like the electromagnetic rail gun and directed energy weapons. The fact that rail guns do not require any explosives will free up magazine space for other mission areas and enhance survivability. DD(X) will be in service for decades after that; having the kind of growth potential to install those kinds of technologies dramatically lowers our future development costs.

The funding profile for DD(X) supports the 14,000-ton design and the S-Band Volume Search Radar (VSR). Lead ship construction starts in fiscal year 2007.

- JSF*.—The Joint Strike Fighter will enhance our Navy precision with unprecedented stealth and range as part of the family of tri-service, next-generation strike aircraft. It will maximize commonality and technological superiority while minimizing life cycle cost. The JSF remains vital to our future. It will give us the range, persistence and survivability needed to keep our strike fighters viable for years to come.
- VIRGINIA-class submarine (SSN-774)*.—The first ship of this class was commissioned this year. This class will replace LOS ANGELES-class (SSN-688) attack submarines and will incorporate new capabilities, including unmanned vehicles, and the ability to support Special Warfare forces. It will be an integral part of the joint, networked, dispersed twenty-first century Fleet. Our fiscal year 2004 budget funded the first of five submarines under the multi-year procurement (MYP) contract authorized by Congress. The second submarine of the MYP contract was funded in fiscal year 2005. Approximately \$100 million in economic order quantity advance procurement is funded in fiscal year 2006 in support of this contract.
- SSGN*.—Funding is included in fiscal year 2006 to continue the SSGN conversion program. Our future SSGN capability will provide covert conventional strike platforms capable of carrying 154 Tomahawk missiles. The SSGN will also have the capacity and capability to support Special Operations Forces for an extended period, providing clandestine insertion and retrieval by lockout chamber, dry deck shelters or the Advanced Seal Delivery System, and they will be arrayed with a variety of unmanned vehicles to enhance the joint force commander's knowledge of the battlespace. The inherently large capacity of these hulls will enable us to leverage future payloads and sensors for years to come. We still expect our first SSGN to be operational in 2007.
- EA-18G*.—Using the demonstrated growth capacity of the F/A-18E/F, the EA-18G will quickly recapitalize our Electronic Attack capability at lower procurement cost, with significant savings in operating and support costs; all while providing the growth potential for future electronic warfare (EW) system improvements. It will use the Improved Capability Three (ICAP III) receiver suite and provide selective reactive jamming capability to the war fighter. This will both improve the lethality of the air wing and enhance the commonality of aircraft on the carrier deck. We begin purchasing airframes in fiscal year 2006 and will achieve initial operating capability in 2009.

Sea Shield is the projection of layered, global defensive power. Sea Shield will enhance deterrence and war fighting power by way of real-time integration with joint and coalition forces, high speed littoral attack platforms setting and exploiting widely distributed sensors, and the direct projection of defensive power in the littoral and deep inland.

SEA SHIELD



Figure 14

Sea Shield capabilities include: Homeland Defense, Sea and Littoral Control, and Theater Air and Missile Defense. Our highest priority Sea Shield programs this year include:

Mine Warfare Programs.—We intend to field a set of unmanned, modular Mine Counter-Measure (MCM) systems employable from a variety of host platforms to minimize our risk from mines and sustain our national economic and military access to every corner of the globe. Our future MCM capability will be faster, more precise and organic to both Expeditionary and Carrier Strike Groups and will ultimately remove both the man and our mammals from the minefield. Within the FYDP, we expect to reduce the time that it takes to render sea mining ineffective by at least half of the time that it takes us today. Our fiscal year 2006 budget request includes \$943 million in funding to maintain and upgrade our existing forces (MCM-1 class ships, MH-53E helicopters) as well as funding to field advanced technologies necessary to transform MCM capability. We have also requested \$6.78 billion across the FYDP for mine warfare programs, to include unmanned vehicles such as the Mission Reconfigurable Unmanned Underwater Vehicle (MRUUV) which, when fielded, will provide a clandestine mine reconnaissance capability from our LOS ANGELES-class submarines, and the Remote Minehunting System on ARLEIGH BURKE-class destroyers. Both of these programs will reach Initial Operating Capability (IOC) within the FYDP. Future introduction of the Littoral Combat Ship (LCS) with mine warfare mission modules will improve the ability of Strike Groups to neutralize mine threats in parallel with—not in sequence before—other operations.

—*Littoral Combat Ship (LCS).*—The role of LCS is to provide access to joint forces in the littorals; a capability gap we identified as a result of the 2001 Quadrennial Defense Review. During the past few years, considerable campaign analysis and fleet battle experiments have demonstrated that naval forces need better ways to fight mines; small, fast, highly armed boats; and quiet diesel and advanced air-independent propulsion submarines operating in shallow waters. The performance of U.S. Navy Patrol Craft and the experimental HSV-X1 JOINT VENTURE in the Iraqi littoral was critical to the early detection and destruction of the Iraqi mine threat. The same kind of capability needs to be delivered in a fast, maneuverable, shallow-draft platform that has the survivability to operate independently. LCS will have these characteristics, along with self-defense, navigation, command-and-control systems, and reduced requirements for manpower relative to current warship design. The ship will have a top speed of 56 knots, and a crew requirement of only 76 people.

LCS will be built from the keel up to be a part of a netted and distributed force, and will be the first ship designed with FORCEnet as a requirement. The main battery of LCS will be its off-board systems: manned helicopters and unmanned aerial, surface and underwater vehicles. It is the off-board vehicles—with both sensors and weapons—that will enter the highest threat areas. Its

modular design, built to open-systems architecture standards, provides flexibility and a means to rapidly reconfigure mission modules and payloads. In fact, 40 percent of LCS's payload volume will be reconfigurable. As technology matures, the Navy will not have to buy a new LCS platform, but will upgrade the mission modules or the unmanned systems.

LCS also will have an advanced hull design and be significantly different from any warship that has been built for the U.S. Navy. We searched the world over for the very best systems, balancing risk with affordability and speed of construction. LCS will share a common three-dimensional radar with U.S. Coast Guard cutters. In addition, there are three other nations interested in purchasing the seaframe, while 22 more are interested in the mission modules.

Detail design and construction of the first LCS Flight 0 ship will begin in June of this year. The LCS requirements process is tailored to support the rapid delivery of two flights (Flight 0 and 1) of ships, using an evolutionary, "spiral" acquisition approach. The spiral development process allows time-phased capability improvement for ship and mission systems. The first ship of the class will be 80 percent complete when construction on the second ship begins. This incremental development and delivery strategy supports the ship's accelerated acquisition schedule, diverse threat and capability requirements, and dynamic levels of technology push/pull. The ship's modular, open design will also enable lifecycle adaptability and affordability.

—*Missile Defense.*—Our Navy is poised to contribute significantly in fielding sea-based missile defense capabilities to meet the near-term ballistic missile threat to our homeland, our deployed forces, and our friends and allies. We are working closely under the authority of the Missile Defense Agency (MDA) to deliver this much-needed capability to the nation's Combatant Commanders. Our sea-based missile defense programs experienced an important milestone this year with the first ever deployment of an Initial Defensive Operations capability, providing long-range surveillance and tracking. Within four years, 18 warships will be fitted with this transformational ballistic missile surveillance, tracking, and engagement capability, extending the defensive reach of naval forces deep over land.

—*Multi-mission Maritime Aircraft (MMA)—Broad Area Maritime Surveillance (BAMS).*—This year we awarded a contract to design and develop the Multi-Mission Aircraft to recapitalize our 1950's-era Lockheed "Electra"-based P-3 force. Our acquisition plan includes the integration of the Broad Area Maritime Surveillance—Unmanned Aerial Vehicle (BAMS-UAV) program into the overarching Maritime Patrol and Armed Reconnaissance requirement. This lethal combination of manned and unmanned reconnaissance aircraft will recapitalize our maritime patrol anti-submarine warfare, anti-surface warfare and armed intelligence, surveillance and reconnaissance capability. We expect to reach Initial Operating Capability (IOC) of the MMA and BAMS UAV in 2013.

FORCENet is the operational construct and architectural framework for naval warfare in the joint, information age.

FORCEnet

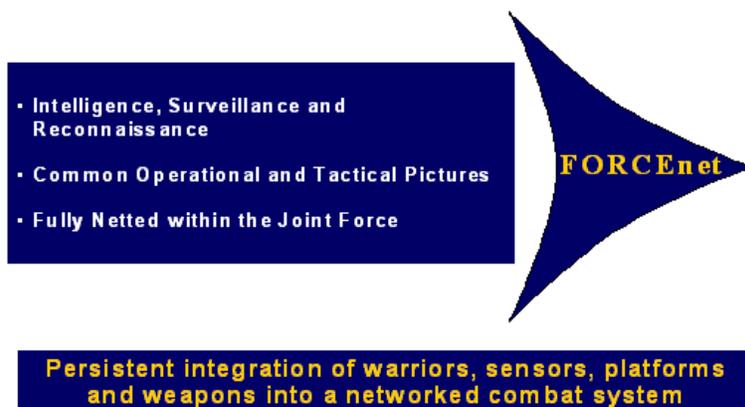


Figure 15

It will allow systems, functions and missions to be aligned in a way that will transform our situational awareness, accelerate speed of decisions and allow naval forces to greatly distribute its combat power in a unified, joint battlespace. FORCEnet provides the standards of interoperability for the world-class IT tools that we need to continue to be the world-class Navy.

Programs that will enable the future force to be more networked, highly adaptive, human-centric, integrated, and enhance speed of command include:

- Navy Marine Corps Intranet (NMCI)*.—NMCI provides commercial IT services for more than 380,000 DON employees. This initiative, as part of our FORCEnet strategy, is providing a single, secure shore-based network and will link with our tactical networks to provide end-to-end collaboration within the DON and across the joint community. Fiscal year 2006 funding of \$1.6 billion provides for NMCI operations and, at the same time, continues transition of the remaining legacy IT networks to NMCI enterprise network services.
- Mobile User Objective System (MUOS)*.—The MUOS Satellite Communications (SATCOM) program will increase DOD Narrowband UHF SATCOM capacity by roughly 1,300 percent over current capabilities. MUOS is a \$6 billion joint interest program, and it supports a particularly important “Comms-on-the-Move” capability for handheld terminals, aircraft, missiles, and UAVs in urban and heavily wooded terrain. We plan to reach the Initial Operating Capability milestone in 2010, with Full Operational Capability in 2014.
- Joint Aerial Common Sensor (JACS)*.—We have partnered with the Army in the Joint Aerial Common Sensor development program in our pursuit of a replacement for the aging EP-3 airborne information warfare and tactical signals intelligence (SIGINT) aircraft. JACS will provide multi-intelligence strike targeting data and Signals Intelligence capabilities, and will include a Synthetic Aperture Radar, Ground Moving Target Indicator, Electro-Optical and Infrared Sights, and Measurements and Signature capabilities. These will be coupled with automatic/manual data fusion. Our fiscal year 2006 request includes \$134 million for this program.
- Joint Tactical Radio System (JTRS)*.—JTRS will be the wireless “last tactical mile” component of the Global Information Grid (GIG) and will transform Navy’s tactical communications systems by incorporating Internet Protocol (IP) communications over multi-spectral radio frequency (RF) media. JTRS is a software programmable, multi-band, multi-mode family of networkable radios, capable of simultaneous voice, data, video communications and mobile ad hoc networking. Our fiscal year 2006 request includes \$251 million for JTRS.
- Fire Scout* Our fiscal year 2006 request includes \$77.6 million to continue the development of the Fire Scout UAV. The Fire Scout is a Vertical Takeoff and Landing Tactical UAV (VTUAV) designed to operate from all air-capable ships,

carry modular mission payloads, and operate using the Tactical Control System and Tactical Common Data Link. The Fire Scout UAV will provide day/night real time ISR and targeting as well as communication-relay and battlefield management capabilities for ASW, MIW and ASUW.

—*E-2 Advanced Hawkeye.*—The E-2 Advanced Hawkeye (AHE) program will modernize the E-2 weapons system by replacing the current radar and other aircraft system components to improve nearly every facet of tactical air operations. The modernized weapons system will be designed to maintain open ocean capability while adding transformational littoral ocean surveillance and Theater Air Defense and Missile Defense capabilities against emerging threats in the high-clutter environment. The AHE program plans to build 75 new aircraft with the modernized weapons system with pilot production in fiscal year 2007.

Continuing our efforts to become more effective and efficient in the use of taxpayer resources

We are well underway in our Sea Enterprise journey to be more effective and efficient, yet more needs to be done to generate the resources necessary to implement our Sea Power 21 vision. We must provide incentives for innovation in the workplace, and implement tools and techniques that enable the workforce to challenge existing assumptions, eliminate unnecessary costs, and increase efficiency and effectiveness. Sharing best practices, and leveraging core competencies and continuous process improvement are essential ingredients to our success. The promise of increased effectiveness, productivity, and alignment can only be realized by extending both the extent and depth of collaboration across the enterprise.

The DON Enterprise Resource Planning (ERP) initiative has created the framework that will enable the transformation of key acquisition, logistics, and financial business activities into an integrated network of decision-making processes. This past August the Joint Requirements Oversight Council approved the Navy ERP Operational Requirements Document (ORD) and cleared the way for the Navy to purchase ERP software and hire an integration contractor. With the fiscal year 2006 budget, the Navy will continue to capitalize on demonstrated ERP technology advances in creating and disseminating decision-making information. The ERP program is expected to continue to improve integration, leverage economy-of-scale, consolidate legacy systems and software using the best business and commercial practices available and align the President's Management Agenda (PMA) within the Department. We are pursuing an acquisition strategy that will support operational test and evaluation by fiscal year 2006.

Sea Enterprise efficiency/mitigation initiatives valued in excess of \$50 billion across the FYDP. More importantly, however, Sea Enterprise offers a genuine understanding of program costs that empowers our Research and Development, enables our program execution, and enhances the overall management of our Navy. Accordingly there is increased relevance of our cost data and no built-in cost margins built into our budget. Put simply, our budget has the most granularity and cost refinement than in any time in my tenure as CNO. This sometimes translates into savings for our government but also means that unforeseen budget cuts directly affect the heart of our programs and not just marginal costs.

CONCLUSION

Our mission remains bringing the fight to our enemies. We will execute the Global War on Terror while continuing our transformation for the future. We have set in motion forces of change, beginning the journey that I believe we must undertake if we are to maintain the greatness that our 229 years of naval history has bestowed upon us. But change is demanding, difficult, and uncertain in its effects. It requires extraordinary effort, especially for a large, public institution. And it is precisely for these reasons that change must be harnessed as a positive force in our Navy.

Positive change is the bridge to our future. To get there we must also think anew about the opportunities that we have now to make our Navy even better. Tomorrow's Navy will, in many ways, be strikingly dissimilar to our Navy today. But one thing is clear: the business of the Navy will always be combat, and victory is both our mission and our heritage. None of this would be possible without the constant support of the Congress and the people of the United States of America. I would therefore like to thank you once again, on behalf of the dedicated men and women prepared to go in harm's way for our great nation, for all that you do to make the United States Navy ready today and prepared for the future.

Senator STEVENS. General Hagee, do you have a statement to make?

General HAGEE. Yes, sir, I do.

SUMMARY STATEMENT OF GENERAL MICHAEL W. HAGEE

General HAGEE. Mr. Chairman, Senator Inouye, other distinguished members of this subcommittee, it's my privilege to be here this morning to report on the readiness of your Marine Corps.

I would, also, like to offer my thanks to Vern Clark. I think you know there has been no Chief of Naval Operations more committed to the Navy/Marine Corps team than Admiral Vern Clark. And I wish him all the best, and thank him for his friendship and for his professionalism.

Sir, this past weekend, I was on Iwo Jima with some veterans from that particular battle. Just a little over 60 years ago, on February 19, over 80,000 marines and sailors onboard over 880 U.S. ships made a landing on that small island. Thirty-six days later, the battle was over, over 25,000 marines and sailors were wounded, 6,100 gave their lives. And, in those 36 days, 27 medals of honor were awarded.

Mr. Chairman, today we are again at war—a different type of war, to be sure, but still a global war. And I can tell you that, in my 37 years as a marine, I have never seen a more experienced, battle-hardened, and ready force than today's Marine Corps. Your consistent fiscal and legislative support over the past few years have been critical in delivering the force needed today.

I would also like to thank you personally for your caring visits to our wounded and for caring for the families of those who have lost loved ones. Your support is greatly appreciated by all marines and their families.

Last year when I appeared before this subcommittee, I highlighted the importance of the flexibility and adaptability of your marines in rapidly responding to multiple and varied contingencies, many on short notice, since 9/11. Again, over the past year, the value of this expeditionary force and its readiness were demonstrated repeatedly in Iraq, Afghanistan, Horn of Africa, Haiti, and, of course, most recently, in the relief operations in the Indian Ocean.

A notable example of the value of your marines' readiness, the quality of their training, their leadership, and their understanding of joint and coalition operations was in the Al Anbar province. In November of last year, the marine force, tightly integrated with Army brigades, Seabees, joint air assets, coalition forces, including five Iraqi battalions, mounted a high-intensity joint assault in a demanding urban environment, destroying the insurgents' safe-haven in Fallujah. This close-quarters fight against an adaptable and dangerous enemy was executed rapidly and successfully. Equally impressive, in my opinion, but not often noted, was, after the assault, the force immediately returned to counterinsurgency and civil-affairs operations.

While your marines and their equipment have performed well, both at home and abroad, we do face some significant challenges. The tempo of operation and the demands on the forces are extremely high across the entire Marine Corps, both regular and reserve. Marine units and operating forces are either deployed or are training to relieve deployed units. No forces have been fenced. And

since 9/11, we have activated in excess of 95 percent of our Marine Corps Reserve units, the majority of whom have served in either Iraq or Afghanistan.

Last year, we met our recruiting and retention goals, both in quantity and, most importantly, in quality. Although we remain on track to meet our annual goals this year, the additional effort required by our recruiters and our career retention specialists is significant. Your continued support of recruit advertising and enlistment bonuses is important.

The Marine Corps greatly appreciates Congress' authorization last year to increase end strength by 3,000 marines. Additionally, we are implementing internal initiatives to provide more capabilities needed by the combatant commanders and to reduce our Operating Tempo (OPTEMPO). We have tremendous support from our families. This support sustains us both at home and when we are deployed in harm's way. They have my sincere gratitude for their courage and their sacrifice.

With regard to our material and equipment, we currently have 30 percent of our ground equipment and 25 percent of our aviation equipment deployed in theater in one of the harshest operating environments on the planet. Usage rates for our ground equipment are averaging eight-to-one over planned rates, while our aviation assets are flying between two to three times their planned rates. Our fiscal year 2005 supplemental submission requests funds to begin the reconstitution of this equipment. Together, our fiscal year 2006 budget request and the supplemental will ensure that our essential warfighting capability and readiness remain high.

The successes of our Armed Forces to date are a reflection of Congress' strong fiscal support over the past years. Our equipment, support facilities, and the personnel policies that attract, create, and keep our most lethal and effective weapon—high-quality marines—are the product of your long-term sustained investment.

Joint seabasing is the Navy/Marine Corps team's overarching operating concept for using the sea as maneuver space. This transformational concept breaks down the traditional sea/land barrier. It will enable the joint force commander to project joint and combined forces anywhere in the world. Seabasing assures joint access by leveraging maneuver of forces on the sea and by reducing dependence upon fixed and vulnerable land bases. This concept will provide our combatant commanders with unprecedented versatility in operations, from cooperative security to major combat. In support of our transformation efforts, funding for seabasing research and development is critical in order to ensure timely design and doctrinal decisions.

PREPARED STATEMENT

In conclusion, let me emphasize that your marines are fully dedicated to the idea of service to our Nation, and they know they have the solid backing of the Congress and the American people. We fully understand that our greatest contribution to the Nation is our high level of readiness to respond across the spectrum of operations. Marines and their families greatly appreciate your support in achieving our high level of success, and your efforts to ensure that we will be able to respond to future contingencies.

I look forward to your questions.
[The statement follows:]

PREPARED STATEMENT OF GENERAL MICHAEL W. HAGEE

Chairman Stevens, Senator Inouye, distinguished members of the Committee; it is my honor to report to you on the state of readiness of your Marine Corps. Today, we are at war and your Marines are performing well because of the support they have received from the Congress and their extraordinary courage, dedication, and commitment. Marines realize the danger to the Nation, their vital role, and the magnitude of their responsibilities. Many have been wounded or killed in action over the past year carrying out these responsibilities.

Marines continue to demonstrate that we are an expeditionary force in readiness—Most Ready When the Nation is Least Ready. Your continued support has made this possible. The Global War on Terror will be long; therefore, sustaining and improving our readiness for future challenges is critical to ensuring that the Marine Corps continues to provide the combatant commanders the critical capabilities needed. On behalf of all Marines and their families, I thank this Committee for your sustained and indispensable support during these challenging times.

INTRODUCTION AND THE VALUE OF READINESS

Currently, your Marines are fully engaged across the spectrum of military capabilities in prosecuting the Global War on Terror. Since the watershed events of September 11, 2001, the core competencies, capabilities, and emphasis on readiness that the Marine Corps has structured itself around over many years have repeatedly proven their value in the numerous and varied operations this conflict demands. The importance of our Nation's ability to project power and conduct military operations over long distances for extended periods of time as part of a joint force has been revalidated. The Marine Corps' role as the Nation's premier expeditionary force-in-readiness, combined with our forward deployed posture, has enabled us to rapidly and effectively contribute to these joint operations. Our scalable, combined arms teams, seamlessly integrating our robust ground and aviation forces with adaptive logistics, create speed, flexibility, and agility to effectively respond to each unique emerging situation. The high state of training and quality of our Marines along with our warrior ethos—highlighted by our creed that every Marine is a rifleman—allows Marines to thrive in the chaotic, unstable, and unpredictable environment that has always characterized warfare and that our very adaptable enemies methodically attempt to exploit.

Previously I have highlighted to Congress that in the early phases of Operation ENDURING FREEDOM, two forward-deployed Marine Expeditionary Units formed Task Force 58 and projected the first major conventional combat units into Afghanistan—more than 350 miles from its sea base of amphibious shipping. Operation IRAQI FREEDOM I witnessed the flexibility of our projection capabilities when a combat ready Marine Expeditionary Force of over 70,000 Marines and Sailors was deployed in less than 60 days by multiple means—forward deployed Marine Expeditionary Units, amphibious shipping embarked from stateside bases, Maritime Prepositioned Ships, the use of amphibious ships as sea-based aviation power projection platforms, as well as strategic air and sealift assets. The significant capabilities of this combined arms force—as it attacked more than 500 miles from its off-load areas in Kuwait, rendering ten Iraqi divisions combat ineffective, and seizing half of Baghdad as well as key areas to the north—were also demonstrated.

During this past year, Marines have continued to demonstrate their readiness across the spectrum of required missions. Shortly after their return from Operation IRAQI FREEDOM, the Marine Corps received a short-notice tasking to deploy 25,000 Marines back to Iraq. Since March 2004, Marines have led the Multi-National-Force-West, responsible for stability and security in the Al Anbar Province in Iraq. Our expeditious and innovative pre-deployment combat skills training program, rapid modifications of our training and equipment to meet an evolving threat, and our emphasis on cultural and language capabilities properly prepared us for the challenges in this complex region. The I Marine Expeditionary Force, reinforced by three Marine Expeditionary Units, is currently executing multiple security, urban combat, nation building, counter-insurgency, aviation command and control, and force protection missions with great confidence and skill, in the face of an adaptable and dangerous enemy.

In Afghanistan this past spring, in addition to the infantry battalion and helicopter support already supporting Operation ENDURING FREEDOM, we provided, on short-notice, a regimental headquarters and a combined arms Marine Expedi-

tionary Unit. This Marine force was a major element of the combined joint task force assigned to counter a suspected Taliban "Spring Offensive." The success of this force greatly assisted in setting the conditions for the Afghan national elections later in the year and in establishment of a secure and stable government. We continue to provide both ground and aviation forces—currently an infantry battalion, elements of two helicopter squadrons, and training teams—to protect and foster this new democracy.

In addition to these operations, our concurrent support to other regions including the Horn of Africa, the Pacific, support to the evacuation of non-combatants from Liberia, and the unexpected peace operation in Haiti has demonstrated our great range of flexibility. As on numerous previous occasions, Marines were deeply involved in the recent humanitarian efforts in the wake of the Sumatran earthquake and Indian Ocean tsunami. The value of our readiness across the spectrum of military capability; our forward presence and security cooperation efforts in this region for years; and our significant planning, logistical and transportation capabilities from our robust sea-base platforms have again proven critical in the effective projection of America's power—this time our power of humanitarian assistance. We should not underestimate the importance of this humanitarian operation on the stability of this critical region nor its potential favorable impact on the Global War on Terror.

Currently, we are conducting a major rotation of our units and headquarters in Iraq. Many of these units have previously deployed to this theater, but we continue to aggressively match our training and equipment to the changing threat. We expect our commitment to Iraq to remain at about 23,000 Marines and Sailors, with the Marine Corps reserve forces providing about 3,000 of these personnel into 2006.

Your support has ensured our near-term readiness remains strong. We will need your continued support in order to retain this readiness into the future. The current demand on the force is high. The entire Marine Corps is supporting the Global War on Terror, and no forces have been fenced. In the past two years, we have gone from a deployment rotation of one-to-three (6 months out/18 months back) to our current one-to-one ratio (7 months out/7 months back) for our infantry battalions, aviation squadrons, and other, high demand capabilities. This means that Marine units in the operating forces are either deployed or are training to relieve deployed units. Since 9/11, we have activated in excess of 95 percent of our Selected Marine Corps Reserve units. The vast majority have served in either Iraq or Afghanistan. Despite this high operational tempo, the Marine Corps continues to meet its recruiting and retention goals in quantity and quality, but the effort required by individual recruiters and career retention specialists is significant. The Marine Corps greatly appreciates Congress' authorization to increase our end-strength by 3,000 Marines in the fiscal year 2005 Authorization Act. These additional Marines will assist in reducing demands on Marines by filling our battalions to their designed strengths. We are currently assessing whether a further increase of personnel beyond 178,000 will be required to meet long-term commitments in the Global War on Terror.

Last year, we completed a force structure review to determine how we could better meet the operational needs of the Global War on Terror within our then approved end strength of 175,000. This effort, addressed in detail in the Personnel Readiness section below, will result in the creation of additional high demand units and capabilities to address pressures within the force.

The significant increase in wear and tear on materiel—in addition to combat losses—is a considerable monetary challenge that we identified in our fiscal year 2005 Supplemental submission. This submission also includes our request for essential warfighting and force protection equipment. These funds are critical to our sustained readiness.

Operations over these past few years have dramatically highlighted that our focus on readiness to fight across the spectrum of conflict is on the mark. Your continued support to fully fund our modernization and transformation accounts will ensure that Marine forces will be able to respond to the joint force commanders' requirements.

PERSONNEL READINESS

The Marine Corps continues to answer the call because of our individual Marines and the support they receive from their families and from the Nation. Morale and commitment are high. Marines join the Corps to "fight and win battles" and we are certainly giving them the opportunity to do that. We are an expeditionary force accustomed to deployments, but never at such a high tempo.

Marines

End Strength.—The Marine Corps greatly appreciates the congressional end strength increase to 178,000. Our first priority for this increase is to enhance the

manning of our infantry units. We will also create dedicated foreign military training units and add to our recruiting force, our trainers, and other support for the operating forces. Coupled with initiatives implemented as part of the recent force structure review and our military to civilian conversions, we will place many more Marines in our operating forces to reduce the tempo of operations on Marines and their families.

Force Structure Review.—The Marine Corps—recognizing the need to continue transformation and the rebalancing of forces to meet the needs of the 21st century and the long-term Global War on Terror—completed a review of our total force structure, active and reserve, last year. We are implementing the recommended force structure initiatives with the majority achieving initial operational capability in fiscal year 2006 and full operational capability by fiscal year 2008. These initiatives are end strength and structure neutral—offsets to balance these increases in capabilities are internal to the Marine Corps and come from military to civilian conversions and the disestablishment and reorganization of less critical capabilities. Implementation of these initiatives will require additional equipment, facilities, and operations and maintenance resources. The Marine Corps will continue to evaluate our force structure to ensure that it provides the needed capabilities in a timely manner to support our national security requirements.

Major structure changes in the active component include the establishment of two additional infantry battalions, three light armored reconnaissance companies, three reconnaissance companies, two force reconnaissance platoons, and an additional Air-Naval Gunfire Liaison Company (ANGLICO). We will also augment our existing explosive ordnance disposal, intelligence, aviation support, civil affairs, command and control, and psychological operations assets.

In the reserve component these structure initiatives will increase the capability of Marine Forces Reserve Command to better respond to the Global War on Terror. We will establish an intelligence support battalion, a security/anti-terrorism battalion, and two additional light armored reconnaissance companies. We will also augment existing capabilities in the areas of civil affairs and command and control, and we are restructuring some reserve units to convert them into Individual Mobilization Augmentee (IMA) Detachments—allowing more timely access to these Marine reservists to support contingency operations.

Military to Civilian Conversions.—The Marine Corps continues to pursue sensible military to civilian conversions in order to increase the number of Marines in the operating force. In fiscal year 2004, the Marine Corps converted 664 billets. We plan to continue our program for conversions, and we are on course to achieve 2,397 conversions through September 2006.

Retention.—The primary concern with increased personnel and operational tempo is its long-term impact on the career force, especially the officers and the staff non-commissioned officers who have between 8 and 12 years of service. The end-strength increase, implementation of our force structure initiatives, and Military-Civilian conversions are expected to partially mitigate the negative effects of this high tempo on the individual Marine and the force. Strong retention is a complex function of leadership opportunities, sense of purpose, compensation, quality of life, and educational opportunities.

Enlisted Retention. We are a young force. Maintaining a continuous flow of quality new accessions is of fundamental importance to well-balanced readiness. Over 26,000 of our active duty enlisted Marines are still teenagers, and 104,000 are serving on their first enlistment. In fiscal year 2004, the Marine Corps achieved 100 percent of our goals for both first term and career (second reenlistment and beyond) active duty reenlistments. Selected Reserve enlisted retention for fiscal year 2004 was slightly above our historical norm. In fiscal year 2005, we are again off to a strong start in all categories. We will continue to monitor this area closely. Although the Selective Reenlistment Bonus represents just one-half of one percent of our military personnel budget, it remains a powerful retention tool, and we take pride in our prudent stewardship of this resource. This year it will play an even more important role in retaining our best Marines as we maintain an end strength of 178,000. These reenlisted Noncommissioned and Staff Noncommissioned Officers will form the core of our new units.

Officer Retention. Overall, we continue to achieve our goals for officer retention. We are retaining experienced and high quality officers. Our aggregate officer retention rate was 91 percent for fiscal year 2004, at our historical average. Reserve officer retention of 75 percent is slightly below the historical norm of 77 percent. It is important to note that high retention in the active component reduces the number of officers transitioning (accessions) into the Selected Marine Corps Reserve.

Recruiting.—A successful retention effort is but one part of ensuring there is a properly trained Marine in the right place at the right time. Successful recruiting

is essential to replenishing the force and maintaining a high state of readiness. In fiscal year 2004, the Marine Corps recruited 100 percent of its active component goal of 30,608 Marines, with 97.7 percent being Tier I High School graduates. The Marine Corps Reserve also achieved 100 percent of its recruiting goals with the accession of 6,165 Non-Prior Service Marines and 2,083 prior-service Marines. Officer accessions, in both the active and reserve components, achieved their goals, but reserve officer numbers remain challenging because our primary accession source is officers leaving active duty. We are currently exploring new options in this area and believe that the authority for a Selected Reserve Officer Affiliation Bonus in the Fiscal Year 2005 National Defense Authorization Act may contribute significantly to these efforts. For fiscal year 2005, both active and reserve recruiting are challenging, but we are currently on track to meet our goals.

We believe the recruiting and retention “marketplace” is going to become more challenging. Your continued support for a strong reenlistment bonus and advertising programs will be essential to meet this challenge.

Marine Corps Reserve.—The morale and patriotic spirit of the Marine Reserves, their families, and their employers remains extraordinarily high. As demonstrated over this past year, the Marine Corps Reserve continues to be fully ready and capable of rapid activation and deployment to augment and reinforce the active component of the Marine Corps as required. This capability has helped us to avoid untimely deployment extensions, maximize force management of our reserves, maintain unit integrity, sustain the reserve force, and lessen the burden on Marines and their families. To date almost 30,000 Reserve Marines have served on active duty in the Global War On Terror. Currently, over 13,000 reserve Marines are on active duty with over 11,500 in cohesive reserve ground, aviation and combat support units and almost 1,600 serving as individual augments in both Marine and Joint commands. As of January 2005, the Marine Corps Reserve began activating 3,000 Selected Marine Corps Reserve Marines in support of operations in Iraq and 500 for Afghanistan.

Despite the high tempo of operations, the Marine Corps Reserve continues to meet its goals for recruiting and retaining quality men and women willing to manage commitments to their families, their communities, their civilian careers, and the Corps. The Marine Corps is closely monitoring post-mobilization retention in order to assess any potential long-term negative impact from recent activations. As we build on the lessons of the recent past and begin to implement adjustments to the structure of our reserve forces, we will ensure that these changes are made with full recognition that the Marine Corps Reserve is a community-based force.

Marine For Life.—Initiated in fiscal year 2002, the Marine For Life program continues to provide support for 27,000 Marines transitioning from active service back to civilian life each year. Built on the philosophy, “Once a Marine, Always a Marine,” Reserve Marines in over 80 cities help transitioning Marines and their families to get settled in their new communities. Sponsorship includes assistance with employment, education, housing, childcare, veterans’ benefits, and other support services needed to make a smooth transition. To provide this support, the Marine For Life program taps into a network of former Marines and Marine-friendly businesses, organizations, and individuals willing to lend a hand to a Marine who has served honorably. Approximately 2,000 Marines are logging onto the web-based electronic network for assistance each month. Assistance from career retention specialists and transitional recruiters helps transitioning Marines tremendously by getting the word out about the program.

Marine For Life—Injured Support.—Leveraging the organizational network and strengths of the Marine for Life program, we are currently implementing an Injured Support program to assist injured Marines, Sailors serving with Marines, and their families. The goal is to bridge the gap between military medical care and the Department of Veterans Affairs—providing continuity of support through transition and assistance for several years afterwards. Planned features of the program include: advocacy for Marines, Sailors and their families within the Marine Corps and with external agencies; pre and post-Service separation case management; assistance in working with physical evaluation boards; an interactive web site for disability/benefit information; an enhanced Marine Corps Community Services (MCCS) “One Source” capability for 24/7/365 information; facilitation assistance with federal hiring preferences; coordination with veterans, public, and private organizations providing support to our seriously injured; improved Department of Veterans Affairs handling of Marine cases; and development of any required proposals for legislative changes to better support our Marines and Sailors. This program began limited operations in early January 2005.

Civilian Marines

Marine Corps Civilian Workforce Campaign Plan.—Marines, more than ever before, recognize the importance of our civilian teammates and the invaluable service they provide to our Corps as an integral component of the Total Force. To that end we continue to mature and execute our Civilian Workforce Campaign Plan, a strategic road map to achieve a civilian workforce capable of meeting the challenges of the future. We are committed to building leadership skills at all levels, providing interesting and challenging training and career opportunities, and improving the quality of work life for all appropriated and non-appropriated Civilian Marines. As part of our effort to meet our goal of accessing and retaining a select group of civilians imbued with our Core Values, we have developed a program to provide our Civilian Marines an opportunity to learn about the Marine Corps' ethos, history, and Core Values—to properly acculturate them to this special institution. All this supports our value proposition, why a civilian chooses to pursue a job with the Marine Corps: to “Support Our Marines. Be Part of the Team.”

National Security Personnel System.—The Marine Corps is actively participating with the Department of Defense in the development and implementation of the new personnel system. Following an intensive training program for supervisors, managers, human resources specialists, employees, commanders and senior management, we will join with the Department in the first phase of implementation, tentatively scheduled for July of 2005. In the Marine Corps, we will lead from the top and have our Headquarters Marine Corps civilian personnel included in the first phase of implementation, known as “Spiral One.”

Information Technology.—We remain committed to transforming our manpower processes by leveraging the unique capabilities resident in the Marine Corps Total Force System (MCTFS), our fully integrated personnel, pay, and manpower system that serves active, reserve and retired members. The integrated nature of MCTFS allows us to develop our Total Force Administration System (TFAS); a web based and virtually paperless administration system that provides Marines and commanders 24-hour access to administrative processes via Marine OnLine. Our TFAS allows administrative personnel to refocus their efforts from routine tasks to more complex analytical duties, and ultimately will enable greater efficiencies. Additionally, MCTFS facilitates our single source of manpower data, directly feeding our Operational Data Store Enterprise and Total Force Data Warehouse. This distinctive capability allows us to accurately forecast manpower trends and fuels our Manpower Performance Indicators, which provide near real time graphical representation of the Corps' manpower status such as our deployment tempo. Properly managing our manpower requirements and processes requires continued investment in modern technologies and we are committed to these prudent investments.

Quality of Life

Marine Corps Community Services.—Taking care of Marines and their families is essential to the operational readiness of the Corps. The relevance of this mission is particularly evident when leaders at all levels assess preparedness of their command and unit functioning before, during, and after forward deployments. As an expeditionary force we are accustomed to frequent deployments, yet the current environment contains elements of personal danger and family risk that must be addressed with appropriate and timely support. To date in Operations IRAQI FREEDOM and ENDURING FREEDOM, we have been careful to closely monitor our programs and adjust support to ensure our Marines and their families receive the necessary care to sustain them throughout the deployment cycle. In this regard, our Marine Corps Community Services (MCCS) organizations' combined structure of Family Services, Morale, Welfare and Recreation Programs, Voluntary Off Duty Education, and Exchange operations has positioned us to efficiently and effectively leverage and direct community services assets to help Marines and their families meet the challenges associated with our lifestyle and current operational tempo.

Deployment Support.—During pre-deployment, Marines and families attend to wills, powers of attorney, and family care plans; and spouses establish a vital connection through the commander's Key Volunteer Network that is organized to provide accurate and timely information on the status of the deployment. We have developed a series of pre-deployment, in-theater, return and reunion, and post deployment awareness and support services to mitigate problems created by traumatic combat experiences and their associated stress. We fully understand that Marines and their families are not immune from social risks such as suicide, domestic violence, or sexual assault. We also understand that risk factors can be exacerbated by the current operational tempo, and we have a variety of proactive counseling services to address individual and unit readiness concerns. We are ever watchful for symptoms and risks of untreated combat stress and its signs and advise Marines

of the resources available for treatment. Combat stress is also addressed with counseling provided by the Navy's Operational Stress Control and Readiness Program (OSCAR), which embeds mental health professionals within the Marine Division and has resulted in a marked decrease in medical evacuations for mental health reasons. Prior to departing a combat zone, we also plan for a decompression period in which military chaplains provide a Warrior Transition Brief focused on better preparing our Marines to reintegrate with family and community. We offer similar return and reunion programs for families awaiting the homecoming of a deployed Marine. A wide array of services is available at our installations through chaplains, medical treatment facilities, and MCCS to support the Marine and family members in the post deployment phase. For those Marines and families in need who are residing a distance from our installations, face-to-face counseling services are available through MCCS/Military One Source. MCCS/Military One Source offers 24/7/365 information and referral services via toll-free telephone and Internet access. MCCS/Military One Source has also proven to be an especially valuable resource to assist Reserve Marines and their families who often experience special challenges when trying to acclimate to requirements, procedures, and support associated with various military programs and benefits.

We recognize that family readiness is integral to unit readiness. To help our families through the separation and stress of deployment, respite and extended childcare services have been made possible by Congress in supplemental appropriations. Information and referral services are offered via different access points such as unit/command websites, hotlines and MCCS/Military One Source. While forward deployed, Marines have access to tactical field exchanges; a variety of fitness, recreation, and leisure facilities; and telecommunication services. We are utilizing our postal Marines to expedite mail delivery. We also conducted a successful voter awareness campaign that ensured our Marines had the opportunity to exercise their right and civic responsibility to vote, even from austere, forward deployed locations.

Casualty Assistance.—The Marine Corps, and most importantly Marine families, appreciate recent legislative actions, including the expanded authorizations for parents of our deceased to attend funerals when they are not the primary next-of-kin, and also the enhanced travel to bedside benefits that are so important to the morale of those Marines subject to extended hospital stays. We have built internal support services, including an extensive network of Casualty Assistance Calls Officers (CACOs) throughout the country who serve as the primary point of contact for the families of deceased and severely injured Marines regarding all military benefits, entitlements, or offers from benevolent organizations. CACO support is managed through our Headquarters Casualty Affairs section and has been enhanced by the development and implementation of an Office of the Secretary of Defense-funded Injured/Ill Patient Tracking website in March of 2004. Commanders at all levels now have visibility of their Marines at all stages in the medical and convalescence process.

I would like to thank Congress for your continued support of the programs and services so critical to the readiness of our Corps, to include provisions of supplemental appropriations; all of which directly contribute to quality of life enhancements. Also, your kind and caring visits with our wounded Marines, Sailors, and their families are greatly appreciated.

TRAINING AND EDUCATION

The Marine Corps' Training and Education Command continues to incorporate lessons learned from the Global War on Terror, ensuring that Marines are fully trained and prepared to meet the challenges of the demanding operational environments in Afghanistan, Iraq, and around the world. In many respects, the hard won lessons from these most recent battlefields have served to validate our training policies and programs. The training at the recruit depots continues to deliver basic trained Marines, imbued with the core values and warrior ethos necessary to ensure their rapid integration into operational units. In particular, our fundamental tenet, "Every Marine a Rifleman," has proven its worth time and again. Marines in almost every occupational field have executed the tasks of provisional riflemen, from establishing security to patrolling their areas of responsibility. In a conflict where nearly every convoy is a combat patrol, the fact that all Marines are taught basic combat and infantry skills at the Schools of Infantry has helped ensure their survival and mission accomplishment in an environment where traditional lines between the front and the rear are virtually indistinct.

Adapting to a Thinking Foe.—Where needed, we have adjusted the curricula at formal schools to ensure that Marines are trained using the latest lessons learned. Our enemies are constantly adapting, and we must ensure that our training reflects

the modifications to tactics, techniques, and procedures that are necessary to counter these changes. Our schools maintain close communication with the operating forces through the review of after-action reports, lessons-learned data, surveys, and personal interviews with returning Marines. For example, classes in Improvised Explosive Device awareness, reaction to vehicle ambush, and combat leadership discussions with returning combat veterans have been integrated into appropriate programs of instruction. In addition, new infantry lieutenants receive enhanced training in urban patrolling, and their 96-hour final field exercise encompasses both conventional operations and stability and support operations. Military Occupational Specialty schools are also adjusting their curricula to ensure that we adapt our focus from fighting a conventional force to dealing with the challenges posed by irregular forces. For example, at our intelligence schools, counter-insurgency training has been added to the curriculum, illustrating changes in the collection procedures necessary for greater effectiveness in an insurgency environment. We are weaving cultural training throughout the training continuum to reinforce the understanding of the operational importance of culture and to help Marines more effectively interact with civilian populations.

Focused Pre-Deployment Training.—To focus training efforts, all deploying Marine units rotate through a standardized training package. Building on home station training in basic urban skills, ground units deploy to the Marine Air Ground Task Force Training Center at Twentynine Palms, California, for in-depth training in convoy operations, fire support, and small-unit coordinated assaults against defended positions. Following that, the units move to March Air Reserve Base at Riverside, California, for a graduate-level training exercise in urban operations, including stability and support operations. In addition, ground units scheduled to deploy to Afghanistan train at the Marine Corps Mountain Warfare Training Center at Bridgeport, California. Here they focus on gaining the skills necessary to operate in demanding high-altitude environments like they will experience in Afghanistan. Marine Corps aviation units participate in a standardized training package, Desert Talon, in Yuma, Arizona. All of these training events are solidly grounded on lessons learned from the operating forces.

Initiatives for Future Challenges.—While we adjust to the current operational environment, we also keep our eye on the future. We are currently undertaking initiatives that will further strengthen the training and education that Marines receive in years to come. One key initiative is the development of Military Occupational Specialty Roadmaps to help individual Marines and leaders map out career paths. Complementing this effort, we are conducting a complete reevaluation of our entire professional military education program to ensure that it seamlessly reinforces our Military Occupational Specialty training as well as ensuring, at the appropriate levels, a strong bond with joint professional military education. In the joint arena, we are also heavily engaged in supporting the Department of Defense efforts to create a flexible and dynamic Joint National Training Capability. In this respect, and thanks to the generous support of Congress, we are making large infrastructure investments at our Combat Training Center at Twentynine Palms, California. We are in the process of building a number of urban warfare training facilities on this base that will allow us to conduct battalion and company-sized urban warfare training, further enhancing the combat ability of Marine units. All these efforts will ensure the continued ability of the Marine Corps to respond whenever and wherever the Nation calls.

EQUIPMENT AND MATERIEL READINESS

Our readiness priority is the support and sustainment of our forward deployed forces. Currently, the Marine Corps has 26 percent of our active operating forces deployed in support of the Global War on Terror utilizing 30 percent of our ground equipment and 25 percent of our aviation assets.

Demand on Equipment.—The Global War on Terror equipment usage rates average 8:1 over normal peacetime usage due to continuous combat operations. This high usage rate in a harsh operating environment, coupled with the added weight of armor and unavoidable delays of scheduled maintenance due to combat, is degrading our equipment at an accelerated rate. More than 1,800 principal end items valued at \$94.3 million have been destroyed. Repairs on 2,300 damaged end items will require additional depot maintenance.

Readiness Rates.—The equipment readiness (mission capable) rates of our deployed forces average 95 percent for ground equipment and 72 percent for aviation units. Our pre-positioned stocks, within both the Marine Corps Preposition Program—Norway and Maritime Prepositioned Shipping—have ensured the sustained readiness of our deployed ground units. In order to improve our readiness rate in

theater, we are creating a limited aircraft depot maintenance capability, coordinating with the Army to leverage their ground depot maintenance capability, and establishing a pool of ground equipment to expedite the replacement of damaged major end items. The corresponding equipment readiness (mission capable) rates for units remaining in garrison are 81 percent for ground equipment and 69 percent for aviation units. We currently are rebalancing the ground equipment assets of our non-deployed units to maximize equipment availability for unit training. We anticipate a reduction in the size of our force deployed to Iraq in the Operation IRAQI FREEDOM 04–06 rotation and plan to return the associated equipment to the non-deployed operating forces. Due to the extensive wear and tear on our assets, we believe that at some point in the future we will need to replace equipment because restoring it to like-new condition may not be cost effective. We will need your continued support in order to recapitalize and reconstitute our prepositioned stocks and to replace our combat losses. We have requested \$250 million via the fiscal year 2005 Supplemental to begin replacing our prepositioned equipment.

Meeting Urgent Operational Requirements.—A critical factor for both Operations ENDURING FREEDOM and IRAQI FREEDOM in ensuring our Marines were as adequately equipped as possible is the Urgent Universal Needs Statement (UUNS) process that we initiated in 2002. This process has provided a way for the leaders and members of our operating forces to identify and forward new requirements for weapons and gear up the chain of command for quick review and approval—most in under 90 days. Upon approval by the Marine Corps Requirements Oversight Council, the Marine Corps and the Department of the Navy have realigned funds as necessary within permitted reprogramming thresholds. When required by reprogramming authority rules, we have forwarded requests that exceed the established reprogramming thresholds to the Congress for approval. The sources for these reprogramming actions have been our investment account assets. In many cases, the funding was made available by our decision to accept risk and defer the full execution of otherwise approved programs in order to address immediate warfighting needs. Through this process we have acquired more than 200,000 pieces of essential warfighting equipment that have been provided to the operational commanders. Some examples are:

- Vehicle hardening: Purchased factory produced and field expedient armor for nearly 4,000 vehicles; fielded 37 export model M1114 up-armored High Mobility Multi-purpose Wheeled Vehicles (HMMWV); will procure and field 498 M1114s up-armored HMMWVs; and producing the Marine Armor Kit (MAK) for HMMWVs and the Marine Armor System (MAS) for the Medium Tactical Vehicle Replacement (installation for both systems will be operationally driven and is planned to begin between February and May 2005).
- Numerous types of weapons sights: Advanced Combat Optic Gunsights (ACOG); and thermal Weapons Sights
- Family of Explosive Ordnance Disposal (EOD) equipment including unmanned robotics and blast suits
- Counter Improvised Explosive Device (IED) Jammers
- Unmanned Aerial Vehicles (UAV)—Dragon Eye and Scan Eagle
- Hardened Engineer Vehicles—Cougar and Buffalo systems being acquired from the U.S. Army
- Radios: Personal Role Radios, PRC–148, PRC–117F, and Tropo Satellite Support Radios
- Unit Operations Centers
- Night Vision Devices
- Dust abatement chemicals and sprayer systems
- Individual body armor
- Backscatter X-Ray machines
- Blue Force Tracker.

The Marine Corps, with superb assistance from the Department of the Navy, realigned funds and received supplemental funding to fund these acquisitions. The impact of the reprogramming was deferred deliveries or delays in the execution of other approved procurement programs. Affected Marine Corps programs include personal gear and weaponry, vehicles, command and control systems, communications, and tactical computers at a cost to the Marine Corps of over \$300 million. Similarly, Marine Corps initiatives within the Navy budget affected by reprogramming included ships, naval weapons systems and aircraft replacements/modifications that Marines man or that directly support us. The funding required to buy back some of these critical capabilities is included in the fiscal year 2005 supplemental request.

Replacements and Depot Maintenance.—Our equipment replacement strategies support our long-term commitment and considerations for new item modernization

or transformation opportunities whenever possible. Use of the Marine Corps depot maintenance capability has been optimized using our organic depots, other service depots, and commercial sources—in that order. For our depots, we have requested \$319 million in fiscal year 2005, which includes the baseline programmed appropriation of \$114 million, an approved Congressional increase of \$43 million, and our request for an additional \$162 million in supplemental funding.

FUTURE READINESS

While the primary focus of the Marine Corps is supporting the Global War on Terror, we also have a responsibility to prepare for future conflicts and contingencies. Our continued transformation recognizes that an array of non-traditional threats will increasingly influence our development of tomorrow's Corps. Our challenge is to determine the right balance of capabilities that the Marine Corps must provide to the Nation in order to help defeat a broad range of adversaries. The review of our force structure, referred to earlier, is an example of how we are adapting to better prosecute the Global War on Terror and meet future national security requirements.

Logistics Modernization.—Logistics Modernization is the most comprehensive approach ever to improving tactical and operational level logistics. It is a Marine Corps-wide, multi-year, people-focused program designed to improve processes and technology supporting Marine Air Ground Task Force operations. Logistics Modernization consists of seven initiatives that—when fully implemented—will; modernize our people through logistics chain-oriented education and effective change management and communications; will modernize processes through moving to a logistics chain management approach that integrates supply, maintenance and distribution; and will modernize technology through acquisition and fielding of Global Combat Support System Marine Corps (GCSS-MC). Logistics Modernization initiatives will address Operation Iraqi Freedom lessons through their laser focus on the deployed environment and the last tactical mile and increase Marine Air Ground Task Force lethality by providing increased accuracy, reliability, and responsiveness of logistics information to Marines deployed on the battlefield.

Power Projection and Sustainable Forcible Entry Capability.—Whatever the future brings, we believe that the Nation will continue to require the capability to project and sustain joint power from the sea, despite adversaries' attempts to deny us access. The Navy-Marine Corps team—with the immediate capabilities of our forward deployed forces, the rapid deployment of medium weight forces, and the full spectrum capability for major combat operations—provides our joint force commanders with flexible options to meet a wide range of potential circumstances. As we look into the future, the requirements for naval forces to maintain presence, engage allies and potential coalition partners, build understanding and operational relationships for the future, relentlessly pursue terrorist organizations, and project sustainable forces ashore for a wide variety of operations will only increase. We must continue to improve our ability to use the sea and our maritime superiority in order to gain access, to reinforce and defend allies, aid victims of catastrophic disaster, or defeat aggressors.

As an element of our joint power projection capability, forcible entry is a core competency that the Navy-Marine Corps team provides to joint force commanders. Our ability to use the sea as maneuver space, to provide us with overwhelming strategic mobility, and to protect us from the majority of challengers must remain one of our asymmetric advantages. It ensures that any adversary must devote considerable resources and time in attempting to deal with our unique ability to hold the length and depth of his coastline at risk, while he considers his military—even political—options. As we increase our investment in non-traditional capabilities, we will continue to transform the means by which the Nation projects offensive, defensive, sustainment, and command and control capabilities from the freedom of the high seas.

Amphibious and Maritime Preposition Force Capability.—To this end, amphibious and maritime prepositioned force capabilities remain the critical factors necessary to fully realize this essential warfighting capability for the Nation. Naval forces must maintain the ability to rapidly close, effectively employ, and sustain a persistent military force from the sea, thereby willfully projecting power ashore. The Marine Corps warfighting requirement for forcible entry amphibious shipping remains the ability to lift the assault echelon of three Marine Expeditionary Brigades, fiscally constrained to 2.5. In addition, our proven maritime prepositioned ships—capable of supporting the rapid deployment of three Marine Expeditionary Brigades are an important complement to our amphibious capability. Combined, these capa-

bilities enable the Marine Corps to rapidly react to a crisis in a number of potential theaters and the flexibility to employ forces across the battlespace.

Seabasing Concept.—Seabasing is our overarching operating concept for using the sea as maneuver space. This transformational concept breaks down the traditional sea-land barrier. It will enable us to project naval, joint, and combined forces anywhere in the world. Recognized as a key future joint military capability, Seabasing assures joint access by leveraging the operational maneuver of forces on the sea and by reducing dependence upon fixed and vulnerable land bases. This concept will provide our Combatant Commanders with unprecedented versatility in operations spanning from cooperative security to major combat. A Department of the Navy requirements study planned for this year will identify the necessary naval capabilities and requirements for Seabasing—particularly with regard to amphibious and prepositioned shipping, connectors, fires, and other necessary support. We are also leading the development of a Seabasing Joint Integrating Concept to better consider opportunities and options for each of the Services to exploit our command of the sea.

Programs

The following is a summary of programs to achieve these concepts, requirements and capabilities:

Maritime Prepositioning Force (Future) (MPF(F)).—The MPF(F) will be a key enabler for sea-based operations. It will allow us to better exploit the sea as maneuver space to conduct joint operations at a time and place of our choosing. MPF(F) will enable four new capabilities: (1) at-sea arrival and assembly; (2) direct support of the assault echelon of the amphibious task force; (3) long-term, sea-based sustainment; and (4) at-sea reconstitution and redeployment. These capabilities will be invaluable in supporting forward engagement, presence, and relationship building operations with allies and potential coalition partners by our forward deployed forces as well as through support to disaster relief and humanitarian operations. During the combat phases of a joint campaign, these platforms as element of the seabase will deliver and support the rapid reinforcement by a single Marine Expeditionary Brigade as well as key support to the Marine Expedition Force and elements of the joint force from the sea. Additionally, these flexible assets can remain in support of post-conflict activities and forces from a relatively secure location at sea. The specific ship mix and number of Maritime Prepositioning Force (Future) ships are yet to be determined, but the final mix will be capable of prepositioning critical equipment and 20 days of supplies for our future Marine Expeditionary Brigades in each Maritime Prepositioning Squadron.

Landing Platform Dock (LPD).—The LPD 17 San Antonio class of amphibious ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet. The lead ship was successfully launched in July 2003 and production efforts are focused on meeting test milestones for a summer 2005 delivery. The LPD 17 class replaces four classes of older ships—the LKA, LST, LSD 36, and the LPD 4—and is being built with a 40-year expected service life. The LPD 17 class ships will play a key role in supporting the ongoing Global War on Terror by forward deploying Marines and their equipment to rapidly respond to crises abroad. Its unique design will facilitate expanded force coverage and decreased reaction times of forward deployed Marine Expeditionary Units. In forcible entry operations, the LPD 17 will help maintain a robust surface assault and rapid off-load capability for the Marine Air Ground Task Force far into the future.

Landing Helicopter Assault (Replacement) (LHA (R)).—Our Tarawa-class amphibious assault ships reach the end of their service life during the next decade (2011–2015). An eighth Wasp-class amphibious assault ship is under construction and will replace one Tarawa-class ship during fiscal year 2007. In order to meet future warfighting requirements and fully capitalize on the Navy's investment in aviation, ships with enhanced aviation capabilities will replace the remaining LHAs. The LHA(R) will support requirements in the larger context of Joint Seabasing, power projection, and the Global War On Terror. The first ship, LHA(R) Flight Zero, is a transitional ship to the succeeding ships in the class that will be transformational in capability and design—interoperable with future sea-basing ships and platforms that will better support and take advantage of our investment in the MV–22 and Joint Strike Fighter. This lead ship is currently in the capabilities development stage of the acquisition process with advanced procurement funds provided in the fiscal year 2005 budget.

High Speed Connectors.—The Joint High Speed Vessel will address Combatant Commanders' requirements for a forward deployed rapid force closure capability. Army, Marine Corps and Navy programs were recently merged into a Navy-led program office with an acquisition strategy intended to leverage current commercial fast ferry technology. We are pursuing an aggressive research and development ef-

fort to enhance our capability to conduct ship-to-ship transfers of personnel and equipment. Capitalizing on lessons learned in recent operations, United States European Command's Exercise AFRICAN LION 05 is being planned to explore the capability of high speed connectors to facilitate reception, staging, onward movement and integration of forces. To meet the Combatant Commanders' high-speed intra theater lift requirements, we are investigating ways to continue leases of foreign-built vessels until U.S.-built ships are available. HSC-2 Swift and Westpac Express enabled the Third Marine Expeditionary Force to expand training and engagement in the western Pacific while increasing training time. They are currently being used in support of tsunami relief operations in the Indian Ocean. HSC-2 Swift provides a research and development test bed and serves as an operational platform in support of contingency response requirements. Contract awards for new vessels are expected in fiscal year 2008 with delivery in 2010.

MV-22 Osprey.—The MV-22 remains the Marine Corps' number one aviation acquisition priority. The Osprey's increased range, speed, payload, and survivability will generate transformational tactical and operational capabilities. The superior mobility of the MV-22 allows the sea-based force to bypass enemy strengths and anti-access measures, attack vulnerabilities, and contribute substantially to the operational agility necessary to establish advantages of dominant maneuver. Ospreys will replace our aging fleets of CH-46E Sea Knight and CH-53D Sea Stallion helicopters beginning in fiscal year 2007 and provide both strategic and tactical flexibility to meet emerging threats in the Global War on Terror. Utilization rates far above peacetime rates and the physical demands of continuous operations in the harsh conditions of Iraq and Afghanistan are accelerating the deterioration of aircraft and increasing operating costs. The combination of these factors makes a timely fielding of the MV-22 necessary.

Short Take Off Vertical Landing Joint Strike Fighter (STOVL JSF).—The STOVL JSF will be a single engine, stealthy, supersonic, strike-fighter capable of short take-offs and vertical landings. The aircraft was designed to replace the current F/A-18 and AV-8B with an affordable platform that optimizes Marine Corps Tactical Aircraft (TacAir) missions through improved survivability, lethal precision engagement capability, and supportable expeditionary operations. The STOVL aircraft is capable of operating from amphibious ships, aircraft carriers, and austere sites. It is designed to survive in the future battlespace because of a reduced radio frequency and infrared signature, on-board sensing and countermeasures, and agile combat maneuverability. Able to perform offensive air support, destruction of enemy air defense, armed reconnaissance, and control of aircraft and missiles missions, the Joint Strike Fighter will counter existing and emerging threat systems at extended ranges providing a highly effective, flexible, responsive capability.

H-1 (AH-1Z/UH-1Y).—The current fleet of AH-1W attack helicopters and UH-1N utility helicopters continue to perform superbly in the Global War on Terror. High demand for their capabilities in a harsh environment is highlighting known deficiencies of these aging helicopters—particularly with regard to crew and passenger survivability, payload lift, power availability, endurance, range, airspeed, maneuverability, and supportability. The Department of the Navy determined that the H-1 Upgrade Program is the most cost-effective alternative for the Marine Corps' attack and utility helicopter requirements. The H-1 Upgrade Program is a key modernization effort designed to resolve existing safety deficiencies, enhance operational effectiveness of both the AH-1W and the UH-1N, and extend the service life of both aircraft. Additionally, the commonality gained between the AH-1Z and UH-1Y (84 percent) will significantly reduce life-cycle costs and logistical footprint, while increasing the maintainability and deployability of both aircraft. In October 2003, the program entered initial low-rate production. A follow-on low-rate production commenced in February 2005, and Operational and Evaluation testing is planned to begin in July 2005. Due to aircraft attrition in operations supporting the Global War on Terror, we are pursuing funding for a "build-new" strategy for additional AH-1Z and UH-1Y aircraft, in order to prevent inventory shortfalls that would be unacceptable in light of current and expected operational commitments. We appreciate the subcommittee's support by approving our request to reprogram non-recurring engineering funding of the UH-1Y Build-new program.

Heavy Lift Replacement (HLR).—The HLR will replace our aging fleet of CH-53E Super Stallion helicopters to fulfill the Marine Corps' vertical heavy lift requirement. The aircraft will provide required capabilities, not resident in any other platform, to insert and sustain a credible sea-based force. The HLR will transport 27,000 pounds to distances of 110 nautical miles under most environmental conditions. Its payloads will include armored combat vehicles or two armored High Mobility Multi Wheeled Vehicles per sortie. To sustain the force, the HLR will transport three independent loads tailored to individual receiving unit requirements and pro-

vide the critical logistics air connector to facilitate sea-based power projection operations. This reliable, cost-effective heavy lift capability will address critical challenges in maintainability, reliability, and affordability found in present-day operations supporting the Global War on Terror.

Vertical Unmanned Air Vehicles (VUAV).—Unmanned Air Vehicles (UAV) have played a critical role in recent operations, and they are also a key element of our transformation. We are pursuing the replacement of our almost 20-year old Pioneer UAV systems—which are currently flying at almost ten times the normal peacetime rate—with the Eagle Eye tilt-rotor VUAV beginning in fiscal year 2009. The Eagle Eye platform is being developed by the Coast Guard, and spiral development of the program will achieve the speed, range, payload, survivability, reliability, interoperability, and supportability required by our Marines well into the future. Our intended procurement of a common Air Force, Army, and Marine Corps UAV ground control station will enhance cost efficiency and interoperability of the system.

Expeditionary Fighting Vehicle.—The Expeditionary Fighting Vehicle (EFV), our priority ground program, will provide Marine surface assault elements the operational and tactical mobility to exploit fleeting opportunities in the fluid operational environment of the future. Designed to launch from amphibious ships from over the horizon, the EFV will be capable of carrying a reinforced Marine rifle squad at speeds in excess of 20 nautical miles per hour in a significant wave height of three feet. This capability will reduce the vulnerability of our naval forces to enemy threats by keeping them well out to sea while providing our surface assault forces mounted in EFVs the mobility to react to and exploit gaps in enemy defenses ashore. Once ashore, EFVs will provide Marine maneuver units with an armored personnel carrier designed to meet the threats of the future. With its high-speed land and water maneuverability, highly lethal day/night fighting ability, enhanced communications capability, advanced armor and nuclear, biological, and chemical collective protection, the EFV will significantly enhance the lethality and survivability of Marine maneuver units and provide the Marine Air Ground Task Force and Expeditionary Strike Group with increased operational tempo across the spectrum of operations. Beginning in fiscal year 2010, the EFV will replace the aging Assault Amphibious Vehicle (AAV) that has been in service since 1972.

Ground Indirect Fires.—As events in Iraq and Afghanistan have demonstrated—and suggest for the future—the increased range and speed of expeditionary forces and the depth of their influence landward has increased and will continue to do so. In addition, the complementary capabilities of surface- and air-delivered fires continue to be highlighted in ongoing combat operations in Operation ENDURING FREEDOM and Operation IRAQI FREEDOM. The importance of both precision and volume fires is critical to the lethality and survivability of Marine forces. Precision fires assist in reducing both collateral damage and the demands on tactical logistics. Marine combat forces continue to validate the requirement for volume fires in support of maneuver warfare tactics. These fires allow maneuver forces to take advantage of maneuver warfare opportunities before precision intelligence can be developed and precision fires can be employed against fleeting targets or rapidly developing enemy defensive postures. The Marine Corps will address the need for complementary fire support capabilities through procurement of a triad of ground-based indirect fire support systems, and support for acquisition of Naval aviation and surface fire support capabilities.

The new M777A1 lightweight howitzer completed operational testing in November 2004. It will replace M198 howitzers in the Marine Corps, as well as the M198s in Army Airborne, Light Units, and Stryker Brigade Combat Teams. The howitzer can be lifted by the MV-22 and CH-53E helicopters and is paired with the Medium Tactical Vehicle Replacement truck in the Marine Corps for improved cross-country mobility. The M777A1, through design innovation, navigation and positioning aides, and digital fire control offers significant improvements in lethality, survivability, mobility, and durability over the M198 howitzer. Delivery to the Marine Corps of low rate initial production howitzers began in December 2004. A full rate production decision is expected in February 2005, and full operational capability in the Marine Corps is planned for fiscal year 2009.

The High Mobility Artillery Rocket System (HIMARS) fulfills a critical range and volume gap in Marine Corps fire support assets by providing 24-hour, all weather, ground-based, General Support, General Support-Reinforcing, and Reinforcing indirect precision and volume fires throughout all phases of combat operations ashore. HIMARS will be fielded to one artillery battalion of the active component and one battalion of the Reserve component. An interim capability of one battery is planned during fiscal years 2005–2006. An initial operational capability is planned for fiscal year 2007 with a full capability expected during fiscal year 2008.

The Expeditionary Fire Support System (EFSS) is the third element of the triad of indirect fire support systems. It will be the principal indirect fire support system for the vertical assault element of a Marine Expeditionary Unit (Special Operations Capable). The EFSS is a towed 120 mm mortar paired with an Internally Transported Vehicle, which permits the entire mortar/vehicle combination to be internally transported aboard MV-22 and CH-53E aircraft. EFSS-equipped units will provide the ground component of a vertical assault element with immediately responsive, organic indirect fires at ranges beyond current infantry battalion mortars. Initial operational capability is planned for fiscal year 2006 and full operational capability is planned for fiscal year 2008.

DD(X) Land Attack Destroyer.—The DD(X) Land Attack Destroyer will provide both precision and volume fires to supported ground forces ashore. The planned 155 millimeter Advanced Gun System (2 per ship) will provide increased firepower range and lethality over currently available naval guns through its associated Long Range Land Attack Projectile. This combination of gun and projectile will enable target engagement up to 83 nautical miles from the ship with precision accuracy. Each ship will be designed to carry 600 long range land attack projectiles. Additionally, long-range strike options are provided through use of Tomahawk Land Attack Missiles from the ship's Peripheral Vertical Launch Systems. The DD(X) will provide Marine and joint force commanders with an immediately responsive, sustainable, lethal fire support capability at ranges in support of current and future operating concepts. Initial operational capability is planned for fiscal year 2013.

Initiatives

The following key initiatives will increase our flexibility and required warfighting capabilities:

USMC/US Special Operations Command Initiatives.—Ongoing operations in support of the Global War on Terror highlight the interdependence in the battlespace between Marine Corps operating forces and Special Operation Forces. Initiatives directed at improving the manner in which the Marine Corps and U.S. Special Operations Command (USSOCOM) operate together fall into three broad categories: people, equipment, and training. The Marine Corps and USSOCOM continue to assess current and future personnel exchanges to enhance respective warfighting capabilities. Recently, the Marine Corps initiated formation of three Foreign Military Training Units to assist USSOCOM with this critical military cooperation mission. Compatibility of equipment is another key ingredient to our successful relationship. A number of collaborative efforts, from the Internally Transportable Vehicle to the MV-22, demonstrate the commitment to compatibility and efficiencies gained through joint acquisition. Lastly, we continue to improve our relationship through pre-deployment training, which materially contributes to battlefield success. Despite current operations tempo, our forces are making great strides.

Tactical Air Integration Initiative.—Naval Tactical Aircraft (TacAir) Integration is a program that allows all Naval Strike-Fighter aircraft to meet both Services' warfighting and training requirements. Marine Fighter-Attack squadrons are deploying with carrier air wings aboard aircraft carriers, and Navy Strike-Fighter squadrons are being assigned to the Marine Corps' Unit Deployment Program for land-based deployments. Force structure reductions associated with this plan and the fielding of the Joint Strike Fighter should result in a total cost savings and cost avoidance of over \$30 billion.

TacAir Integration retains our warfighting potential and brings the Naval Services a step closer to the flexible sea based force satisfying all Global War on Terror, Global Naval Force Presence Posture, and Operation Plan requirements. A leaner, more efficient Naval fighter/attack force is possible through "Global Sourcing"—the ability to task any Department of the Navy squadron to either Service's mission. This concept is enabled by maintaining a "Level Readiness" posture through alignment of resources to operational and training requirements.

Experimentation.—Rigorous experimentation, assessment, and analysis are the primary mechanism for fostering innovation. Experimentation is vital to provide valuable information that determines the extent that concepts and force development strategies need revision. The Marine Corps works closely with our sister Services and the Joint Forces Command in fostering the creation of new concepts, refining them in the experimentation crucible, and aligning the efforts of Combatant Commanders, Services, interagency, multi-national, and industry partners. We believe experimentation is the foundation for all new joint concept recommendations.

The Marine Corps Combat Development Command has realigned its experimentation program around the Sea Viking Campaign. The insights gathered from Sea Viking are essential in determining potential joint force capabilities required for the conduct of forcible entry operations from a sea base. Our experimentation efforts

will continue as we explore new and emerging technologies to address the interface challenges of transferring personnel and equipment utilizing sea base connectors and maritime prepositioned ships. In addition, the Marine Corps continues to conduct vital experimentation with non-lethal weapons due to the nature of conflict and its proximity to non-combatants. Although lethal force is necessary to wage successful war, we have learned that it is not always appropriate for winning the peace. As we field these important new tools for operating in adverse environments where combatants and non-combatants are often intermingled, we are also assessing new options that will assist us in accomplishing our mission while minimizing unnecessary loss of life, injury, and damage to property. Research and vital experimentation continue as we evaluate new technologies to refine our capability needs.

Sea Swap.—Sea Swap is a concept for gaining efficiencies in forward deployed naval forces. The concept extends ship deployment to 12 to 24 months, while rotating crews and embarked personnel on shorter periods, generally 6 months. Deployed forces increase on-station forward presence by reducing steaming time from homeport to fleet operating areas. The Marine Corps is committed to developing and testing the Sea Swap concept. While current operational tempo precludes us from dedicating a Marine Expeditionary Unit to Sea Swap experimentation in the near future, we are continuing analytical work in conjunction with the Navy to thoroughly examine the concept to identify benefits and risks. As our operational tempo normalizes, we anticipate developing a phased training approach that will experiment with elements of the concept that apply to a Marine Expeditionary Unit.

Expeditionary Strike Groups.—The Navy-Marine Corps team has completed deployments of several Expeditionary Strike Groups (ESG) to the U.S. Central Command area of responsibility. The ESG combines the capabilities of surface combatants, a submarine, and a tethered maritime patrol aircraft with those of an Amphibious Ready Group and Marine Expeditionary Unit (Special Operations Capable) to provide greater combat capabilities to regional combatant commanders. Current operations have precluded us from conducting further testing to make key decisions about doctrine, organization, training, and leadership. Future proof of concept deployments will assist us in determining the way ahead for the ESG.

INFRASTRUCTURE

The Marine Corps continues to make wise use of constrained resources in operating and maintaining its infrastructure. This is being accomplished by balancing new construction with demolition of inadequate or unsafe facilities, use of sustainment metrics in maintaining the structures we have, reduction in energy consumption, and use of better business practices. Long term planning is also being used to ensure our installations evolve and transition in step with our operating forces. The end state of these on-going efforts is support of combat ready Marines and their families.

Corps Better Business Practices

Marine Corps Business Enterprise.—The Business Enterprise Office is charged with the mission of improving the Corps' business practices. The recently approved Business Enterprise Strategic Plan is designed to guide end-to-end assessment and improvement of Marine Corps business processes through fiscal year 2012. It incorporates regionalization, competition, divestiture, elimination of low-value activities and services, continuous process improvement, and investment in training our Civilian Marine workforce to facilitate transforming the Marine Corps into a performance based organization in support of the warfighter. The plan establishes a savings goal for the Program Objective Memorandum 2008 period that culminates in \$200 million annual savings across all business processes and frees 1,700 Marines for reassignment to warfighting requirements.

Regionalization of Bases and Stations.—The Marine Corps is transforming its bases from singularly managed and resourced entities to ones strategically managed in geographic regions. Our goal is to position our installations to be more effective and consistent providers of support to the warfighter and will use the Marine Corps Business Enterprise and other initiatives to do so. Our regions will reach initial operational capability during fiscal year 2005 and full operational capability during fiscal year 2006.

Public Private Venture.—Efforts to improve housing for Marines and their families continue. Thanks to Congressional action last year that eliminated the budgetary authority cap on Public Private Venture investments in military family housing, the Marine Corps remains on track to meet the Strategic Planning Guidance goal to eliminate inadequate housing by 2007.

Force Structure Review Initiative Facility Requirements.—Implementation of the approved force structure review initiatives includes facilities construction require-

ments to support rapid and significant force structure changes. New force structure that must be supported includes infantry, reconnaissance and intelligence units in the active component, and reconnaissance, anti-terrorism, and an intelligence unit in the reserves. Your support for the acquisition of facilities needed to support the standup of these units is appreciated.

Encroachment.—The Marine Corps has been successful in using the land-space buffering tool Congress provided the armed services in 2003 to protect areas in proximity to military lands from incompatible development. We are participating in conservation forums with land conservators, city and county planners, and open land advocates in communities where our training ranges are located. One of the goals is to preserve open space and endangered species habitat in those areas as well as deter potential incompatible development near our installations. These projects are ongoing at most of our installations.

Last year's Defense Authorization Act also amended the Endangered Species Act to allow the Secretary of the Interior to accept Integrated Natural Resources Management Plans as suitable substitutes for critical habitat designation. The Marine Corps is using this legislation to protect and enhance populations of these species while continuing to conduct essential training.

SAFETY

Effective safety programs are vital to force protection and operational readiness. Marine leaders understand the importance of leadership, education, and accountability in the effort to reduce mishaps and accidents. As a result of actions taken and programs implemented, fiscal year 2004 mishap fatalities were driven downward from the previous fiscal year. Operational mishap fatalities during the same period were also significantly reduced. Although Aviation mishaps trended upward during fiscal year 2004, Marine Aviation is working myriad initiatives to improve our aviation safety performance this fiscal year. Additionally, we saw a reduction in mishap fatalities (fatalities not resulting from enemy action) in Operation IRAQI FREEDOM II from Operation IRAQI FREEDOM I. Our leadership is energized at every level. From the Executive Safety Board's leadership initiatives, to the introduction of mentorship programs at the unit level and driver's improvement in recruit training, we are actively involved in the effort to safeguard our most precious assets—our Marines and Sailors.

CONCLUSION

In conclusion, let me emphasize that your Marines, as shown in recent battles like Fallujah, are courageous and fully dedicated to whatever sacrifice is required to protect this Nation. Their bravery, sacrifice, and commitment to warfighting excellence have added new chapters to our Corps' rich legacy. Your Marines recognize they have an essential mission. They know that they are well equipped, well led, well trained, and have the solid backing of the American people. The Marine Corps fully understands that our greatest contribution to the Nation is our high-level of readiness—across the spectrum of conflict. With your continued support, we will ensure that your Marines, their equipment, their training, and our organization are ready for any potential contingency. Marines and their families greatly appreciate the unwavering support of Congress in achieving our high level of success.

Senator STEVENS. Thank you very much, General, Admiral, Mr. Secretary.

We've heard some interesting testimony so far this year. I'll not forget the photograph we had of the young Army person, who had parachuted into Iraq, carrying, on his back, more than I weigh. And we think we're dealing with just an enormously capable generation of volunteers, who are just doing this magnificent job, that they certainly will go down in history as being the most—really, the greatest generation. There's only five of us left in this Senate from World War II days. None of us could have carried that load. Days are different now, and we congratulate you very much for what you're doing, all of you, with the military.

SHIPBUILDING

Admiral Clark, as I indicated, at least I, and I'm sure my co-chairman, feel that we're sort of in a box now with shipping. Some of our colleagues want to have a process called advanced appropriations, and increase advanced appropriations, but then tie that down only for shipping for the future. It's sort of like preplanning the budget. I understand what you say about needing some assistance to develop a new concept. I wish we could have war bonds and have people buy them and understand they're putting up money to refurbish the military, and let us pay them off over a period of years. That might work. But these advanced appropriations worry me. Is this a—is this something that you have suggested, Admiral?

Admiral CLARK. Mr. Chairman, in the 5 years that I've been here, I've brought several different proposals forward to try to move ahead in this area, but the common—of all the features—and I believe that we have to look at a combination of features—of all the features that I believe will be beneficial is a level-funding approach. I do not believe that advanced appropriations, viewed as some sort of a short-term windfall, is the answer to our problem. In fact, because, when we fully fund a ship today, we spend just a very small percentage of that money in the first year of the program—between 6 and 10 percent we might spend in the first year—some people have viewed advanced appropriations as a windfall. But that will not work.

It is going to take a combination of features. And that's why I talked, in my opening testimony, about multi-year contracts and aggressive use of R&D. I believe advanced appropriations could play a role, but that alone will not solve the problem.

SHIP FORCE STRUCTURE

Senator STEVENS. As you look at the force now, how many ships do you have, compared to how many you had when you became CNO?

Admiral CLARK. I have, this morning, 290 ships, and I had about 310—I'd have to validate the number, but about 310 when I got here. And, by the way, Mr. Chairman, you can count me guilty for accelerating the decommissioning of some of the older ships that, in my view, were no longer providing the kind of capability that we needed, and that we need to redirect those resources to the future. I recommended that to the Secretary. He bought my proposal. And let me tell you how painful that is. Next week, I'm going to go down and decommission the class leader of the Spruance class—and I commanded it. You know, this is personal.

But my view was that it no longer did the kind of things we need for our ships to do. And so, I took out the whole class, 31 of them, early, with the whole idea to redirect those resources.

And I would like just to be on record that this Department has worked aggressively to try to run this Department in the most effective and efficient way. My Secretary taught me to say "effective first, and efficiencies would follow." There are over \$50 billion worth of cost avoidance and savings in this FYDP that has been submitted by the Navy Department.

We're doing everything we can to redirect, but, when it shows you the spiraling, accelerating costs in programs—as numbers fall down, we're not keeping up. And so, now, today, when I buy an aircraft carrier, and I have to pay for it all in 1 year or 2 years, it takes an incredible divot out of the rest of my structure, and it's having an extraordinarily negative impact on our financial posture.

U.S.S. JOHN F. KENNEDY

Senator STEVENS. Well, Mr. Secretary, what's it going to take to change this around? Let me first ask, Are you going to be terribly disturbed if we tell you to keep the *Kennedy* where it is?

Secretary ENGLAND. Yes, sir, we would be terribly disturbed to keep the *Kennedy* where it is. First of all, the money is out for the *Kennedy*; it's not in our budget. So if we have to keep the *Kennedy*, then something else has to go. So we don't have the money in the budget for the *Kennedy*. It's gone. It's \$1.2 billion. The *Kennedy* is, by the time it comes—it's in an overhaul right now. It'll be 40 years old. And it's an old 40 years old; it's never been through a major upgrade. It was a reserve carrier. So we've always had expense and issues keeping the *Kennedy* properly maintained, frankly. So it's expensive for us, and it's of marginal capability.

As the CNO said, our carriers today are at least four times more capable than they were during Desert Storm. We're about to double this capability by 2010. Frankly, it's probably even more than that. At a minimum, I would say, that's the capability. As we bring on new airplanes, more precision weapons, and our new carriers, which have even more sortie rates when the CVN-21 and that class comes along—frankly, we do not need this carrier. And we have talked in past years about how many carriers did we need. We've actually thought, prior to this year, about taking out a carrier.

So we fully support taking out the *Kennedy*. And, Mr. Chairman, if we're required to keep the *Kennedy*, then we're going to have to take money out of someplace else, because we do not have the money to keep the *Kennedy*.

Senator STEVENS. Well, I don't want to say this wrong. Once I said on the floor that I was half Scots and—one of my friends in the House said, "That Senator just went out and admitted he was half full of Scotch." I am half Scots. So you've just paid for this overhaul. If I did that to my car, at least I'd keep it for awhile.

Secretary ENGLAND. No, sir.

Senator STEVENS. Why did we have an overhaul on this and then want to pull it out of service when it comes out of overhaul?

Admiral CLARK. No, I'm sorry, Mr. Chairman, we have not—it is scheduled for an overhaul. That is, it is scheduled now to be down until late 2007. We are not going to do that overhaul. And the fact is, this week we plan to redirect that money to other ships that need maintenance in the Department of the Navy.

Senator STEVENS. I beg your pardon. I was informed it was in overhaul. It's not in overhaul now?

Secretary ENGLAND. No, sir, it's not. It is scheduled to go into overhaul. So we will not do that.

Senator STEVENS. How much useful life does it still have?

Secretary ENGLAND. Well, typically we keep our carriers about 50 years. When it comes out of overhaul, it'll be 40 years old, so it'll have about 10 years of life when—if we were to go into overhaul and keep the *Kennedy*, by the time it came out of overhaul it would have about 10 years of useful life.

Admiral CLARK. Can I piggyback on that, Mr. Chairman?

Senator STEVENS. One more answer. Just tell me this. We're both from the Pacific. Aren't we losing our carrier for the Pacific when you have the rest of them over there involved in the war against terrorism?

Secretary ENGLAND. No, sir. When we look at the war plans, and when we look at what we anticipate in the Quadrennial Defense Review (QDR) with 11 carriers, we can meet the Combatant Commander (COCOM) requirements. And, frankly, it looks like we can do that as long as, you know, we can project into the future. That's the maximum size force we need.

I will tell you, it's not evident to me that it'll always stay at 11. As this capability increases, it's quite possible, frankly, the number of carriers could go down, because we will go to other type ships that utilize our short takeoff and vertical landing (STOVL) aircraft capability, smaller decks—Amphibious Assault Ship Replacement (LHA(R)), for example; it will carry a lot of STOVL airplanes, which also give us striking power. So I think, in the future, you're going to see a different mix of capability, and you're probably talking the top side of our carrier force at 11.

Senator STEVENS. I cut you off, Admiral. Did you have something to say?

Admiral CLARK. Just to say that we are designing our nuclear carriers to live for 50 years, but they have an entirely different maintenance structure than we had when we put the JFK in commission. And we did not do a midlife Service Life Extension Program on the *Kennedy*. So 50 years would be a great stretch for that platform. It was not designed to be 50 years when we built it. And so, 40 years would be—and what we have already, 37 years of utilization out of this platform, is in the ballpark for what we envisioned we would get when we built the ship. Today, our standards are higher, and we're seeking to get more utility out of the investment.

Senator STEVENS. Thank you. I'll come back again.

Senator Inouye?

BATTLESHIPS

Senator INOUE. Mr. Secretary, I don't suppose you anticipated this question. Four battleships were built after World War II. They served in Korea and Vietnam. And beginning in 1981, they were reconditioned and refurbished. They carried cruise missiles and electronic equipment. Some of my colleagues suggest that these ships should continue to be utilized. On the other hand, we have naval experts who suggest that they have exceeded their useful service life.

With that thought in mind, we've heard some suggest that perhaps we need to bring them out of mothball to provide gunfire support for our forces going ashore. Do you have any views on that?

Secretary ENGLAND. Senator, I will tell you that that is absolutely not the plan of the Department of the Navy. And I would think that would be a huge mistake, to bring those ships out of mothballs. They would be hugely expensive, difficult to maintain, to train crews in both the maintenance and the operation. It would take a long time and, frankly, have very, very little utility. I think, just the opposite, we're trying to move into a new future, and not to hold onto the past from World War II. So I would tell you, in the strongest possible terms, that that would be a great mistake. And, by the way, those funds would be diverted from other ships we need to build and airplanes we need to build and marines we need to deploy.

So, Senator, I would definitely not support that. I would think that would be harmful to the Department of the Navy. And I'd like to have the CNO comment, also.

Admiral CLARK. Senator, please don't let anybody do that.

There is legislation that requires me to keep those battleships in a standby status. I support taking them out of that status.

Here's what we know about the battleship. Extraordinarily costly to operate. A gun system that shoots a big round, but doesn't have the accuracy to even come close to dealing with the kind of precision warfare that we're talking about today. One Next Generation Destroyer (DD(X)) will put all of those battleships—would put 'em in the dust. And the reason is exactly the same kind of logic with using the Joint Direct Attack Munition (JDAM) in airplanes today. We know that we sent airplanes after a single bridge in Vietnam for months and months and months, and they never got it. And one JDAM would take it out, just like that.

Today's world is so different with the precision effects that I do not need those battleships. They have cost a fortune, and they will not produce the kind of warfighting effect.

Senator INOUE. I've heard your message.

When you testified just a few moments ago, you said that the capability of our carriers has increased four times. Can you describe that?

Admiral CLARK. Well, we're talking now about precision and the weapons that we carry and the effects. And so, 10 years ago, when we were conducting operations in Desert Storm, the world, for the first time, saw precision elements going down smokestacks and so forth. And the Navy had a little bit of that capability, but now we are totally a precision force. And the force multiplication effect of that has increased our warfighting capability and combat effects by four times in the striking force. And what I'm saying is, we're going to double it again in the next 4 to 5 years. That's how rapidly we are moving toward the kind of improvements that change the face of warfare.

Senator INOUE. Thank you.

MARINE CORPS RECRUITING

General Hagee, for the first time in nearly 10 years, the Marine Corps has missed its recruiting target. I believe you missed it for the last 2 months. What initiatives are underway to get recruiting back on track?

General HAGEE. Senator, thank you for that question. We did miss our contracting monthly goal for December and January. We continue to ship—actually, we're ahead of schedule on shipping individuals to boot camp. And we're just about on the annual goal to make mission for this fiscal year.

So, I'm a golfer. Not a very good golfer, but a golfer. And in December and January, we shot a bogey—two bogeys. But we shot several birdies before that. So we're just about at par right now, as far as our annual goal is concerned.

But, as I said in my opening remarks, it is a tough environment out there. And it's—as I have testified before, it's primarily because parents are asking more questions now, and our recruiters are spending more time with the parents answering their questions before they're willing to advise their son or daughter to come in the Armed Forces. So we are putting more recruiters out on the street, and we are spending more time with the parents.

Senator INOUE. Mr. Chairman, I have a few more questions, but I believe I have to go to the floor now.

Senator STEVENS. Yes, Senator. I do appreciate the fact that you have duty there. And I hope you'll come back when you're finished.

Senator INOUE. I'll be back.

Senator STEVENS. Senator Mikulski, you're recognized for 7 minutes.

Senator MIKULSKI. Gentlemen, thank you very much for your testimony and these very candid answers to the questions.

BLOODSWORTH ISLAND

I would like to begin with, first, a local question directed to Secretary England, and then perhaps Admiral Clark would like to answer it, and then go on to some questions about protecting our troops, our service people.

Early in March, out of the blue, the Navy, at Pax River, announced that they were going to start doing military exercises on Bloodsworth Island, an island in the Chesapeake Bay. And they talked about flying, using bombs, using live ammunition, amphibious landings. And there was a sense that it was going to be like a Guadalcanal operation. The community is very concerned.

All of you have been in Maryland—you've gone to school in Maryland, you know our resources, and you know we're Navy supporters. On the Chesapeake Bay, we have commercial shipping lanes, our famous watermen, and recreational boating. The community is really concerned, not about supporting the need for robust training, but the concern about safety with live ammunition, the disruption to lives, and the threat to livelihoods in the famous and fabulous Chesapeake Bay.

Secretary ENGLAND. Senator, first of all, my apologies. Obviously, there are a lot of misconceptions, and we obviously didn't handle that very well. And I'll ask the CNO to give you the detail. But we're not going to do any of those things on Bloodsworth Island. So I think that just got out of hand. I apologize. And I'll let the CNO, who had a lot of detail discussions last night, give you the specifics on that. But we're not going to have amphibious assaults and drop bombs and all those things on Bloodsworth Island. So I'll let the CNO give you more detail.

Admiral CLARK. It's a real privilege to be able to pass along this answer to you, Senator. First of all, the event is fundamentally a nonevent. Here's what happened. It turns out that Bloodsworth wasn't under the control of Naval Air Systems Command (NAVAIR) when they did its rounds of compliance and environmental assessments that were required under law in the late 1990s. And so, it came to their attention that in order to comply with the law, we have to go back and do an environmental assessment on property that we own.

Senator MIKULSKI. That's right, and Senator Sarbanes has called for an environmental impact statement.

Admiral CLARK. Okay. And so, that's what this is. And in the context of conducting this assessment, they put, in the list of things to assess, all of the activity that had ever happened in the past.

Now, let me make it real clear. There are no plans for any kind of increased operations on Bloodsworth.

Senator MIKULSKI. So you don't intend to bomb it?

Admiral CLARK. No. That's correct.

Senator MIKULSKI. You don't intend to land on it with live ammunition?

Admiral CLARK. There are no plans, and there will be no changes in the operational status of Bloodsworth.

Senator MIKULSKI. Well, that's going to be great news to the community.

Admiral CLARK. Is that clear?

Senator MIKULSKI. Admiral, I think that's very clear. I know that the Navy has scheduled a variety of public hearings or public information sessions. At the first public information hearing, they had a lot of little tables, as if they were going to give counseling services. I'm not being sarcastic here. Again, we appreciate this conversation. I really think that, for the other sessions that are scheduled around Dorchester County—remember, they fought off the British; they don't want to get into it with you—that there should really be a true public information hearing about what's called for. Because from accounts in the newspaper that I'm sure your very able staff has brought to your attention, it really sounded over the top for an exercise in the Bay.

Admiral CLARK. We were exercising in accordance with the rules that we have to do to conduct an electronic attack (EA). What we have been doing there is conducting non-ground impact operations, radar evaluations, those kinds of things.

Senator MIKULSKI. No, no, we know that you've got to use it, and we want you to use it.

Admiral CLARK. I have no plans to change that.

Senator MIKULSKI. But, Admiral, I would like to bring to your attention the Sun paper articles, so you know what the people are hearing, so then they can go back and do a better job of communicating.

Admiral CLARK. Understood.

Senator MIKULSKI. Thank you.

Secretary ENGLAND. Our apologies, Senator. We didn't want—you know, obviously we didn't want that to get that far out of the line, and sorry we got to that point. But, hopefully, just this hear-

ing will clarify that, and hopefully the press will report that there is no change at Bloodsworth Island.

PROTECTIVE EQUIPMENT FOR MARINES

Senator MIKULSKI. Well, this, then, comes back to the fact that we do need to have training for our military. And, of course, we need to protect our military so they can protect us. In your testimony—this, then, goes to what both the marines and the Navy need to protect the sailors, protect the marines—in your testimonies, you outlined a variety of techniques that you're using to protect them, from Unmanned Aerial Vehicles (UAVs), these robots—could you share with me, number one, what you think are working, are there new things you would like to try, and do you have enough money to buy the equipment that you need to protect them—from technology to tourniquets—while they're carrying out the missions that we ask them, to perform?

General HAGEE. Senator, it's a very complex battlefield, both in Iraq and Afghanistan. And there's not one technology, there's not one tactic or one procedure that will guarantee success. It's really the combination of all of those.

First off, on the money, I can tell you, thanks to the Secretary of the Navy, money has not been an issue. He has told us that, "If you need the money, you've got it. If you find something that will work, either technologically or there's a tactic or a procedure, and it requires funding, don't worry about funding." So over the past 2 years, we have not. And we have not put a marine vehicle out in harm's way that did not have some armor on it. And over the past 1½ years we have continually improved the armor. In fact, right now we are putting on what we call a marine armor kit, a MAK. In many ways, it's actually better than the 1114, which is the factory-built up-armored Humvee. By this summer, we will have all of our Humvees armored in that way. We have designed, and are putting on, a similar set of armor on our 7-ton trucks.

Every marine, obviously, is wearing the Small Arms Protective Inserts (SAPI) plates and the flak vests. They are also wearing the new helmets. They're wearing eye-protective goggles. They have hearing devices that we have improved. The protection of our individual serviceman and our individual servicewoman is the highest priority that we have.

Senator MIKULSKI. But I also presume you're doing R&D. This must weigh a lot. A ton weighs more than a ton if you're putting it on a Humvee or you're carrying it on your back.

General HAGEE. Yes, ma'am. We are doing R&D. And, as two of the members have mentioned, the weight is significant. We're doing a great deal of research with the United States Army on how to bring that weight down and provide at least as good, if not better, protection.

Secretary ENGLAND. Pardon me. Senator, also—

Senator STEVENS. The Senator's time has expired.

Senator MIKULSKI. Thank you.

Senator STEVENS. Senator Cochran.

Senator MIKULSKI. Well, we'd like to hear more about that.

Thank you very much.

Secretary ENGLAND. We'll get back with you, Senator.

Senator STEVENS. Senator Cochran.

Senator COCHRAN. Mr. Chairman, the Navy and Marine Corps provide essential pillars of our national security today, and I commend the outstanding job being done every day by our sailors and marines. The Marine Corps, particularly, has taken on some of the toughest tasks in Iraq and Afghanistan, and the results have been very impressive. So, I'm glad to be here today to thank you for your leadership of the Navy/Marine Corps team.

SHIPBUILDING

As we look at the budget request for shipbuilding, in particular, there are some things that stand out to me, and that is that it's going to be very difficult for our shipbuilding industry to continue to maintain its capabilities and an expertise that we've come to depend upon, and probably take for granted. But to continue to maintain the capabilities of our shipbuilding facilities, we're going to have to provide a shipbuilding budget that permits these yards to carry on.

Some of us think that we need to have a competitive environment, that yards in Maine and Mississippi right now are building the larger ships for the Navy and Marine Corps, and forgetting about the aircraft carriers for the time being, but talking about surface combatants. We hope to be able to continue to see that level of competition maintained. And there's some concern about that.

My colleague, this morning, Senator Lott, is introducing legislation which would express the sense of Congress that we continue to maintain shipyards that can compete for these contracts. And that's a big challenge.

I wonder if, this morning, you could give us any insight into how you see that capability being sustained with the shipbuilding budget request that's contained in the budget that you're here to defend this morning.

Mr. Secretary?

Secretary ENGLAND. Senator, thanks for the opportunity to discuss this, because this is a critical question for the Navy and for our industrial base.

First, I need to comment that, frankly, we have very little competition in the shipbuilding industry. I mean, we basically allocate our ships. We have certain yards, and they do certain ships, and that's where we are. And so, we do not have competition today, frankly. We allocate our ships, and most of our yards do one kind of ship. The only case where that's not the case is in Maine and down in Mississippi. Mississippi does a variety of ships. Maine does one type of ship, which is the destroyer.

Our budget is down this year. I mean, last year we had a \$9 billion shipbuilding budget. This year, it's down to about \$6.5 billion. It goes back to \$9 billion next year, and then continues to grow. And that's more than it was throughout the whole 1990s. And we have 40 ships, 38 under contract and 2 more about to be under contract, in the backlog. So there is a healthy backlog in the industrial base right now. And this year, as I said, was a planned down year, as we move into new capability.

DD(X)

I believe there's only one real issue in the industrial base, and that issue involves the DD(X). The DD(X) is the replacement for the DDG. We've been building Guided Missile Destroyers (DDGs) in large numbers, but we will be building DD(X) in small numbers, 8 to 12 total, and we will be building at 1 a year.

So the dilemma we have is that, at one a year, it is not efficient to build those in two yards. If we do, our analysis says each ship will cost us \$300 million more to build them in two yards. And, by the way, we just had the discussion on the *Kennedy*. When we take the *Kennedy* out, we save \$300 million a year. And now we would basically spend it—if we had two yards, we'd just spend that \$300 million a year to keep another yard building this ship. So having two yards is very costly to the Department of the Navy.

Frankly, if we allocate ships, we don't get competition. The only way we can get competition is, frankly, to compete the DD(X) on the front end. That does give us competition, and that competition could, indeed, have long-term benefits to the Department of the Navy, because those companies would each have to respond to that competitive environment and, hopefully, be very innovative in their response to our solicitation.

So this is an issue of affordability and allocation, versus competition. But it is a critical question, I understand, for the shipbuilders and for the Navy—but we are in the dilemma of either spending \$300 million more a ship or competing those ships, and we have elected to compete, because, frankly, we don't have an extra \$300 million a ship. If we keep paying more for our ships, then we buy less ships. If we buy less ships that cost more, then, frankly, we're in a death spiral. So, that's where we are, Senator.

Senator COCHRAN. Thank you, Mr. Secretary.

LHA(R)

Admiral Clark, I understand that if additional funding is made available for shipbuilding, that the top item on the Navy's list is \$417 million to accelerate the delivery of the LHA replacement amphibious ship. Could you share with the subcommittee your thoughts on this? Is this an accurate statement about what the Navy's intentions would be if additional money were made available?

Admiral CLARK. Mr. Chairman, I put that list together, and I put that in the place I did on the list to emphasize how important I think it is to get going and get started with one of the huge transformations in the Navy/Marine Corps team.

Joint Strike Fighter is going to deliver for the Marine Corps. When it does, they need a ship that's going to be designed, from the ground up, to be more air capable, to reap the harvest of the multi-billion dollar investment we're going to take with Joint Strike Fighter. So, I was, frankly, disappointed last year that we were not able to move along at a faster pace. So that's the reason I put that in its place.

Equal to it, I would say, although it doesn't show it by the list, is moving forward as rapidly as we can with the Littoral combat ship. And I believe that we need to move forward rapidly in the

maritime pre-positioning force of the future. And, in fact, we're looking at ways that we can get involved in some experimentation. The three of us have held meetings to try to see how we could accelerate that process. We believe this produces the kind of force in the future that our Nation is going to need.

So, that representation is an indicator of how important I think that move is.

Senator COCHRAN. Thank you.

Senator STEVENS. Senator Domenici, you're recognized for 7 minutes.

Senator DOMENICI. Thank you, Mr. Chairman.

First, I want to say it's a privilege to be here with all of you.

I want to say to you, Admiral, I understand that you may be retiring this summer. I wish it wasn't so, but I guess that's the way it is. We owe you a real debt of gratitude for your great service; in particular, this last part of your life, when you've undertaken this tremendous job of transforming the Navy. I believe, whatever the complaints are, and whatever the parochial interests are, the parochial interests are legitimate, people are concerned, in terms of changes—but I think there has to be change. If you look at what we're doing now, we cannot continue to both modernize and keep everything we've got. It's going to be tough to pay for the defense we need over next 10 or 15 years, with the deficits we have. If we don't have a strong economy, you don't have a Navy, or you don't have a Marine Corps—so that's very important.

I also want to say to you, General Hagee, I was privileged, just recently, to have a young man in my office from the Marine Corps. His last name is Valles—that's V-a-l-l-e-s; that's a Spanish name—and he and his wife Sandra were there because he's recuperating, getting well, here at Walter Reed. I want to say, he is a terrific young man. He's someone to be proud of.

I will share with you—if you find a moment that we might talk on the phone that the care in all of the hospitals to which these young men go is not equal. In Washington, Bethesda and Walter Reed are held up by everybody that we run into, but there are some others about which there are some concerns. I want to share them with you, because I think you would be concerned about some of them also if we shared them with you. We need the best for them, right? There's no doubt about it. When they get to recuperating, we can't have any doctors or second-rate service around, because they deserve far better than that.

Enough said. Let me say to both the Secretary of the Navy and you, Admiral, I have read, and been briefed on, the changes you are making, and hope to make over time, to make the fleet modern. Certainly that means far more technologically modern. I can do nothing but commend you. I hope that you have the fortitude and the courage to stick with it.

I say that to you, also, Mr. Secretary. We are beginning to understand that you are a very superb Secretary. I'm sure the men in uniform are glad to have you at their side. I mean that literally. And so, I hope—

Secretary ENGLAND. Thank you.

Senator DOMENICI [continuing]. That we do that right.

IRAQI ARMED FORCES

With reference to the Iraq war, I have two questions, and you can answer them as you wish. I think the most important thing that we have to accomplish is that we have to change this war into an Iraqi war. I think you'll agree with that. I want to know, for the record, what you think about the progress on that front. General, I know this means that your men and women have to rely upon Iraqi soldiers and Iraqi military police. We're counting on them taking over, here, pretty soon. I know it's not easy to talk in public about these things, but, for a minute or so, would you tell us what you think about this and how you think it's working?

My last question has to do with the technology that we have that could make a real dent in these explosives that are along the highways that seem to go without detection. It seems almost impossible that our technology would not be able to do a lot better than just have them explode. You are testifying here that, "We've got the best armaments, so the explosions will do the minimum damage." We have to be making some progress to get rid of them before they explode. I know we have scientists that eventually will do that. I need information that we're doing the best we can, and that we might succeed in that regard sooner, rather than later.

Secretary ENGLAND. Senator, if I can take your second question, I'd like, first, though, to have the Commandant to address your first question. Then I'll address your second question.

Senator DOMENICI. Fine.

General HAGEE. Sir, as far as the performance of the Iraqi soldiers—

Senator DOMENICI. No, that was my first question. You're going to take the second one?

General HAGEE. Yes, sir.

Senator DOMENICI. All right, General.

General HAGEE. As I mentioned in my opening remarks, during the battle of Fallujah, we had five Iraqi battalions operating with us. And I can report to you, sir, that they did extremely well. More importantly, after the vote on January 30, we have noticed, in the Al Anbar province—and that's where the marines are located—a respect by the Iraqi people toward their armed forces, and a new motivation by the Iraqi armed forces. We have several Iraqi battalions that are working with the marines and the soldiers in the Al Anbar province, and they get better every day.

Over the past couple of weeks, we have had a couple of Iraqi battalions that have planned and executed operations—cordon and search operations, going after weapons caches—on their own. So, they are definitely improving. We are able to draw back some of our forces and let them take over the security inside of the cities, like Fallujah and Ramadi. So I'm optimistic that they are going to be able to take this job.

Now, are they ever going to be a United States marine or a U.S. soldier? No, sir. But they don't need to be, to do the job over there.

Senator DOMENICI. Okay.

Mr. Secretary?

IMPROVISED EXPLOSIVE DEVICE (IED) RESEARCH

Secretary ENGLAND. Senator, regarding IEDs, we have \$1 billion allocated to the defeat of IEDs in the Department of Defense, and we have all the services and scientists and industry working on that problem. We have fielded a lot of equipment. We continue to field equipment. I will tell you, however, that the foe is very smart and very adaptable. And so, they keep adjusting as we find ways to defeat them, as you would expect. So, this will be an ongoing problem for America for a long time.

Recognizing that, the Department of the Navy has taken 10 percent of our research Science and Technology (S&T) dollars at the Office of Naval Research, and we are starting what I call the "seed corn" for research; not application, which is the billion dollars, but fundamental research. We've had the head of the National Academy of Science, we've had Dr. Marburger, we've had the National Academies of Engineering all coming together, and we are about to initiate, literally, a nationwide research effort for long-term research, because this problem will be with us a long time.

So, I just want to reassure you that this gets our daily attention. I mean, this is something that's the very highest on our list of things to go solve, but it is a very difficult and an ongoing issue.

Senator DOMENICI. Mr. Chairman, I have three New Mexico issues that I want to submit to you. They're kind of peripheral to this discussion, desalinization and some other things. I won't take the time, but I'll submit them to you for your attention, and I thank you for your testimony.

Secretary ENGLAND. And we'll get back with you, Senator. Thank you very much, sir.

Senator DOMENICI. General, when you get a moment, we'll talk on the phone about my Lieutenant, who has some concerns.

General HAGEE. Yes, sir. I'll look forward to it, sir.

Senator DOMENICI. Thank you.

Senator STEVENS. Senator Dorgan.

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

Mr. Secretary, welcome, and General and Admiral.

BASE REALIGNMENT AND CLOSURE (BRAC)

I'd like to ask a bit about base closings. We don't, obviously, have a Navy base in North Dakota, but we have been very supportive of the Navy, and we've sent a great many admirals to the Navy from our State, including recently Admiral Owens, Vice Chair of the Joint Chiefs. But let me ask about base closing.

On May 16, Secretary Rumsfeld will announce to the country the bases that he would like closed or realigned. This time things have changed. In the past, the military service's have picked the bases that were put on the BRAC list. In this circumstance, the Secretary of Defense is responsible for the list on May 16. Can you describe for me the activities that you have had that will involve themselves in the Secretary of Defense's decision on May 16?

Secretary ENGLAND. Senator, I have a person who reports directly to me out of our installation and environment, and they have a team across the Department of the Navy. And I believe I can say this is the case for the three military services. And then we do all

the analysis of all of our bases within the Department of the Navy. And then there are internal recommendations made to the three of us regarding all of the facilities within the Department of the Navy.

There's another group within the Office of the Secretary of Defense, and we have people on those teams, and they look across the services, in terms of jointness, because that is a hallmark and a tenet—that is, they get better jointness out of this—and also how we may jointly have higher efficiency and effectiveness. So there's another team that works that.

All three of these teams report to the Secretary of Defense. And there's a board at the Secretary of Defense level, of which the three of us are part of that review board.

So we participate at the Navy level, we participate at the joint level, and we participate at the Secretary of Defense level. And on that latter meeting—there's a number of those scheduled, obviously, between now and May 16 when the final list is put together—but we have full involvement, and we have full visibility into all the analysis and everything that goes into that decision-making process, and we are part of that decision-making process.

Senator DORGAN. So—

Senator STEVENS. Would the Senator yield for just one moment?

Gentlemen, I must go to the floor. Our subcommittee will reconvene in closed session on Thursday, March 17, to discuss classified programs in the fiscal year 2005 supplemental. Our next open session will be Wednesday, April 6, at 10 a.m., when we'll hear from the Air Force.

I thank you all very much, and wish you the best, Admiral. I apologize for the interruption.

Secretary ENGLAND. Thank you, Mr. Chairman.

Senator DORGAN. Mr. Secretary, then the speculation—by some, at least—that the Secretary of Defense (SECDEF) has taken this process into the SECDEF office and will make these judgments, is not entirely accurate. You're saying that services are full partners, and you're not going to be surprised on May 16 by what is announced. Is that correct?

Secretary ENGLAND. That's correct. I won't be surprised, Senator. I mean, we have been a full partner. Ultimately, it's the decision of the Secretary of Defense. I mean, ultimately, he will make the final decision. We may disagree on some of those decisions. We're not at that point yet. But we have a full input into that system, and we debate those with the Secretary, you know, in open meetings with him. So each one of these is discussed, debated, and our recommendations are made. So I would say it is a total involvement of everyone in the Department. Everyone in the service departments certainly has an input into that system.

Senator DORGAN. And based on your knowledge, the same response would come from the Air Force and the Army?

Secretary ENGLAND. Yes, sir, because they're all in the meetings with us.

Senator DORGAN. Okay, well, that's helpful, because I think there's a lot of speculation about how this list is developed and—so that's a very helpful answer, and I appreciate getting that information.

MARINE CORPS RECRUITING

General Hagee, tell me what you expect with respect to future recruiting. I heard the question from my colleague about the last 2 months. I was driving to work the other day, and I heard that we are paying \$150,000 bonuses for special operations folks who re-enlist. And so, we have a series of bonuses, I assume, to enhance recruitment. But as you look down the road a ways, what's your impression? You indicate that parents are more involved, you've got more people out recruiting. Do you anticipate that—for the balance of this year and next year, to be able to meet the recruiting goals?

General HAGEE. As far as recruiting is concerned, I believe that the environment will remain challenging for the next couple of years. In fact, as long as there are major operations going on in Iraq and Afghanistan, I believe that the environment will remain challenging.

I do remain optimistic that we're going to be able to get the right numbers of young Americans with the right skills, the right quality, into the Marine Corps.

I can tell you, on the retention side—and these are individuals that had either finished their first enlistment or their subsequent enlistment, and deciding on whether they're going to stay in the Marine Corps and make it a full career—we are actually doing better this year than we have in the past couple of years. Our retention right now for first-term re-enlistees for this fiscal year is about 85 percent of our annual goal, and we're getting the occupational skills that we need. So I'm very optimistic on retention.

Senator DORGAN. Well, General Hagee, I think all of the members of this panel would tell you how proud they are of your troops, and I've met a number of them over at Walter Reed, and they're quite a remarkable bunch, an inspiring bunch of Americans who serve this country.

SHIP FORCE STRUCTURE

Secretary England, how many ships do we have—active ships—at this point?

Secretary ENGLAND. 290.

SHIP NAMING

Senator DORGAN. And let me ask you a parochial question, if I might. The last ship that was named for North Dakota was named in 1907, and you and I have had a discussion about that. We have a lot of North Dakotans very proud of their service in the Navy and the marines. As I said, the Vice Chair of the Joint Chiefs, Admiral Bill Owens, has written a letter, and we've got a lot of folks out there that have written letter after letter after letter to the Navy to say, "You know, think about a ship that might commemorate the service of those in North Dakota who have joined the Navy and joined the marines." Some States have had as many as six ships named after them. And that's perfectly appropriate. But would you take a look at this, on behalf of those many North Dakotans who have served in the Navy and marines and who would like to see one of those 290 ships—at least you've got a couple that you're going to name in the future—would like to see consideration given

to a landlocked State that still contributes a lot to the Navy and the Marines?

Secretary ENGLAND. No, I understand, and I appreciate your input to me. I appreciate your comments today. And we are definitely working it. I'll get back with you, Senator.

So it is, quote, "in the hopper," and we will work that.

Senator DORGAN. In the context of warfighting and dealing with terrorism and all those issues, Mr. Chairman, I understand the naming of ships ranks well below many of the other decisions, and yet it also is an honor that is bestowed upon the men and women who volunteer from all across this country to serve.

Secretary ENGLAND. No, absolutely.

Senator DORGAN. Thank you, Mr. Secretary.

Mr. Chairman, thank you very much.

Senator COCHRAN [presiding]. Thank you very much, Senator.

AMPHIBIOUS TRANSPORT DOCK (LPD-17)

General Hagee, the budget terminates the LPD-17 program after the ninth ship, which is to be purchased in 2007. One concern that some of us have with this change is that it is a budget-driven decision. I recall last year's shipbuilding program included 12 of these ships. And I've been informed that as many as 15 LPD-17s are required to support the Marine Corps' requirement to lift three marine expeditionary brigades. So it seems that the program was already budget constrained before this year's budget was submitted containing an even lower number. So what are the Marine Corps' global lift requirements? That's my question. And what is the required number of LPD-17s to support those requirements?

General HAGEE. Sir, thank you for that question.

To simply answer how many LPDs one needs for lift is a very complicated question, because obviously there are more platforms than just LPDs, and how they combine. Right now, our war plans require that we have 29 amphibious ships, and we have 35 amphibious ships right now. And we have 11 LPDs right now. As you know, the program of record is 12. The war plan requires an absolute minimum of nine LPDs. The current war plans require a minimum of nine LPDs. That assumes that they're all available. My professional opinion is that, with nine, we take a risk. I would feel much more comfortable with 10 LPDs. I think that would reduce the risk. But, you're right, it is an affordability question, as both the Secretary and the CNO have testified to.

If we had more money, I'm not sure that I would put the next dollar into an LPD. I am quite concerned about getting on with LHA(R). I am concerned about getting on with maritime pre-positioning force future, and buying the Littoral combat ship and the other platforms that are going to give us the ability to put those marines ashore.

But to go right to your question, nine is the minimum. I think there is risk associated with that. And if we had sufficient funding, ten would make me much more comfortable.

LHA(R)

Senator COCHRAN. Okay. I understand the proposed design for LHA(R) lacks a well deck. Given the proposed reduction in the

number of LPD-17s, how will this aspect of the LHA(R) design affect Marine Corps operations?

General HAGEE. I think when you're talking about major combat operations, and you're talking about putting a marine expeditionary brigade ashore, you're talking about more than LHA(R) and LPD-17, you're also talking about the maritime pre-positioning force future that is going to bring a lot of that square and cube that we need. So when you're talking about putting a force ashore, it's really a system of systems and how all of these platforms support one another.

Just as important, you're also talking about the highspeed connectors, those smaller ships that are going to allow you to quickly offload and project that force 20, 25 miles from sea onto the shore.

SEA SWAP CONCEPT ON AMPHIBIOUS SHIPS

Senator COCHRAN. General Hagee, we've had some experience in observing the Sea Swap concept. There have been two demonstrations to date, as I understand it. But, also, these demonstrations have not involved amphibious ships. What unique risk may come into play if you attempt to apply Sea Swap to amphibious ships?

General HAGEE. Unfortunately, we haven't had the opportunity to experiment with Sea Swap on amphibious ships, primarily because as soon as the expeditionary strike group, or the Amphibious Ready Groups (ARGs), arrive in theater, the marines are taken off and put ashore either in Iraq or in Afghanistan. And I don't know whether we're going to have, anytime in the near future, a real opportunity to do some real-world testing on that.

Having said that, some of the challenges with amphibs, of course, you have a greater number of both marines and sailors on those amphibious ships. In addition, you have flight operations and you have the safety of flight operations that need to be considered.

I think that Sea Swap can work. But, right now, we plain do not know, because we haven't had the opportunity to do it on larger-deck ships.

Senator COCHRAN. Senator Inouye. Senator Stevens had to go to the floor to make statements, and you're in charge now, with the seniority you have and the experience you have.

Senator INOUYE. Are we recessing?

Senator COCHRAN. No, sir. I was just going to yield to you for any further questions you have. Or, Senator Domenici—

Senator DOMENICI. Thank you, Senator Inouye.

I also know why you left the hearing for a few minutes. I wasn't there to hear your comments, but I want to thank you for them, because I know what you said. I thank you very much.

POST COLD WAR CHANGES

I want to ask a general question. You can take a couple of minutes to respond, Mr. Secretary and Admiral. You know, it seems to me that a lot of our preparations and military buildup was prepared and planned based upon the cold war. I think it took us quite a while to understand that the end of the cold war meant a really different world. Could you, for the record, talk about how much of the changes we're making really are because we don't have a Union of Soviet Socialist Republics (U.S.S.R.) in the world. If

we're not changing because of that, why not? If that is true, it would seem to me that many things would be different. We're not going to be engaged in the kind of confrontation that we expected, except we have a nuclear power, and that doesn't have a lot to do with the budgets we're talking about. That means the nuclear deterrent and some kind of control over nuclear weapons in the hands of the wrong people. I wonder if I am thinking right and if this has anything to do with what we're preparing for.

Secretary ENGLAND. Senator, if I can just make a general comment, and then I'll turn it over to my colleagues.

I will tell you, that is what we are about. In my opening statement, I said we had not fully transitioned from the cold war, but we are trying to transition to this global war on terror, because we believe we'll be at this for a long time, while, at the same time, deterring any future threat to America, and, if necessary, defeating a future threat. So we are moving to a new Navy, and this is the pivotal year to do that.

And we talked about LHA(R), the new deck for the Marine Corps to have more air power. We are looking to be able to deploy marines twice as fast, with twice the capability, with our new Navy. So that is specifically in response to this new kind of threat. And we are moving away from the Deep Blue. I mean, that's why the DD(X), frankly, is a much smaller number.

We are changing the Navy from what we had structured in the cold war, to the Navy for the future. And that is causing, frankly, some angst and some stress in Washington and around the country, but it's a change we absolutely have to make; otherwise, we will be ill-prepared in the future.

I understand it's a difficult year for a lot of people, but we need to make this change. And I'll let the CNO and Commandant say a little more about this.

AIRCRAFT PROCUREMENT

Senator DOMENICI. Well, let me ask about airplanes. It seems to me we continue to keep on the books and keep planning for airplanes, when there's nobody in the world going to have airplanes to compete with the ones we've got, much less the newer versions. That's just an aside. Maybe you could talk about it, generally, Admiral, in just a few comments. I'm taking too much time, but—

Admiral CLARK. Well, the Secretary would jump right on this one, since he built airplanes for much of his life. He's taught us a lot about that end of the business.

But let me tell you, the Commandant and I are in total agreement with you. There's no way for you to know the specifics of this, but the Marine Corps and the Navy went together and decided we were going to integrate our tactical air. That move changed the requirement for the taxpayers of the United States of America by the tune of \$30 to \$35 billion. We decided that we could do a lot better for the country if we figured out how to make this asset work in both the Marine Corps and the Navy. So right now, as we speak, I've got a Navy squadron operating in Japan in support of his deployed forces. This year, he's got a marine that is the deputy commander of the air group on a U.S. aircraft carrier, and he will rise

up to be the commander of the air group. Now, this hasn't happened in a long time.

This is all about a different view of the world. And our view was this. The day of long-range Soviet naval air coming at us over the horizon is not what this is about. By the way, the Navy doesn't even believe in Combat Air Patrol (CAP) stations anymore because we believe in persistent combat power. And our persistence comes from the Aegis system that—we don't have to worry about if we've got the CAP station 20 degrees off axis, and then it's not going to do any good, and blowing dollar bills out of the tailpipe of airplanes orbiting on station. And so, our approach—there are a lot of things that have changed in the last 3 or 4 years.

And the Secretary's comment about, "How many big ships are we going to have?"—we've got a 50-year supply of aircraft carriers, and we cannot be the Navy that this Nation needs without aircraft carriers. The question of the future, and we have put forth—is, we must be more than just an aircraft-carrier-centric force. And so, 3 years ago, we brought up a proposal up here that said this. No longer will we look at the amphibious ready groups of old, and that if they ever have to do anything serious, well, the carrier's going to have to go there with them. And we decided we're going to start putting other assets with them so they can go take on issues themselves and distribute this force globally to deal with today's world. And that's a fourth-generation warfare world that's focused on non-nation states and asymmetric warfare. And the kind of things that we see, where the marines are going to have to be able to go where you can't get a foothold—somebody doesn't give you a permission slip to bring your people ashore, we're going to be able to go, using the maritime domain, and make quiet little visits to people that they didn't expect us to come, with smaller and smaller force sets. All of this is about DD(X) and the kind of precision that enables them to not have to take such a big footprint ashore, because we can support them with precision from a long-range, in the sea and from the air, with Joint Strike Fighter in the future.

So, that's a very, very short answer to a long question that deserves better. But this is also a key issue in the QDR and the things that we need to be focusing on in the days ahead.

FOURTH GENERATION WARFARE

Senator DOMENICI. Mr. Chairman, I know that the General wants to answer. I must go to preside at a meeting to report out a couple of nominees. I don't want him to think I'm not here. If you can handle it, however, he can either not answer or he can answer for you and—even though it's my question, whichever you'd prefer.

Senator INOUE [presiding]. Please proceed, sir.

General HAGEE. Thank you very much for that question, sir. I think that's really a very, very important question.

I won't talk about platforms. I could talk about platforms for some time, and what they're doing on today's battlefield. But Admiral Clark talked about fourth-generation warfare, and one of the things about fourth—

Senator DOMENICI. General, before I leave, after you were finished, I would have asked, How come it took so long? You know,

the cold war has been over a long time. But, anyway, I'm glad we're doing transforming the military in a large way.

Thank you.

General HAGEE. One of the things about fourth-generation warfare is that the individual squad leader and the platoon commander are going to have to make more and more of those strategic type of decisions. And in order to properly prepare him or her to make those decisions, we are significantly changing how we educate and how we train marines, especially on the enlisted side. And it's just not combat skills. We've always had those skills, and we're going to continue to have those skills. But, for example, over the past year, we have sent 4,000 marines to foreign-language school, most of them in Arabic, but in some of the other languages in that particular region. We have contracted professors from the Naval Post-Graduate School to give us classes on the Islamic religion, on the Arabic culture, so that they have a sensitivity, a situational understanding of the environment in which they are going to operate so that they can make better decisions. These types of educational initiatives are going to become part of our professional military education so that that young marine is better able to make decisions on the fourth-generation battlefield.

SAILORS DEPLOYED TO IRAQ

Senator INOUE. Mr. Secretary, if I may ask a question. I notice that you're deploying 5,000 more sailors to Iraq and Afghanistan. Are they receiving any special training? Because, after all, they're seagoing men.

Secretary ENGLAND. Mr. Chairman, the CNO is probably more attuned to the specific people, but, frankly, I believe most of the people we have in Iraq now are corpsmen deployed with our marines and our Sea-Air-Land Naval Special Warfare Forces (SEALs). As the CNO says, our SEALs haven't seen the water for a long time. But we have, basically, our special forces SEALs and our corpsmen, and that's the bulk of the people, along with our Seabees. So the people we have there are very attuned to that environment. Our Seabees, they spend a lot of time there, obviously, in the reconstruction. They're very valuable. So I think it's—the people I meet there, the Seabees, it's the corpsmen and the SEALs, and they're obviously well equipped for everything that takes place in Iraq and Afghanistan.

Senator INOUE. So it's not unusual.

Secretary ENGLAND. It's not unusual. And we also have force protection people there. As a matter of fact, we are augmenting the Army in various places now by putting in some of our force protection people. No, I would say they're right at home, in terms of their training and capability. That's where they should be for the nation at this time.

Admiral CLARK. Those individuals are the normal ones that we would send in there. In the last cycle, we started sending some Navy people in to work hand in hand with the Army, because they were short of combat service and combat service support people. So we now have individuals that are literally in Army billets, and those are increasing. Those people are receiving special training,

and we send them through a course hosted by the Army before we send them in country.

MISSILE DEFENSE

Senator INOUE. I'd like to congratulate all of you for another successful missile intercept in the Aegis Missile Defense Program. Five out of six strikes, you did very well. This program is run by the Missile Defense Agency. Is the Navy thinking of taking it over?

Secretary ENGLAND. No, sir, we're not thinking of taking it over. We are part of this total missile defense; but, as you comment, it is a very, very successful part of the program.

Senator INOUE. And you've been running it.

Secretary ENGLAND. Yes, sir, we have been running it. It is within the Department of the Navy, for the Missile Defense Agency. But it is an inherent Navy capability. We have been modifying our Aegis fire control systems. I believe we have two more launches this year still scheduled. So we continue to develop and improve this capability; and our judgment is, this will be a very valuable capability for America. It's already been demonstrated to be very valuable, but I think Missile Defense Agency will, you know, obviously increase their efforts in this area. But it is their program, and we do support them.

FUTURE OF THE NAVY STUDIES

Senator INOUE. Mr. Secretary, as you know, many studies have been published on the future of our Navy. Recently, your Office of Force Transformation issued a report calling for more ships, dispersed over broader areas, smaller, faster, increased capability and flexibility. Is that within your vision? Do you approve this? Or, is this just talk?

Secretary ENGLAND. Well, there are a lot of studies, but I would tell you, that is very attuned. And I think attuned to what you've heard today; in particular, the Littoral combat ship. Also, we have these highspeed connectors. We have X-Craft. We have a number of experimental craft right now which all fit that description. But our vision is Littoral combat ship will have a very, very large role in the future Department of the Navy, and that's why it is so important that we continue to pursue that program with rigor. We would like to build those as fast as we can.

We've used new design approaches, new acquisition approaches. We are trying to get that fielded. It will be utilized in a large number of areas. It will be just literally moving our marines and their equipment, very, very highspeed. As you know, we have two contractors working. We will decide, at some future date, if we want to down-select or continue with each design. That decision has not been made.

This is a very valuable part of our future force. It will augment almost everything we do in the Department of the Navy. And so, I would say that a report like that, that says, "larger, faster, more adaptable"—"smaller"—pardon me—"smaller, faster, more adaptable, quick roll-on and roll-off of our equipment, in terms of changing the capability of those Littoral Combat Ship (LCSs)," that is the future, Senator. That is where we're going. And it's important we get there as soon as we can.

CNO?

Senator INOUE. Does this budget bring you toward that future?

Secretary ENGLAND. Yes and no. We would like, this year, to have one more LCS, Mr. Chairman. We did have one in the budget, and we were directed, last year, to take it out of this year's budget, so we did. But we would like to have one more in the budget this year. That is one area that would be very helpful to us, would be to add an LCS, because we now have a gap year, and we would like to fill that gap. So that would be very helpful this year, if we could add that LCS back into the budget.

And the CNO, if you—

Senator INOUE. I can assure you that has been noted.

Secretary ENGLAND. Good. Thank you very much, Senator.

Admiral CLARK. I would say, Admiral Cebrowski's study, out of the Office of Transformation, you know, had near term and far term very extreme kinds of recommendations. His extreme recommendation was this. And he told me personally, he said, "Vern, when you finish LCS and prove that it functions well at that size with the roll-on/roll-off modules and all this, which is a revolution, in concept—when you finish that, you need to build one-half the size of LCS, and then you need to build one-half that size, because the smaller—the more force you have, and more lethality, in smaller packages, the more he's going to like it."

Well, I would say, we agree with that concept completely. Now, all of his study was all done with nonparametric analysis, which means that you've got to do it on the parametric side before you really know you can do this. And so, we have to prove that we can do this, and you can't do it overnight.

He then goes on to talk about miniature aircraft carriers and pieces like that, that will capitalize on the Joint Strike Fighter STOVL concept. Well, that's exactly what we have been saying for the last 3 years, that we're going to invest billions of dollars in that capability; we want platforms that can carry it around. And that's why LHA(R) is where it is on my unfunded priority list. I want to get going.

Now, he would then want to go half the size again, and so forth. My view is, for a long term—his study is a concept, and we are in support of that concept. Now we have to make it reality, and we're moving toward that as rapidly as we can.

STEALTH ON VESSELS

Senator INOUE. Are you keeping up with the Air Force on maintaining stealth on your vessels?

Admiral CLARK. It's a different environment to maintain stealth, but when Joint Strike Fighter delivers, we will have the same kind of challenges the Air Force has, in a different environment. By the way, the Joint Strike Fighter is going to be a phenomenal airplane. And the carrier version of this is going to have combat reach that we have never had. No other strike—no other attack air platform will come close to it. And it's going to have—I guess, be careful here in an open forum, but it's going to have—let me just say, it's going to have terrific stealth properties.

On the ship-borne side, remember, we're doing all this—DD(X), for example, a 14,000-ton ship, is going to look, to the enemy, like

a fishing boat. It's a pretty stealthy platform, and I have said, in the public domain, that it's quieter than a 688 submarine. It's going to be a tough platform for enemies to deal with.

And so, this whole array of what the Secretary talked about—this is a critical year. Everything in our program on the ship-building side—the world has not seen it delivered yet, except the very first Virginia-class submarine, which delivered a few weeks ago. Everything else is out in front of us. And so, we're turning the corner toward a new future.

Senator INOUE. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

U.S.S. SAN FRANCISCO

Mr. Secretary, on January 8, we had a bad accident on the U.S.S. *San Francisco*, a collision with an undersea structure—"mountain," it was called by some. And I wonder if this illustrates the fact that our Navy needs to upgrade the charts and capabilities of detecting undersea obstructions so that we won't see this kind of accident in the future. And, if so, what is in this budget that would address that issue? Or, if there is no specific request for additional oceanography activity, or a ship for oceanography activity that may be needed, or upgrading plans for mapping the ocean areas where we're operating now and will likely operate in the future, should we include that in the supplemental?

Secretary ENGLAND. Mr. Chairman, from all the briefings I've had, I believe it would be premature, because the analysis is still in process, in terms of what happened with U.S.S. *San Francisco*. So there's still an accident investigation ongoing, there is not a final report. I think there are some tentative conclusions, but the last report I saw—I mean, I would not make any final conclusion until that accident investigation is complete. So I would defer that.

CNO may have a different view, but I believe we still need to wait until we have a final analysis, final findings of that accident.

Senator COCHRAN. Admiral Clark, what's your reaction?

Admiral CLARK. My reaction is, Mr. Chairman, that we don't have perfect knowledge of the underwater world. And we won't in our lifetime. That does not mean we're not investing in it. And we have been investing in it for years. And so, there are resources invested to improve our understanding of that. But the key here, from the analysis of this accident, will be, are we prioritized correctly in where we are expending our research resources to improve our knowledge and understanding? And is it at a rate that is going to be correct? It has been correct up until now, with the understanding that nobody will ever have perfect knowledge.

Now, then, that does suggest that there will be parts of the world that we know more than others, and commanders have to know how to operate with that as an understanding. So, that's where I would go, based upon what I know today.

Senator COCHRAN. Mr. Chairman, thank you. I have some other questions, but I will submit them for the record.

And I join you, Mr. Chairman and other members, in expressing our appreciation for the tremendous leadership this panel is providing for our Navy and Marine Corps team. It's truly outstanding.

We're proud of you, and you make us proud of our Navy and Marine Corps.

Secretary ENGLAND. Thank you, sir.

MEDAL OF HONOR

Senator INOUE. I have just one more question, if I may ask the Commandant. I believe I followed the press reports coming out of Iraq and Afghanistan as closely as any American. I have yet to see any marine, or, for that matter, any sailor, soldier, or airman, being cited or awarded the Medal of Honor. Am I wrong?

General HAGEE. No, sir. There has not been a Medal of Honor awarded from this particular conflict.

Senator INOUE. Is that unusual?

General HAGEE. Sir, one thing I am not allowed to comment on, by policy, is whether or not there are any that have been recommended. I can just report that there have been none awarded.

Senator INOUE. Well, we have read accounts of individual heroism, and I'm just wondering if we are recognizing the service that our men and women provide us.

General HAGEE. Sir, I would be very surprised if there were not some recommendations for the Congressional Medal of Honor working their way up the chain of command. As you know, for that particular medal, that can take some time for it to get all the way to Washington.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUE. Well, I join Senator Cochran in thanking all of you for your service to our Nation, and the men and women who serve under your command. It's been extraordinary. I used to think that my generation was the super-generation, but I've changed my mind; it's your generation.

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

QUESTION SUBMITTED TO GORDON R. ENGLAND

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

JOINT HIGH SPEED VESSEL

Question. Secretary England, I understand the Navy has been designated the lead Service for the procurement of the Joint High Speed Vessel program to meet Army and Navy theater transport needs. I understand the Army was pleased with the catamaran design they leased from Australia, and I have been informed the Navy and Marine Corps have also leased similar vessels over the past several years. I am sure there are several companies in the United States that can produce an equivalent vessel to support intra-theater transport, alleviating the need for costly, long-term leases.

Can you provide the committee with the status of the Navy's efforts on this joint program?

Answer. The Navy is in the process of initiating an Analysis of Alternatives (AoA). A detailed AoA is expected to be available this November.

QUESTIONS SUBMITTED TO ADMIRAL VERN CLARK

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

SEA-BASED MISSILE DEFENSE

Question. Admiral Clark, I am aware of the Navy's conversion of Aegis cruisers to perform missile defense functions, including a ship-based defense against short and medium range missiles. I applaud the accomplishments to date, including another successful test last month (February 24, 2005) of this capability.

What role do you envision for the Navy in the future of missile defense? Additionally, you have estimated the future fleet size at between 243 and 375 ships, and my understanding is the Navy's role in missile defense will have a significant influence on this number. What specific missile defense missions would most affect the size of the fleet?

Answer. The Missile Defense Agency (MDA) is funding and developing the Aegis Ballistic Missile Defense Program (Aegis BMD) and collaborating closely with Navy to fully leverage existing systems to their fullest capability. MDA's record of success since 2002 with Aegis BMD is five successes out of six efforts, a strong level of performance for any missile development, but particularly for one of this complexity. The ability to project defense against ballistic missiles from the sea is critical to reducing the operational risk posed during forcible entry operations and prior to the establishment of tactical BMD forces ashore. Developing this capability on existing ships is an important operational advantage and prudent expenditure of taxpayer resources. By integrating the BMD mission on existing platforms, Navy anticipates meeting the BMD mission requirements within the force structure I outlined in my testimony (260–325 ships). Upgrading existing Aegis platforms and a firm commitment to the development of CG(X) is, however, absolutely required to meet ballistic missile threats. CG(X), our future maritime dominance ship, will be the first ship designed from the keel up to both command and actively participate in the missile defense battle.

AIRCRAFT CARRIER PROPELLERS

Question. Admiral Clark, I have been informed that our older Aircraft Carriers have a high wear-out rate on their propellers, which are based on a 30 year old design. As I understand it, the choice is to either replace the propellers with refurbished ones or to replace propellers with a newer design that we put on Aircraft Carriers currently being built and which do not wear-out like the older design.

Admiral, in order to help maintain a more ready Fleet, would you agree that it is in the Navy's and the Nation's best interest to limit unnecessary downtime to Aircraft Carriers for things such as repeated propeller replacements, especially when the Carrier Fleet may be reduced from 12 to 11?

Answer. The Fleet Response Plan and careful scheduling of maintenance periods has significantly increased the operational availability of the carrier force. Replacement of carrier propeller blades is currently accomplished during regularly scheduled maintenance periods. NIMITZ-class aircraft carriers were originally built with propellers designed for a much smaller carrier (CV 59) and, as a result, propellers wear faster with replacement accommodated within the scheduled maintenance availabilities. Specifically, outboard propeller refurbishment is required every three years and inboard propeller refurbishment required every six years. Propeller wear is tracked through routine underwater hull inspections between maintenance periods.

To increase efficiency and reduce overall life-cycle costs, a new propeller design was completed in June 2000 and three ship sets are under contract with delivery lasting until November 2007. A contract for two additional ship sets is being negotiated with delivery at a rate of one every three months beginning in February 2008 and ending in November 2009. The new propellers are initially targeted for CVN 77, CVN 70 RCOH and CVN 21, with a back-fit planned for the entire NIMITZ Class.

LITTORAL COMBAT SHIP (LCS) FIRE SCOUT EMPLOYMENT

Question. Admiral Clark, I noticed in reviewing your unfunded programs list that you require an additional 6 Fire Scout Unmanned Aerial Vehicles. I believe most of us have heard commanders in Afghanistan and Iraq attest to the vital capabilities Unmanned Aerial Vehicles provide. Can you explain how these additional Fire Scout Unmanned Aerial Vehicles would expand the capabilities you envision for the Littoral Combat Ship?

Answer. The additional six Fire Scouts would triple the operational availability of Fire Scouts, provide additional flexibility in employment and speed development of concepts of operations at the tactical level. Operating as an extension of the ship, Fire Scout greatly expands the LCS' area of control. Initial Fire Scouts will be equipped with proven surveillance systems—electro-optical, infrared, and laser designator—for maritime surveillance and targeting.

Leveraging the ability to configure the Fire Scout's payload at sea, planning is underway for block upgrades including the Coastal Battlefield Reconnaissance and Analysis (COBRA), the Airborne Communication Package (ACP), and future weaponization. COBRA will detect mines in the beach and surf zone; ACP will relay communications over the horizon, netting dispersed units; and air-to-surface weapons will assist in countering small boat threats. Future spiral development efforts being considered include anti-submarine warfare sensors and a very lightweight torpedo for engaging submarines. The Fire Scout Vertical Takeoff Unmanned Aerial Vehicle (VTUAV) will extend LCS' span of control by providing a complementary capability to manned helicopters and other strike group or joint assets.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

HIGH ENERGY LASER LETHALITY EXPERIMENT (HELSTF)

Question. Admiral Clark, it is my understanding that the Navy has been conducting a series of experiments at the High Energy Laser Systems Test Facility (HELSTF) in New Mexico. These experiments have looked at the very difficult problem of defending against targets such as cruise missiles that approach a target "head on". As part of the solution, the Navy has looked at using directed energy systems to overcome the technical difficulties of tracking and targeting low flying targets.

Would you care to comment, in general, about the Navy's progress in developing high energy laser weapons? Can you comment specifically on the status of the high energy laser program (known as HEL-LLAT) to target and track low flying targets? What progress has the Navy made on the program?

Answer. The Navy high energy laser weapon development is focused on two laser technologies, Free Electron Laser (FEL) and the Solid State Laser (SSL). The Free Electron Laser (FEL) program's goal is development of megawatt class devices that could be effective against current and future threats and suitable for new construction ships with Integrated Power Systems. Currently, a 10 kW FEL has been developed at the Thomas Jefferson National Accelerator Facility and additional studies are being conducted to determine the best approach for reaching the 100 kW power levels, the next developmental milestone.

Solid State Lasers (SSL) are being developed by all Services and the Joint Technology Office for use on vehicles, aircraft and ships. These systems are smaller than free electron lasers but operate at lower power levels. SSL research is focused on increasing power and efficiency while decreasing size and weight. It is projected that a 100 kW Solid State Laser will be available in the next three to four years with systems engineering and development leading to a deployable system within the next ten years.

For tracking and beam control, the Navy has unique requirements. This is due primarily to the large range of potential threats from unmanned air vehicles, small boats and anti-ship cruise missiles; the most stressing threat is the inbound, supersonic, highly maneuverable missile. The High Energy Laser-Low Aspect Target Tracking (HEL-LATT) program was created to determine requirements and develop tools to support laser tracking using existing systems and off the shelf technology. To date, new optical systems have been integrated, sensitive cameras are being delivered, and the tracking algorithm effectively acquires and tracks inbound targets through high gravity maneuvers. This year, Navy is funding the integration and evaluation of the new hardware to assess its potential against future threats.

NAVY DESALINATION PROGRAM (EUWP)

Question. Admiral Clark, as you may know, the Navy is set to deliver the Expeditionary Unit Water Purification (EUWP) system to Alamogordo, NM at the beginning of April for field testing. This unit will be capable of supplying 100,000 gallons of portable water per day from contaminated sources and will eventually support Marine Corps expeditionary operations and homeland security needs. As the chief sponsor of this program in Congress, I want to thank you and the Office of Naval Research for the good work you have done on this program and I look forward to seeing the unity firsthand in Alamogordo.

Given that the Navy has taken on a civilian partner (the Bureau of Reclamation) to jointly manage this desalination research program, do you believe this arrangement will facilitate a smooth transfer of technology to the civilian desalination market? Can you provide (for the record if necessary) an update on the phase-two of the EUWP program? What are the milestones that have been set for the 500,000 gallon unit?

Answer. The Expeditionary Unit Water Purification (EUWP) program has benefited from the expertise of many organizations, including other DOD Services, Federal Agencies, and private contractors. In particular, the Bureau of Reclamation's (BOR) participation is expected to assist in the transfer of beneficial desalination technology to the civilian market in its role as the principal conduit of desalination systems to both consumers and suppliers. The EUWP Generation I (GEN I), a 100,000 gallon per day (gpd) technology demonstrator, completed fabrication and is undergoing extensive testing to exercise the full range of performance specifications.

Current efforts to increase the output of water purification facilities are on schedule. Existing plans are to integrate and evaluate promising technology into a 300,000 gpd engineering prototype model, designated GEN II (there are no efforts to develop a 500,000 gpd system). The preliminary design of GEN II—suitable for use on a large aircraft carrier—is complete. The two GEN II milestones currently underway are (1) component development and (2) analysis of alternative contracting options for managing the integration, assembly, and evaluation of the large capacity technology demonstrator.

QUESTIONS SUBMITTED TO GENERAL MICHAEL W. HAGEE

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

FISCAL YEAR 2005 SUPPLEMENTAL

Question. General Hagee, the Marines continue to perform well in Iraq and around the world. In Iraq, your Marines are operating in one of the toughest areas where insurgents and Sunni extremists still wish to disrupt stability. I understand that the supplemental request contains approximately \$5 billion for the Marine Corps. What I would like to know is if the request contains all the resources necessary to ensure the Marines on the ground have the equipment necessary to successfully accomplish their mission? What additional resources does the Congress need to provide to ensure continued success in Iraq as well as to prepare for the future?

Answer. The fiscal year 2005 Supplemental fully supports the Marines deployed in support of the Global War on Terrorism, including those deployed in support of Operation Iraqi Freedom. Additionally, the fiscal year 2005 Supplemental begins to address our future requirements. Included in the fiscal year 2005 Supplemental are requirements in support of our Force Structure Rebalancing effort, our long-term plans in Djibouti, and shortfalls in Prepositioning and Home Station equipment that are currently being used in Operation Iraqi Freedom. The Marine Corps preliminary estimate to “set the force” is approximately \$10 billion, but we continue to refine this to ensure accuracy in reporting future needs for continued success.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

ROCKET, ARTILLERY, MORTAR DEFENSE

Question. General Hagee, as you know, one of the difficult problems our Marines and soldiers face in Iraq is the threat of rockets, artillery and mortars. My state is at the forefront of directed energy research and testing, and I have long supported DE as a transformational capability that can provide solutions to problems like RAM defense. You hear from your commanders on the ground and from Marines who face these threats on a daily basis.

What is the current Marine Corps approach for protecting Marines against rockets, artillery and mortars?

Answer. Protecting our Marines is one of our primary concerns and is essential to mission accomplishment. To specifically address mortars, I MEF has had success with two Lightweight Counter-Mortar Radar (LCMR) loaned from the Army. The LCMR detects incoming mortar rounds, enabling units to take appropriate countermeasures. Success in theater has prompted the Marine Corps Warfighting Lab to purchase one additional LCMR for testing and evaluation with our operational forces. In a parallel effort, we are requesting supplemental funding to procure

ground counter fire sensor systems to quickly locate incoming fires, including mortars with low trajectories. Marine Corps Systems Command is evaluating two passive sensors systems to complement the currently fielded Q-46 counter-battery radars in providing 24/7 and 360-degree force protection.

Directed Energy (DE) weapons remain an area of interest for protecting our Marines as well. The Marine Corps, in coordination with the Joint Non-Lethal Weapons Directorate, is participating in several different DE weapons developmental efforts lead by the other services. Only one of the on-going DE developmental programs, the Airborne Tactical Laser program lead by SOCOM, appears to have the potential to defeat artillery and mortar equipment.

Question. Are you aware of the capabilities of the Mobile Tactical High Energy Laser (at HELSTF) and the success it has had in testing against artillery?

Answer. The Marine Corps is aware of the capabilities of the Mobile Tactical High Energy Laser (MTHL) and its successful tests in late 2004 against dynamic targets such as mortar rounds. The Marine Corps will continue to monitor the progress of the US Army's MTHL program for applicability to its Counter Rocket Artillery Mortar (C-RAM) defense.

Question. Do you believe it would be worth accelerating the fielding of directed energy systems to protect our men and women in the field from RAM threats?

Answer. Directed energy is one of many technologies that may ultimately be utilized in Rocket, Artillery, Mortar (RAM) defense. The U.S. Army is managing the development of Counter RAM technologies that do not include Directed Energy and are currently deployed in Iraq in an initial capability status. At this point in time, directed energy may be too immature as a technology to be a candidate for accelerated fielding.

SUBCOMMITTEE RECESS

Senator INOUE. Thank you very much. The hearing is recessed.
[Whereupon, at 11:50 a.m., Wednesday, March 16, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, April 6.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

WEDNESDAY, APRIL 6, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:30 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Domenici, Inouye, Leahy, and Dorgan.

DEPARTMENT OF DEFENSE
DEPARTMENT OF THE AIR FORCE
OFFICE OF THE SECRETARY

STATEMENTS OF:

**HON. MICHAEL L. DOMINGUEZ, ACTING SECRETARY OF THE AIR
FORCE**
GENERAL JOHN P. JUMPER, CHIEF OF STAFF

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good morning, Mr. Secretary and General Jumper. It's good to see you before our subcommittee at this time.

It's great—a matter of great importance. I'm sorry to say that there are problems about votes and schedules that have been changed due to the joint session of Congress. We do thank you each for your dedicated service to our Nation and to the people that serve with you in the Air Force. We remain committed to do as much as we can to assist you in your jobs, and we know you're confronted with a very difficult task in modernizing the Air Force and meeting the challenges that we have in Afghanistan and Iraq.

We have begun our review of the 2006 Defense budget. And from your budget request and from your posture statement, we understand the Air Force is placing priority on modernization through the continued investments in the F/A-22, the C-17, and the F-35. We also note a significant commitment to the next generation of space platforms, and look forward to hearing your statements and priorities today.

Senator Inouye will be along momentarily. He's asked us to proceed. Your full statements are already part of the record. We appreciate your having provided them, according to our rules, and would like to have you make your remarks at this time.

Mr. Secretary.

Mr. DOMINGUEZ. Thank you, Mr. Chairman and distinguished members of the subcommittee.

I'm honored to appear before you today representing our United States Air Force. I'm especially honored to be here with General John Jumper, the Air Force Chief of Staff. Together, we direct a fantastic group of military and civilian airmen at work every day defending this country.

I thank this subcommittee and the entire Congress for your support to our airmen. We will need your continued support as we face demanding challenges in the months and years ahead.

As Acting Secretary, I have five major priorities for the coming months. They are, first, recapitalizing our force; second, weathering the 2005 fiscal storm; third, re-balancing and shaping our force; fourth, continuing transformation; and, finally, restoring your trust and confidence in the Air Force and its leadership.

RECAPITALIZING AGING SYSTEMS

The Air Force's number one challenge is recapitalizing our aging systems. We need to find the right balance between acquiring new systems and keeping our legacy systems flying. Addressing this long-term recapitalization problem is made all the more demanding by the huge shortfalls we face this year in our personnel and operations accounts. General Jumper and I recently directed the Air Force to cut back on peacetime readiness and training operations to conserve funds. But cutting back, alone, can't close the \$3 billion gap in our operation and maintenance (O&M) account. We are also short some \$700 million in our military personnel account. And there, too, cutting back will not close the gap. We'll need your help, by acting quickly on the President's supplemental budget request and by considering favorably the painful reprogramming actions we will undoubtedly forward to you in the coming months.

FORCE SHAPING

In force shaping, we face the challenge of our own success. In the current fiscal year, we temporarily slowed recruiting so that the Active Force will be at or below our congressionally authorized end strength by October 1. Fiscal year 2006 will return us to a normal recruiting year, and we'll need your support in the fiscal year 2006 appropriation for robust recruiting and accession programs. Our goal is a properly sized and shaped force, with the right end strength, the right skill mix, and the right balance between active duty, Guard, Reserve, and civilians.

CONTINUING TRANSFORMATION

My fourth priority is to sustain our momentum in transforming the way we manage our part of the Department of Defense enterprise. From the national security personnel system to our capabilities review and risk assessment, base requirements determination process, to improved information-technology domain management, we are ensuring that our Air Force remains efficient, agile, and adaptable to meet the emerging threats of this century.

RESTORING TRUST AND CONFIDENCE

Finally, I'm concerned that events of the last few years have eroded your trust and confidence in your Air Force and its leaders. Restoring that trust and confidence is a solemn obligation I take very seriously.

Mr. Chairman and distinguished members of the subcommittee, thank you again for your consistent support. The United States Air Force remains committed to protecting and defending our country's interests at home and abroad by enabling freedom of maneuver for joint and coalition forces and applying combat power, when directed. We are meeting today's threats, and, with your continued support, we will be prepared to meet tomorrow's threats, as well.

PREPARED STATEMENT

Thank you for the opportunity to be here today. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF HONORABLE MICHAEL L. DOMINGUEZ AND GENERAL JOHN P. JUMPER

Mr. Chairman and distinguished members of the committee, the Air Force has a boundless future. The Service continues its transformation to meet the emerging challenges of a dynamic world, and to ensure the nation's security by dominating the global commons of air, space, and cyberspace. The fiscal year 2006 budget takes a significant step toward that future.

During the last decade the United States Air Force transformed to a modular expeditionary force of ten Air Expeditionary Force packages providing agile air and space power that has proven so successful across the spectrum of operations from No-Fly Zone operations to the Global War on Terrorism. We will continue transforming to meet the challenges of a dynamic world by rebalancing the force and realigning our structure into a Future Total Force that meets increased demands for persistent intelligence, rapid mobility, and precision strike capabilities. These requirements-based capabilities, derived from our Concepts of Operation, are the necessary capabilities for joint and combined force operations; and represent the trades available between and among service components to deliver the right effects to combatant commanders.

We are rebalancing the force by prudently changing our accession goals and realigning manpower to overstressed career fields to better balance our Airmen skill sets to get us to our authorized end strength. We will take advantage of our Total Force expertise by more closely aligning our Active Duty, Air National Guard, and Air Force Reserve units into associate units to enhance our overall capability. We will transform our command and control structure by establishing new Warfighting Headquarters, positioned globally, to provide Combatant Commanders the most effective means to command and control air and space forces. The efficiencies realized will help ensure the air dominance required for U.S. global operational access. But reorganization is just one effort used to adapt and enhance our force.

Recapitalization and modernization of our aging weapon systems and wise investments in science and technology are crucial if we are to realize improvements in close air support, long-range strike, and operationally responsive space. Likewise, changes in the traditional methods of deterrence will require new capabilities to transform the current Triad of intercontinental and sea-launched ballistic missiles, and bomber aircraft into a New Triad—a diverse portfolio of non-nuclear and nuclear “strike capabilities” and active and passive defenses. While we remain engaged in contingency operations and homeland defense missions, we look to the future where completely networked, horizontally integrated operations will lead to complete domination of the global commons of air, space, and cyberspace.

Our 2005 Posture Statement reflects our good stewardship to manage, maintain, and develop an irreplaceable defense resource—America's Air Force. It is our vision for the future—a future in which the world's finest Airmen, together with our sister Services, will remain effectively decisive in combat to attain victory.

INTRODUCTION

Today's security environment is characterized by change and ambiguity. The future will include a variety of challenges, including the risk of catastrophic attacks on the homeland, and the possibility of disruptive technological breakthroughs by our adversaries. The number and character of potential U.S. adversaries is growing and changing, as states and non-state actors acquire advanced technology and even weapons of mass destruction. We can foresee the near-term threats posed by ballistic and cruise missiles; chemical, biological, radiological, and nuclear weapons; advanced double-digit surface-to-air missiles; and sophisticated combat aircraft. We should also anticipate computer network attacks and attacks on other critical infrastructure, including space networks. Not only must we be prepared to confront these known threats, but we also must be ready for unexpected, disruptive breakthroughs in technology that may undercut traditional U.S. advantages. Maintaining a strong defense able to overcome and defeat these threats remains an imperative for our nation. Currently, the Air Force can command the global commons of air and space, and significantly influence the global commons of sea and cyberspace; however, we cannot maintain this advantage using yesterday's technology in the systems and air and space vehicles of our current force structure. Recapitalizing our aging systems is our number one challenge.

We are steadfastly meeting these challenges head on. With capabilities-based planning; investments in modernization, science and technology; Airmen development; and a focus on integration, we will transform into a more lethal force.

We are working with equal intensity to increase the integration and effectiveness of the joint and interagency team. The Air Force is responsible for several missions essential to the successful prosecution of any joint expeditionary operation: we provide the persistent intelligence and communications networks that deliver decision-quality information to the joint force commander; we provide global mobility in the airlift and tanker forces that move people and equipment anywhere on the planet; and we provide rapid strike by employing an umbrella of kinetic and non-kinetic strike capabilities to deliver precise, tailored effects.

For America to hold its military advantage, the Air Force must continue to improve its vital national capabilities. This means anticipating the battlespace effects required in the future; we must begin today to create the force we will need tomorrow. The Air Force must adapt for the future without degrading its ability to conduct operations now and in the near term. At the same time, we must recognize fiscal constraints and remain a responsible custodian of the taxpayers' dollar. We have developed a long-range plan to allocate resources, balance risks, and shape the force to protect our nation—a comprehensive Future Total Force (FTF).

Within FTF, we are restructuring our organizations for the decades ahead. The organizational concept within FTF leverages the strengths of all three components (Active Duty, Air Force Reserve, and Air National Guard), as well as anticipated advances in technology, to create the effects needed in tomorrow's battlespace. FTF encompasses all domains: space, air, ground, and information. Most importantly, it capitalizes on our most potent, flexible resource: our Airmen.

Our Airmen are a vital national resource. A key element in their development is continuing to adapt the force structure to support expeditionary operations. We face the paradox of suffering shortfalls in certain high-demand career fields while exceeding our overall congressionally authorized end strength. Therefore, we have enacted several programs to reduce the total number of Air Force personnel while reinvigorating career fields experiencing shortfalls.

As this century unfolds, technological innovation is accelerating at an unprecedented pace. Our challenge is to quickly convert laboratory ideas into battlefield effects. This entails more than creating new weapon systems; it means adopting a developmental culture that is inherently agile and responsive, enabling state-of-the-art technologies to reach the battlefield in real time. Such institutional agility will allow us to aggressively divest our legacy systems, field the capabilities needed to meet new strategic challenges, and integrate operations with those of the other Services and our coalition partners.

Air and space power is an essential component of a joint warfighting team and a critical force multiplier for our Soldiers, Sailors, and Marines. Our paramount responsibility is to provide air and space dominance over the battlefield to enable the freedom of maneuver necessary for the success of joint and coalition operations.

Whether strengthening the capabilities of Airmen on the battlefield; enabling joint service net-centric operations; furnishing more airlift and aerial refueling capability; or establishing an Air Component Coordination Element with ground force commanders, the Air Force is committed to increasing support to the joint warfighter. The United States Air Force makes the whole team better.

Even as the Air Force moves forward with the Future Total Force, we are engaged around the globe. Across many continents and missions in air and space, the Air Force is a complete partner with our sister Services, inter-agency partners, and friends and allies.

Global War on Terrorism

Since the shockwaves of September 11, 2001, the Air Force has been integral to conducting and enabling joint and coalition operations in the Global War on Terrorism (GWOT). Across three campaigns, Operation NOBLE EAGLE (ONE), Operation ENDURING FREEDOM (OEF) and Operation IRAQI FREEDOM (OIF), the Air Force capabilities of rapid strike; global mobility; and persistent command, control, communications, computers, intelligence, surveillance, and reconnaissance (C⁴ISR) helped defend the air sovereignty of North America; break Taliban control of Afghanistan; identify, target, and destroy al Qaeda terrorist nests in Afghanistan; overthrow Saddam Hussein's regime; and conduct reconstruction and counter-insurgency operations in Iraq. Although the threat of terrorist attacks against the United States remains, the joint team—strengthened by the Air Force—has made substantial progress in putting terrorists on the defensive and developing the new security partnerships essential for a sustained GWOT.

Operations IRAQI FREEDOM and ENDURING FREEDOM

The Air Force continues joint operations against Taliban remnants and Iraqi insurgents. At the close of 2004, we maintained nearly 31,000 Airmen in the region—including 5,000 Air National Guardsmen and 2,500 Air Force Reservists—and we were flying 225 sorties a day over Iraq and Afghanistan. Having already flown more than 250,000 sorties, the Total Force team of Active, Guard, and Reserve Airmen continues to perform aeromedical evacuation, persistent C⁴ISR from air and space, close air support, aerial refueling, and intertheater and intratheater airlift, while successfully adapting to the dynamic environment of asymmetric warfare.

While certainly prominent in Major Combat Operations, rapid strike has continued to enhance joint warfighting during reconstruction and stability operations. Strikes against Taliban forces and Iraqi insurgents show the enduring need for strike capabilities and the capability of the Air Force to strike time-sensitive targets with minimal collateral damage. The Air Force is bolstering this capability with the deployment of 500-pound Joint Direct Attack Munitions now in theater, development of the Small Diameter Bomb, and development of directed energy weapons capable of delivering precise and tailored effects in adverse environments.

Not only are Airmen directly overhead in Iraq and Afghanistan, but Airmen from as far away as Nevada are controlling remotely piloted aircraft critical to persistent C⁴ISR and rapid strike missions. For instance, Predator aircraft are able to transmit their live video pictures to ground-based targeting teams that are equipped with the prototype Remote Operations Video Enhanced Receiver (ROVER) system. Linking rapid strike and persistent C⁴ISR to forces on the ground, ROVER has been used repeatedly to detect, target, and destroy improvised explosive devices (IEDs), mortars, rockets, and other insurgent activities across the region. Bolstering these capabilities are Tactical Airborne Reconnaissance System (TARS) equipped F-16s flown by deployed Air National Guard units. The digital cameras on the TARS pod allow the pilot to conduct reconnaissance while simultaneously providing close air support. Integrating these two missions is the essence of responsive reconnaissance and integral to Air Force support to ground forces.

To help defeat IEDs, the Air Force has fielded Specialized Explosive Detection Dogs and upgraded three flying platforms that specifically focus on detecting and defeating IEDs. In the future, we will deploy IED Defeat Field Teams to further study where Air Force-unique systems can make an impact.

To ensure uninterrupted sustainment of our deployed forces and unhindered global mobility, several initiatives are being implemented to enhance aircraft protection capabilities, including upgrades to existing aircraft defensive systems, accelerated installation of new systems, and improvements in software and flare dispensing patterns. These improvements will increase the capability to detect and defeat shoulder-fired missiles being used against our mobility aircraft.

Recently, these mobility assets have been used to reduce the need for ground convoys on supply routes in Iraq. Flying above the IEDs and ambushes that challenge convoys, the use of Air Force airlifters like the C-130 and C-17 has reduced the number of trucks in convoys by nearly 350 trucks per day.

Operations in Iraq and Afghanistan also highlight the importance of space-based C⁴ISR capabilities to U.S. and coalition forces. These capabilities have become integral to effective warfighting operations and include precision position, navigation

and timing; secure communications; global weather; launch and support operations; persistent worldwide missile warning; and intelligence gathering. OIF and OEF relied on the all-weather precise position, navigation, and timing capability provided by the Air Force's Global Positioning System (GPS) constellation, satellite communications (SATCOM), and timely observations of weather and enemy activity. Carrying out time-sensitive targeting of Iraqi leadership and other critical targets during major combat operations, nearly 40 percent of all munitions used in OIF were GPS-guided and unaffected by the driving sand storms and inclement weather. Holding the ultimate high ground, Air Force space professionals keep a constant vigil over a global battlespace—planning, acquiring, maintaining and operating the systems that sustain America's decisive advantage in space.

Operation NOBLE EAGLE and Homeland Defense

The Air Force's principal Homeland Defense mission is Air Defense and preserving the air sovereignty of the United States and its territories. Since 9/11, more than 37,000 fighter, aerial refueling, and airborne early warning sorties have been flown in defense of the United States, while more than 1,800 air patrols have responded to actual incidents and suspicious flight operations. A mission that leverages the Air Force Reserve, Air National Guard, and Active Duty components, the Citizen Airmen of the Air National Guard have primary responsibility for providing alert aircraft at 17 of 18 sites.

The Air Force has also worked extensively with joint, interagency, and combined organizations to improve the effectiveness of Homeland Defense activities. Exercises like DETERMINED PROMISE-04 and UNIFIED DEFENSE-04 illustrated how rapid strike, persistent C⁴ISR, and global mobility can be seamlessly integrated with other agencies, and prove critical to supporting U.S. Northern Command and the Department of Homeland Security.

The Civil Air Patrol provides additional capability to Northern Command, federal agencies, and state and local governments in the Global War on Terrorism. Located throughout all 50 states, the District of Columbia, and Puerto Rico, the Civil Air Patrol leverages the skills and vigilance of 64,000 non-paid volunteers in more than 1,700 units to bolster the Nation's defense.

Other Contingency Operations

In addition to operations at home and Southwest Asia, the Air Force supported multiple other operations around the globe in 2004. Complementing our permanent presence in Northeast Asia, we bolstered the deterrence of North Korea with the continuous deployment of six B-52 bomber aircraft to the American territory of Guam. The 8,400 Airmen stationed in South Korea alongside Soldiers, Sailors, Marines and our South Korean allies are critical to regional stability, and have maintained the United Nations armistice on the Korean peninsula for over 51 years.

In the Balkans, Airmen have flown more than 27,000 sorties in support of Operations JOINT FORGE and JOINT GUARDIAN. These NATO-led operations combine joint and allied forces to implement the Dayton Peace Accords in Bosnia-Herzegovina and enforce the Military Technical Agreement in Kosovo. At the end of 2004, approximately 475 Airmen were supporting NATO's goal of achieving a secure and stable environment.

Since December 1989 and throughout 2004, Airmen have been a critical part of the interagency fight against illegal drug and narcotics trafficking. Deployed along the southern United States, in the Caribbean, and Central and South America, eight aerostats and five ground-based radars provide around-the-clock monitoring of airspace. Operating these C⁴ISR installations, Airmen detected, monitored, and provided intercepts on hundreds of targets attempting to infiltrate U.S. airspace without proper clearance. Along with our joint and interagency partners, these operations resulted in hundreds of arrests and stopped thousands of pounds of contraband from being smuggled into the United States.

Additionally, the Air Force is heavily involved in providing humanitarian relief to people in need around the globe. Most recently the Air Force deployed aircraft and Airmen to assist in relief efforts for the Southeast Asian countries struck by tsunamis. In the initial days, C-130s and KC-135s, flying 21 missions, delivered over 120 tons of food, water, medical supplies, vehicles, and personnel to assess relief assistance. In another region of the world, the Air Force provided airlift and logistical support to the deployment of African Union peacekeepers to the war torn area of Darfur in Sudan. Also, during recent elections in Afghanistan, we airdropped water and food to remote areas to help ensure a secure and smooth voting process.

Supporting all of these world-wide operations is a robust training program that allows our Airmen to train like they fight. Competition for scarce air, land, and water resources threatens to further encroach onto our installations, ranges, and

airspace—vital national assets for developing and testing new weapons, training forces, and conducting joint exercises. The Air Force supports legislative, regulatory, and management initiatives that protect Air Force operational capability while sustaining, restoring, and modernizing our natural infrastructure.

Air and Space Expeditionary Force

The Air and Space Expeditionary Force (AEF) is how the Air Force organizes, trains, equips, and sustains forces to meet defense strategy requirements outlined in the National Military Strategy and Strategic Planning Guidance. Including the Active Duty, Air Force Reserve, and Air National Guard, the Air Force is divided into ten AEFs and an enabler force to support and sustain global expeditionary operations. Each AEF provides a portfolio of effects-based capabilities for the Combatant Commander. These capabilities are immediately available in two AEFs continually postured for rapid deployment. The remaining eight AEFs are in various stages of redeployment, rest, training, or deployment preparation but could rapidly deploy to a combat area if needed. When necessary, the full capability of the Total Force can be realized by surging the remaining AEFs.

During 2004, worldwide requirements of OIF, OEF, and GWOT placed high demands on our Expeditionary Combat Support (ECS) forces, long-range bombers, security forces, and other units. Due to this increased tempo, selected Air Force forces are still deployed at nearly twice the numbers that AEF policy defines as “sustainable.” To adapt to this new set of circumstances, we changed our AEF deployment length from 90 days to 120 days, and the AEF cycle from fifteen months to twenty months. The greater deployment length allows greater continuity for expeditionary commanders in the field.

New Triad

The National Military Strategy impacts our strategic forces as well. The Department of Defense’s new defense strategy of employing a capabilities- vs. threat-based approach to planning led to the ongoing transformation of the existing triad of U.S. strategic nuclear forces (intercontinental and sea-launched ballistic missiles and bomber aircraft) into a New Triad composed of a diverse portfolio of systems. The elements of the New Triad will contain non-nuclear and nuclear “strike capabilities;” active and passive defenses; and research and development and industrial infrastructure for developing, building, and maintaining offensive forces and defensive systems.

Worldwide Force Protection Challenges

The United States faces an array of asymmetric threats from terrorists and rogue states necessitating a new Force Protection concept of Integrated Base Defense. The new concept draws from recent lessons learned and defines a Force Protection role for every Airman as a defender of bases and critical assets. We are also developing a wide range of offensive and defensive capabilities to include new ground sensors, unmanned aerospace sensors, a common operating picture, and a command and control suite that links these sensors to remotely-operated weapons and robotic systems. Non-lethal weapon systems have the potential for bringing a revolutionary set of capabilities to commanders.

Countering and defending against chemical, biological, radiological, nuclear, and high-yield explosive (CBRNE) weapons is another element of Force Protection and Integrated Base Defense. To prevent adversary acquisition or development of these weapons, neutralize their capabilities, and restore essential operations and services after an attack, we are implementing a Counter-CBRNE Master Plan. This will improve our ability to meet operational needs, while maximizing joint cooperation and leveraging existing institutions and capabilities.

AIR AND SPACE POWER, TOMORROW THROUGH THE FYDP

Base Realignment and Closure 2005

Base Realignment and Closure (BRAC) 2005 is the primary means by which the Air Force will optimize current infrastructure to enhance both warfighting capability and efficiency for the future. Taking a comprehensive, 20-year view, BRAC 2005 will allow the Air Force to realign the posture of our forces to better address the new challenges we face. Through creation of innovative organizational and basing solutions, the Air Force will facilitate joint and multi-component missions, reduce inefficiencies, and free up valuable resources to recruit quality people, modernize equipment and infrastructure, and develop the capabilities needed to meet 21st Century threats.

While doing this we will remain focused on our three core competencies, which enable us to create the effects required on the battlefield of the future: Developing

Airmen, Technology to Warfighting, and Integrating Operations. By focusing on these areas the Air Force has created a program through the Future Years Defense Program, which optimizes the return on our resources.

Developing Airmen

To adapt to dramatic changes in force structure and the security environment, we established a set of strategic goals to focus our personnel mission.

Force Shaping

We are on track to bring active duty end strength to the congressionally-authorized level of 359,700 by the end of fiscal 2005. This planned reduction shapes the future force without jeopardizing career field health.

The Force Shaping plan has two phases: (1) increase voluntary separations and retirements, and (2) further increase voluntary separations while simultaneously reducing programmed accessions. Phase 1, implemented in February 2004, was used to judge retention behavior and ensure a measured approach to reducing end strength. Phase 2, begun in May 2004, allowed more service members an opportunity to leave active duty. Additionally, we significantly reduced the Selective Reenlistment Bonus (SRB) program from 146 to 62 enlisted skills, resulting in a significant decrease in first-term reenlistment rates, and we continue to review further reduction of SRB skills.

Other Force Shaping initiatives include the PALACE CHASE program—early separation from Active Duty to serve with the Air National Guard or Air Force Reserve—waiving of active duty service commitments, and resurrection of the Career Job Reservation Program to correct skill imbalances and re-train first-term Airmen into needed skills. Additionally, we took advantage of the statutory authority that allows 2 percent of colonels and lieutenant colonels with two years time-in-grade to retire in grade instead of waiting the normal three years; and some Air Force Reserve Officer Training Corps graduates may now go directly into the Air National Guard or Air Force Reserve.

In fiscal 2004, we lowered accession goals by approximately 3,000. In fiscal 2005, we continued to lower our accession goals and have temporarily limited enlisted accessions to only the 58 most critical combat and combat support skills.

The results of our Force Shaping efforts are positive, facilitating the migration of personnel into critical shortage specialties while reducing manpower to ensure we meet authorized end strength requirements by the end of fiscal 2005.

Rebalancing the Force

As we return to our authorized end strength, relief is flowing to “overstressed” career fields. This is a multi-step process, but our guiding principle is simple—we will properly size and shape the force to meet the needs of the AEF. We are drawing down prudently, designating specialties and specific year groups within those specialties where we have more people than we need. At the same time, we are correcting our skill imbalances by realigning manpower and expanding training pipelines.

We are also taking a hard look at where our people serve. We have Airmen serving outside the Air Force who don’t deploy as part of an Air Expeditionary Force. They serve in joint and defense agency positions, some of which require uniformed people; however, others do not. Through military-to-civilian conversions and Competitive Sourcing initiatives, we are returning these Airmen “to the fold.”

The Guard and Reserve play a critical role in this endeavor. Today, 25 percent of the air expeditionary packages are composed of Air National Guard and Air Force Reserve volunteers. As we take steps to ensure the long-term health of our Active Duty forces, we must do the same for our Citizen Airmen.

Recruiting/Retention

While reducing accessions is a tool currently being used to bring the force down to authorized levels, it is imperative that we continue to renew and replenish the ranks with targeted recruiting. For fiscal 2005, we plan to access nearly 19,000 enlisted members and just over 5,000 officers—a 44 percent reduction from normal enlisted recruiting levels and a slightly lower level of officers compared to fiscal 2004.

As outlined under Force Shaping, a significant one-year reduction in our recruiting goal is part of a deliberate effort to reduce force size without jeopardizing long-term health. A one-year reduction will create a temporary decrease offset by the number of personnel accessed in preceding and subsequent years. We are committed to returning to normal recruiting targets as quickly as possible. Continued congressional support of our recruiting and marketing programs will greatly enhance the Air Force’s competitiveness in a dynamic job market.

A critical element for success is the ability to offer bonuses and incentives where we have traditionally experienced shortfalls. To protect this valuable resource we ensure active senior leadership management, including semi-annual reviews of which career specialties, and which year groups within those specialties, are eligible for bonuses. Congressional support for these programs, along with increases in pay and benefits and quality-of-life initiatives, has greatly helped us retain Airmen and their families.

Personnel Service Delivery Transformation

To achieve the Secretary of Defense's objective of shifting resources "from bureaucracy to battlefield," personnel services are being overhauled. Our Personnel Service Delivery Transformation dramatically modernizes the processes, organizations, and technology by which we support Airmen and their commanders. Routine personnel transactions, for instance, may now be done "on-line."

As a result, we deliver higher-quality personnel services with greater access, speed, accuracy, reliability, and efficiency. We programmed the resulting manpower savings to other compelling Air Force needs over the next six years. This initiative enhances our ability to acquire, train, educate, and deliver Airmen with the needed skills, knowledge, and experience to accomplish Air Force missions.

National Security Personnel System

Our civilian workforce will go through a significant transformation as well with implementation of the Department of Defense National Security Personnel System (NSPS). NSPS is a simplified and more flexible civilian personnel system that will improve the way we hire, assign, compensate, and reward our valuable civilian employees. This modern, agile human resource system will be responsive to the national security environment, while preserving employee protections and benefits, as well as the core values of the civil service. Implementation will begin as early as July 2005.

NSPS design and development has been a broad-based, participative process including employees, supervisors and managers, unions, employee advocacy groups, and various public interest groups. Employees slated for conversion to the new system will be included in groupings called Spirals. Spiral One will include approximately 85,400 General Schedule and Acquisition Demonstration Project, U.S.-based Air Force civilian employees and will be rolled out in three phases over an 18-month period. The labor relations provisions of NSPS will be implemented across the Department this summer as well. NSPS is the most comprehensive new Federal personnel system in more than 50 years and a key component in the Department's achievement of a total force structure.

Culture of Airmen

We completed an Air Force-wide assessment of our sexual assault prevention and response capabilities, knowing we were not where we needed to be in addressing this societal problem that has serious readiness implications. A Campaign Plan was approved, and we are implementing specific initiatives to better understand the problem of sexual assault, do everything within our ability to prevent it, and prepare ourselves to provide consistent and continuing care for victims when it occurs.

In response to an increased suicide rate among Airmen, we reemphasized, and continue to stress, the need for Airmen to look after one another. Commanders and co-workers are rethinking the way Airmen interact with one another, calling attention to behavioral indicators and risk factors associated with suicide. Safety and risk management are also being emphasized to reduce the number of accident-related fatalities. We are weaving this mindset into the very fabric of our culture.

All Airmen have a responsibility to get involved, pay attention and ensure the health and well-being of their wingman. It's not a program, it's a mindset; a cultural shift designed to take better care of our most valuable resource—our people.

Air Reserve Component (Air Force Reserve and Air National Guard)

Recruiting and retaining quality service members are top priorities for the Air Force Reserve. Despite the strains mobilization places on the personal and professional lives of Reserve members, volunteerism remains high. In fiscal 2004, and for the last four years, the Air Force Reserve exceeded its recruiting goal. Despite the long-term effects of high operations and personnel tempo, Air Force Reserve end-strength was within 0.7 percent of fiscal 2004 congressionally-mandated requirements.

Reduced success in attracting military Air Force members who are separating from Active Duty has steered the Air Force Reserve toward recruitment and accession of non-prior service members. To meet the resulting increased training demand, 4,000 training slots per year are now allocated and funded for the Air Force Re-

serve. In addition, the Air Force Reserve is taking advantage of the previously mentioned PALACE CHASE program, which allows Active Duty members the opportunity to move to the Air Force Reserve or Air National Guard. These experienced members are then placed into critical career skills.

Complementing the Air Force Reserve, the Air National Guard plays a vital role in support of the Homeland Defense mission and force transformation. The ability of the Air National Guard to achieve recruiting and retention goals through fiscal 2006 will help determine how well the Air Force assumes new missions and supports Homeland Defense.

As the Air Force Reserve and Air National Guard continue to surge to meet operational requirements, we are examining existing law and policy that govern enlisted incentives and related compensation with an eye toward identifying changes that will encourage volunteerism. The reserve enlisted bonus program is a major contributor to attracting and retaining both unit and individual mobilization augmentee members in critical career fields. To enhance retention, we are ensuring relevant compensation statutes reflect the growing reliance on the Air Force Reserve and Air National Guard to accomplish Air Force missions. We continue to explore enhanced bonus authorities, which will provide the flexibility to target our most pressing needs.

In addition, the Aviation Continuation Pay, the Career Enlisted Flyers Incentive Pay, and Aircrew Incentive Pay continue to be offered to retain our rated officer and enlisted personnel. We expanded the Air Force Reserve Special Duty Assignment Pay (SDAP) program by including an additional six career fields to enhance recruiting and retention, improve program alignment, and provide parity to Air Force Reserve members. The expansion authorizes the payment of SDAP to a reservist qualifying in the same skill and location as their Active Duty counterpart.

The Air Force has made great strides in increasing education benefits for our Air Force Reserve and Air National Guard members, offering 100 percent tuition assistance for individuals pursuing an undergraduate degree and continuing to pay 75 percent for graduate degrees. In addition, we appreciate the President proposing and Congress enacting enhanced Montgomery GI Bill benefits for reserve and Guard members who have served lengthy deployments.

The fiscal 2005 National Defense Authorization Act (NDAA) made permanent several authorities providing enhanced Health Care/TRICARE benefits for Air Force Reserve and Air National Guard members. For members with delayed-effective-date orders to serve on active duty in support of a contingency operation for more than 30 days, the new legislation permanently authorizes TRICARE eligibility for up to 90 days prior to the member's activation date for eligible members and their families. Additionally, the NDAA extended the Transitional Assistance Management Program benefit period from 60 and 120 days to 180 days for eligible members and their families.

Training

Distributed Mission Operations (DMO) is the cornerstone for Air Force training transformation. It is a readiness initiative to train warfighters as they expect to fight using simulation and high-fidelity architecture to link training at dispersed locations. DMO will reduce travel costs and operations tempo while providing mission rehearsal in an operationally realistic environment to maintain combat readiness and provide support to operations. It will prepare and assess Air and Space Expeditionary Forces and prepare AOC weapon systems, including Joint Force Air Component Commanders, for real-world missions. As an integration effort, DMO will leverage existing and emerging programs and technologies to fill gaps in total team training, rehearsal, and operations support.

Due to the continuing high operations tempo, the Air Force is filling over 2,500 positions in 20 different combat support skills for the U.S. Army in deployed locations—one of those skills is combat convoy operations. As a result, we established the Basic Combat Convoy Course to supplement Army training. This comprehensive, self-contained course emphasizes small unit leadership, teamwork, weapons training, and tactical convoy operations, greatly improving convoy operations and personnel survivability. It also reduced total training time in Kuwait from approximately six weeks to one.

Housing and Military Construction

Through military construction and housing privatization, we are providing quality homes faster than ever. Over the next two years, we will renovate or replace nearly 36,000 homes through privatization, and an additional 11,000 homes through military construction.

Still, Airmen primarily live in communities near our installations. Basic Allowance for Housing increases have reduced their average out-of-pocket costs over the past few years, and will eliminate out-of-pocket costs altogether in 2005, allowing greater flexibility for Airmen who reside off base.

Investment in dormitories continues to accelerate in order to provide superior housing to our unaccompanied members—evidenced by nearly 4,400 dormitory rooms programmed for funding over the next four years. Approximately 75 percent of these will address existing inadequate dormitory conditions. Our new “Dorms-4-Airmen” standard is designed to increase camaraderie, social interaction, and accountability by providing four single-occupancy bedrooms/bathrooms with a common kitchen and living area in each module. The combination of the new standard and the Air Force’s unit integrity assignment policy provides an excellent platform to increase interaction within the same unit. Finally, the remaining dormitory program jumpstarts a buy-out of inadequate “pipeline” dormitories—those dorms that house young enlisted students during their initial technical training. Pipeline dormitory standards provide a large living area for two students, two walk-in closets, a bathroom, and a separate vanity for each occupant. All substandard dorms will be replaced by 2009. Knowing the Air Force provides for a family’s housing needs allows every Airman to focus on the mission.

Airmen’s performance and morale is directly influenced by quality work centers as well. Therefore, we’ve placed significant emphasis on recapitalizing and improving work facilities. We’ve focused investment in training facilities to ensure a quality technical and mission-oriented learning environment. Similarly, we’ve implemented a plan to ensure all fitness centers meet current Air Force standards by 2011. Finally, we’ve continued our focus on providing quality childcare facilities.

Battlefield Airmen

Airmen are engaged beyond the air base; bringing technology to warfighting on the ground using advanced systems to designate targets, control aircraft, rescue personnel, and gather vital meteorological data. The Air Force is optimizing this family of specialties, known as Battlefield Airmen. So far, we have identified program management, acquisition, and sustainment synergies across the Combat Rescue, Combat Control, Terminal Attack Control, and Special Operations Weather functional areas. Because Air Force personnel are an integral part of the battlespace, we are also identifying common training requirements for these Airmen.

We need to organize Battlefield Airmen for maximum effectiveness in the modern battlespace. In addition, we must train Battlefield Airmen in the skills required to maximize airpower, and standardize that training across those specialties with different Battlefield Airmen skills. Finally, we want to equip our Battlefield Airmen with improved and standardized equipment for missions in the forward and deep battlespace.

This will expand commanders’ abilities to employ battlefield airpower experts who can introduce unequalled accuracy, responsiveness, flexibility, and persistence into designated air operations.

Joint Terminal Attack Controllers (JTACs), a subset of Battlefield Airmen, direct the action of combat aircraft engaged in close air support and other offensive air operations from a forward position. For the first time, JTACs will be recognized across the Department of Defense as capable and authorized to perform terminal attack control in accordance with a joint standard. The Joint Close Air Support Executive Steering Committee directed the drafting of a Memorandum of Agreement defining the qualifications, certifications, and currencies these JTACs must possess and maintain.

In addition to night-vision equipment, JTACs carry a hardened laptop computer and multi-channel radio. We’ve significantly reduced the weight these Battlefield Airmen must carry while simultaneously providing them with the ability to do such things as designate targets several kilometers away. We must further decrease the weight of their gear while increasing the capabilities and interoperability of their equipment with other air, space, and ground assets. This combination of technology facilitates the direct transfer of information to combat aircraft, minimizing errors in data transfer. To that end, the Integrated Air-Ground Imaging Initiative enables the A-10 to send digital targeting information instead of lengthy voice briefings; provides a LITENING or Sniper Targeting Pod video down link to the JTAC; and equips our JTACs with a multi-channel video receiver. This equipment will increase situational awareness, assist in combat identification, maximize first-attack success, shorten the kill-chain, and ultimately provide better support to ground forces.

*Technology-to-Warfighting**Capabilities-based Concepts of Operation*

The Air Force has established a capabilities-based approach to both war planning and force development, allowing focused investments on those capabilities needed to achieve the battlespace effects required by the joint warfighter. Our capabilities-based approach frees us from platform-centric force planning, leading to new ways of thinking and innovative combinations of systems.

The Air Force has developed seven concepts of operation (CONOPS)—six operational and one supporting foundational concept—for capabilities-based planning. The CONOPS define the effects we can produce across the span of joint tasks we may be tasked to perform, and help us identify those capabilities an expeditionary air force will need to achieve the desired battlespace effects. They also provide an operational context for determining how good our capability levels need to be and assessing how close we are to that objective.

- Homeland Security CONOPS leverages Air Force capabilities with joint and interagency efforts to prevent, protect, and respond to threats against our homeland.
- Space and Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C⁴ISR) CONOPS encompasses the integration of manned, unmanned, and space systems to provide persistent situational awareness, space control, and decision-quality information.
- Global Mobility CONOPS provides the planning, command and control, and operations capabilities to enable timely and effective projection, employment, and sustainment of U.S. power in support of U.S. global interests.
- Global Strike CONOPS employs joint power projection capabilities to engage anti-access and high-value targets, gain access to denied battlespace, and maintain that operational access for required joint/coalition follow-on operations.
- Global Persistent Attack CONOPS provides a spectrum of capabilities from major combat to peacekeeping and sustainment operations. Global Persistent Attack assumes that once access conditions are established via the Global Strike CONOPS, there will be a need for persistent and sustained air, space, and information operations.
- Nuclear Response CONOPS provides the deterrent “umbrella” under which conventional forces operate and, should deterrence fail, provides options for a scalable response.
- The Agile Combat Support CONOPS details the capability to create, protect, and sustain Air and Space Forces across the full spectrum of military operations. It is the foundational, crosscutting, and distinctive capability that enables Air Force Operational Concepts.

The CONOPS approach articulates operational capabilities that will prevail in combat and avert technological surprises. Through capabilities-based planning, we will continue to invest in our core competency of bringing technology to the warfighter, which will maintain our technical advantage and keep our air and space capabilities up-to-date.

Capabilities Review and Risk Assessment

The Capabilities Review and Risk Assessment (CRRA) process is the starting point for Air Force force planning and capabilities development. It replaced an outdated threat-based review process that focused on platforms instead of warfighting effects and the capabilities needed to achieve them. The CRRA requires a focus on capabilities and fosters development of innovative solution sets. The CRRA uses our six operational concepts and the foundational Agile Combat Support concept to examine and assess our Air Force capabilities now and in the future.

During the CRRA cycle, Risk Assessment Teams, composed of experts drawn from all specialties in the Air Force and supported by models, simulations, and other analytical tools, consider the requirements of the CONOPS. They review existing and planned programs, Science and Technology activities, and non-materiel factors. They determine the Air Force’s ability to deal with an adverse event and the impact on achieving the joint warfighting effects if the Service fails to provide the capability. Any shortfalls are screened against documented Lessons Learned and Combatant Commander Integrated Priority Lists.

The CRRA provides senior Air Force leaders an operational-, capabilities-, and risk-based focus for investment decision-making. It uses operational warfighting effects as the drivers for Air Force resource allocation, while also protecting public health and natural resources.

Recapitalization / Modernization

The number one challenge for the Air Force is the need to recapitalize our aging systems. For example, our aircraft fleet now averages 23 years old. To determine the viability of these aging fleets, we chartered the Air Force Fleet Viability Board (AF FVB) in 2004 to establish a continuous, repeatable process for conducting fleet assessments. The AF FVB completed its first assessment, of the C-5A, in July 2004, and is currently studying the 43-year-old KC-135 fleet.

The principles we applied this year during the CRRRA process ensured sufficient readiness to support the Global War on Terrorism while transforming the force and maintaining an acceptable level of risk. We have proposed recapitalization and modernization project funding necessary to extend today's legacy forces while bridging to required future systems.

Our primary modernization program is the F/A-22 Raptor. The F/A-22's revolutionary low observable technology, supercruise (Mach 1.5 without afterburner), integrated avionics, and exceptional maneuverability will guarantee America's air dominance and joint force freedom of operation. The F/A-22 program is transitioning from development to full rate production and fielding, where the aircraft will join an integrated air and space force capable of responsive and decisive global engagement.

The program entered Initial Operational Test and Evaluation (IOT&E) in April 2004 to evaluate its operational effectiveness and suitability. Air-to-air capabilities were successfully demonstrated and initial air-to-ground capabilities were demonstrated with successful testing of the Joint Direct Attack Munition. In parallel with IOT&E, F/A-22 aircraft deliveries continue at Tyndall Air Force Base, Florida, where the first cadre of operational F/A-22 pilots is training. The 27th Fighter Squadron at Langley Air Force Base, Virginia, is on track to establish Initial Operational Capability for the F/A-22 in December 2005.

Complementing the tremendous capabilities of the F/A-22 is the F-35 Joint Strike Fighter, an important element of the Joint Warfighter's Tactical Aircraft Modernization plan. For the Air Force, it will recapitalize today's F-16 and A-10 combat capabilities. Specifically, it will provide affordable and survivable precision engagement and global persistent attack capabilities. Optimized for all-weather performance, the F-35 will destroy an enemy's ability to attack or defend. In 2004, the F-35 program successfully addressed early design maturity challenges. The Service Acquisition Executive responsibility also switched from the Navy to the Air Force. In this capacity, we will continue to develop the three basic aircraft variants and coordinate the interests of the Navy and Marines, along with our numerous international partners.

Remotely Piloted Aircraft have demonstrated their combat value in the Global War on Terrorism. The RQ-1/MQ-1 Predator continues to transform warfighting; providing persistent intelligence, surveillance, and reconnaissance; target acquisition; and strike capabilities against time sensitive targets. Used in every Air Force operation since 1995, Predator has amassed over 100,000 flying hours. Today, with U.S.-based flight and mission control, Predator is truly providing a revolutionary leap in how we provide military capability. Equipped with an electro-optical, infrared, and laser designator sensor, and armed with Hellfire missiles, Predator not only shortened the sensor-to-shooter timeline—the sensor is now the shooter.

We are developing the ability to operate multiple aircraft from a single ground station—in effect, multiplying our overall combat effectiveness over the battlefield. We are also developing and deploying a larger, more capable, and more lethal variant—the MQ-9 Predator B. The MQ-9 Predator B will employ robust sensors to automatically find, fix, track, and target critical emerging time sensitive targets.

By contrast, Global Hawk is a high altitude, long endurance, remotely piloted aircraft that provides robust surveillance and reconnaissance capabilities. Through the innovative use of synthetic aperture radar and electro-optical and infrared sensors, Global Hawk provides the warfighter unrelenting observation of intelligence targets in night, day, and adverse weather. Since its first flight in 1998, Global Hawk has flown over 5,000 hours—over half of that time in combat.

Global Hawk provides superior intelligence, surveillance, and reconnaissance data while deployed in support of the Global War on Terrorism. While cruising at extremely high altitudes, Global Hawk can collect information on spot targets and survey large geographic areas, providing military decision-makers the most current information about enemy location, resources, and personnel.

Dissemination and ground support exploitation systems consistently deliver timely intelligence to bring immediate advantage to combat operations. Despite its developmental status, Global Hawk is in constant demand by Combatant Commanders.

The C-17 production program continues to be a success story for the joint warfighting community. We are on schedule to receive the 180th of these force mul-

tipliers in 2008. In concert with C-5 modernization programs, C-17 acquisition is the critical enabler for meeting established airlift requirements in support of the current force-planning construct. Currently, the Joint Staff, Office of the Secretary of Defense, and Air Mobility Command are reviewing mobility requirements in light of the new National Military Strategy and the Global War on Terrorism. This Mobility Capabilities Study will provide a basis for determining future wartime airlift requirements. In the meantime, the C-17 has been the airlifter of choice in contingency operations. During Operation ENDURING FREEDOM, C-17s airdropped over two million humanitarian rations. In Operation IRAQI FREEDOM, the C-17 performed the largest troop airdrop since Operation JUST CAUSE in Panama, opening the Northern Front during initial operations.

Tomorrow's enabling capabilities will be hosted on a variety of systems to include the E-10A aircraft. The E-10A is being developed to identify and track enemy, friendly, and neutral forces, as well as non-combatants. It will provide persistent intelligence, surveillance, reconnaissance, and environmental data, and fuse multi-source information into a common operating picture. In addition, it will find, fix, track, and target low-flying cruise missiles and moving surface targets. The E-10A program and its Multi-Platform Radar Technology Insertion Program, in conjunction with other weapon system platforms, will give the Combatant Commander a seamless picture of the battlespace and an integrated defense against the cruise missile threat. This capability allows friendly forces to respond to time-sensitive opportunities with decisive force.

The Air Force has also emphasized the Persistent Ground Attack mission for the next-generation Joint Unmanned Combat Air System capability demonstration program. This system will undergo an operational assessment in the 2007 to 2010 timeframe.

We must also recapitalize our aging tanker aircraft fleet. Based on the completion of the KC-135 Recapitalization Analysis of Alternatives, the air refueling portion of the Mobility Capabilities Study, and the results of the Air Force Fleet Viability Board study, the Air Force anticipates Department of Defense direction to execute the KC-135 recapitalization program of record. This program will support both the 2005 National Defense Authorization Act, which authorized purchase of up to 100 tanker aircraft through a multi-year contract, and the 2004 Defense Appropriations Act that established a \$100 million tanker replacement transfer fund.

Capabilities-driven modernization and recapitalization efforts continue on space systems as well; as we modernize our critical constellations and capabilities across the spectrum of navigation, weather, communication, missile warning, launch, surveillance, and ground systems.

The Evolved Expendable Launch Vehicle (EELV) fields two launch designs to provide assured access to space for government systems. The Transformational Communications Satellite will employ Internet Protocol networks and high-bandwidth lasers in space to dramatically increase warfighter communications connectivity. Modernization of Global Positioning System (GPS) and development of the next-generation GPS III will enhance navigation capability and improve resistance to jamming. In partnership with NASA and the Department of Commerce, the Air Force is developing the National Polar-orbiting Operational Environmental Satellite System, which offers next-generation meteorological capability. We are well on the way to deployment of the Space-Based Infrared System, a transformational leap in capability over our aging Defense Support Program satellites. The Space Radar effort has been refocused on developing a system that meets the needs of both military and intelligence community users. Each of these systems support critical C⁴ISR capabilities that give the Joint Force Commander increased technological and asymmetric advantages.

Space superiority efforts are enabled by comprehensive space situation awareness (SSA) and defensive and offensive counterspace capabilities. Enhanced ground-based and new space-based SSA assets will provide the necessary information to gain and maintain space superiority. With respect to defensive counterspace, we maintain a diversified ground-based command and control network and are developing increased protection for our satellites and space-based services to ensure the capabilities are there in time of battle. We also recently fielded the counter-communications system to deny these same services to our adversaries. A well-balanced architecture will enable execution of an effective space superiority strategy.

Our Depot Maintenance Strategy and Master Plan calls for major transformation in financial and infrastructure capitalization. To support this plan, the Air Force increased funding in fiscal 2004–2009 for depot facilities and equipment modernization. We also began a significant push to require weapon system managers to establish their product support and depot maintenance programs early in the acquisition cycle, and to plan and program the necessary investment dollars required for capac-

ity and capability. Additionally, we are partnering with private industry to adopt technologies to meet capability requirements. The result—enhanced warfighter support.

Finally, improvements to our air and space systems will require improvements in our foundational support systems. Deteriorating airfields, hangars, waterlines, electrical networks, and air traffic control approach and landing systems are just some of the infrastructure elements needing immediate attention. Our investment strategy focuses on three simultaneous steps: disposing of excess facilities, sustaining our facilities and infrastructure, and establishing a sustainable investment program for future modernization.

Expectation Management / Spiral Development / Systems Engineering

To improve effectiveness in providing technology to the warfighter, we've enacted several new acquisition policies. Expectation management, spiral development, and renewed emphasis on systems engineering will eliminate technological surprises and reduce weapon system delivery cycle times.

Expectation management means better collaboration between the warfighting and acquisition communities during the life cycle of a weapon system. At least yearly, general officers from the major commands and acquisition community will formally review the cost, schedule, and performance of acquisition programs. Beginning with frank discussion about the “art of the possible,” these sessions will subsequently inform decision makers about the ramifications of evolving requirements and funding changes.

With a spiral development acquisition process, we expect to deliver a baseline combat capability to the warfighter faster than a process which focuses solely on a “100 percent solution.” This approach increases flexibility to respond to the ever-changing nature of external threats and resource fluctuations. Building on a solid systems engineering foundation, we expect to maximize improvements in communication and development strategy, paying dividends in transitioning technology to warfighting faster, and at reduced cost.

Systems engineering ensures that contractor-proposed solutions are both consistent with sound engineering principles and are spiral capable. It is the chief means by which we can hedge against technology risk. We must have the capability to proceed smoothly from one spiral development effort to the next, capturing as much capability as current technology and funding can produce. Under the direction of the Service Acquisition Executive, Milestone Decision Authorities will now review a program's proposed approach to systems engineering prior to approving Acquisition Strategy Plans. Indeed, systems engineering performance is so critical to our capability to transition technology to the warfighter that it is included among contractor incentives. Many of the above approaches are already in use.

In our space system acquisition, we will continue to emphasize the transition from “cost as the primary driver” to “mission success as the primary driver.” We will also continue to stress the importance of budgeting to the most probable cost—with realistic reserves—and the value of independent cost assessments, independent technical assessments, program assessments, and reviews. Maintaining sufficient reserves is essential to effectively executing these challenging National Security Space Programs.

Transforming Business Process

By leveraging the availability of global information, we are achieving significant operational advantages. All Air Force CONOPs rely heavily on critical information resources that are available “on the network” and delivered through a net-centric operating environment that is robust, secure, and available. To maintain information superiority, the Air Force must target a common infrastructure and fully leverage enterprise services and shared capabilities. To ensure the most efficient infrastructure, we are identifying enterprise-wide information resource solutions. These solutions are designed to deliver and implement efficiencies, which allow us to accelerate horizontal information integration, reduce information exchange barriers, reduce the total cost of information delivery, and shift resources to support warfighter operations and weapon system modernization.

For example, we reduced operating costs over the last two years by consolidating our networks and servers that provide Information Technology (IT) services. More importantly, networks are more stable with increased uptime and lower failure rates. We have improved our security with a better computer defense posture and are able to deploy patches and updates to the field quickly, resulting in fewer successful intrusions and denial of service incidents. In addition, the stand up of the Air Force Network Operations and Security Center will advance our consolidation

efforts and real-time monitoring of performance, configuration control, and security posture.

The GeoBase program provides standardized installation mapping and visualization support to Airmen through deployment of integrated aerial photography and geospatial data layers. These IT products support the joint warfighter common operating picture, minimize wasteful and potentially dangerous redundant data collection efforts, and enable cross-service situational awareness and decision-making capabilities.

IT Portfolio Management ensures IT investments align with Air Force priorities and produce measurable results. Annual Air Force-wide portfolio assessment ensures scarce resources are managed through the Capital Planning Investment Control processes: select, control, and evaluate. Senior leadership support of Portfolio Management enables the Air Force to gain greater visibility into resources from an IT enterprise perspective.

Likewise, we are transforming financial management by procuring and implementing a modern commercial-off-the-shelf accounting system that will produce accurate, reliable, and timely information. We are also streamlining and centralizing our customer service organizations and processes to invest more resources towards value-added demands while reducing the cost of transaction-oriented tasks. The result will be a smaller, but more efficient organization with enhanced financial management skills that can partner with stakeholders to make informed financial decisions based upon real-time information.

Department of Defense Teleport Program

The DOD Teleport program is the expansion of Defense Satellite Communications System's Standardized Tactical Entry Point (STEP) program. Teleport builds on the existing STEP program concept and was approved for initial development in 1998. Seven STEP sites have been selected to be upgraded to six Teleports: Defense Information Systems Network Northwest, Virginia; Fort Buckner, Japan; Wahiawa, Hawaii; Camp Roberts, California; Lago di Patria, Italy; and Ramstein Air Base/Landstuhl, Germany (combined Teleport site). Teleport extends services to the deployed user, providing secure and non-secure telephone service; secure and non-secure Internet Protocol routing; and video teleconferencing through worldwide satellite coverage between 65 degrees North and 65 degrees South latitudes. DOD Teleport provides these services through a variety of satellite communication systems, including the use of commercial satellites.

Air and Space Operations Center Weapon System (AOC WS)

The AOC WS is the focal point where command and control of all air and space power is harnessed to deliver combat effects to the warfighter. To make this center more effective, we made it a weapon system—and we man it and train like it's a weapon system: certified and standardized. We've injected the technology to increase machine-to-machine connectivity by developing the software and procedures to enable information fusion and accelerate the decider-to-shooter loop. We expect to have all five of our AOC weapon systems (known as Falconers) fully operational by fiscal 2006.

Integrating Operations

The Air Force provides a global presence and response capability for the National Military Strategy that gives warfighters timely and reliable access to all human, materiel and information resources. With our expeditionary approach to warfighting, we are relying more heavily on global operational support processes and extensive reachback—the ability to support overseas operations from stateside locations. We are modernizing these processes and related systems.

Key to this modernization is the establishment of common and interoperable capabilities such as a single Air Force Portal and data repository within the classified and unclassified domains. Over the past 18 months, we have designed and implemented the Global Combat Support System-Air Force program—a set of capabilities that support our vision and objectives. Using these capabilities, we have rapidly integrated legacy and newly developed applications and services, drawn information from global sources to provide a composite view of information, and eliminated the costly requirement for each program to purchase and support unique hardware and system software.

Operational Support Modernization Program

The Air Force's Operational Support (OS) transformation is a seven- to ten-year journey. By focusing on effectiveness and contribution to warfighting effects, we can identify the early steps in this transformation journey, and accelerate the delivery of changes that contribute to the core mission of the Air Force.

In May 2004, a Commanders' Integrated Product Team (CIPT) issued the Operational Support Modernization Program (OSMP) Flight Plan. The plan identified four OS critical processes—Deployment Management, Operational Response, Agile Sustainment, and Focused OS Command and Control. The plan identified three enablers of OS transformation—providing Shared Authoritative Data, executing an Integrated Workflow, and providing a Common Operational Support Picture.

Money has been set aside from fiscal 2005 to fiscal 2009 to fund modernization and transformation efforts under the Operational Support Modernization Initiatives (OSMI). This venture capital funding provides seed money for innovative ideas, allowing organizations to accelerate delivery of capabilities to the warfighter to improve effectiveness.

In 2004, the CIPT established organizations that have captured a significant portion of the operational support enterprise architecture; coordinated the OSMI-04 analysis and decision process; developed a draft version of the OS Concept of Operations for Business Modernization; and initiated a "Lean" reengineering process within the OS community while establishing the foundation for the cooperation and coordination of Business Modernization efforts among the Air Force Domains and major commands. The present Lean efforts focus on three OS critical processes: AEF Deployment Management, OS Command & Control, and Full Spectrum Threat Response, and are aimed at the needs of the warfighter.

In 2005, the CIPT expects to realize the initial benefits of the OSMP Flight Plan, including managing the OS processes and portfolio, fielding initial capabilities, beginning horizontal integration, increasing breadth of efforts, and engineering additional critical processes. Over the long term, CIPT hopes to institutionalize capabilities-based operational support.

OS modernization promotes Air Force-wide transformation efforts, ensuring a cross-functional, cross-major command, enterprise approach with the goal of a fast flexible, agile, horizontally integrated OS process and system infrastructure.

Likewise, warfighters and decision-makers are dependent on information generated and shared across networks worldwide. Successful provision of warfighting integration requires an enterprise approach of total information cycle activities including people, processes, and technology. To best leverage current and emerging technologies with warfighting operational and legal requirements, we are establishing a new organization in 2005, Networks & Warfighting Integration-Chief Information Officer (SAF/NWI-CIO). This new organization will absorb and consolidate the Deputy Chief of Staff for Warfighting Integration, Chief Information Officer, and Communications Directorate within the Secretariat. The organization will be led by an active duty lieutenant general.

Our logistics transformation provides a recent example of these transformation efforts. While current logistics operations are effective, sustainment costs are rising. In fiscal 2003, the Air Force spent over \$27.5 billion in operations and sustainment of weapon systems and support equipment. The costs will continue to escalate unless current logistics processes and associated information systems are improved.

The Expeditionary Logistics for the 21st Century (eLog21) Campaign is the Air Force's logistics transformation plan, and it is essential to our overall Air Force Transformation program. The eLog21 goals are straightforward: a 20 percent increase in equipment availability by 2009 and a 10 percent reduction of annual operations and support costs by fiscal 2011. The savings gained through eLog21 will provide the resources to support our warfighters by getting the right equipment to the right place, at the right time, and at the right price.

At the core of this effort is a comprehensive examination of the core processes used to support warfighters. A few years ago, Air Force Materiel Command began a comprehensive process improvement effort called "Lean" within our three Air Logistics Centers. "Lean" produced, and will continue to produce, substantial results. For example, Robins Air Force Base, Georgia, freed up 20,000 square feet of valuable industrial floor space to support expanded activities. We seek to expand this transformational approach to base level maintenance, installation support, and training activities.

There are many other facets of eLog21 that will leverage these improvements: expanding the regional repair concept we have employed in many deployed areas; streamlining the supply chain through better collaboration with vendors; using commodity councils that are responsible for managing the purchasing of weapon system components; and leveraging the power of information technology through enterprise resource planning, known as the Expeditionary Combat Support System.

Ultimately, eLog21 is about our people. The most important factor will be our ability to tap into the ideas and energy of the thousands of logisticians who keep our Air Force operating every day. It is not just a staff project or a new information technology. It is a team of Airmen developing new concepts in global mobility.

Future Total Force

As we move into the 21st century, the Air Force faces increasing modernization and recapitalization challenges, increasingly hard to define adversaries, and constrained budget realities. While we possess weapon systems to meet today's challenges and are investing in cutting edge technology and highly capable, highly trained personnel, we must make transformational changes to maximize the capability these advances provide. To accomplish this, the Air Force has developed a modified force structure and new organizational construct—the Future Total Force (FTF).

FTF provides the Air Force the capability and organizational flexibility to address the near-term challenges of aging systems and emerging missions. Furthermore, FTF will increase the Air Force's ability to deploy in support of combat while maintaining a credible force to continue necessary stateside training missions and Homeland Defense.

In the future, the Air Force will shift investment from “traditional” combat forces with single mission capabilities to multi-role forces, and aggressively divest itself of legacy systems. The result is a force structure with expanded capability to combat irregular, catastrophic, and disruptive threats, while maintaining the capability to combat “traditional” threats.

This smaller but more capable force will provide for modernization and recapitalization of selected weapon systems, allowing us to commit more resources to networked and integrated joint enablers. Overall, this modified force structure increases support to the joint warfighter. With more airlift and aerial refueling capability, more capable space constellations, persistent air-breathing ISR, and new ways to think about close air support, the future Air Force will provide more of the capabilities demanded by the joint force.

As part of this overall effort, the Air Force has developed an organizational construct that capitalizes on the inherent strengths of the Air Force's three components: the Active Duty, Air Force Reserve, and Air National Guard. In order to capitalize on these strengths, we based the FTF organizational construct on the successful associate model. Associate units are comprised of two or more components that are operationally integrated but whose chains of command remain separate.

Toward this vision, new organizational constructs will integrate Air Force Reserve and Air National Guard personnel with their Active Duty counterparts in virtually every facet of Air Force operations.

One of the key strengths of the Air Force Reserve and Air National Guard is higher personnel experience levels relative to Active Duty personnel. Increased integration will allow us to “rebalance” these experience levels, seasoning our Active Duty personnel through exposure to senior Reserve and Guard members. This also allows our Active Duty pilots to gain experience flying operational sorties while capitalizing on Reserve and Guard experience in an instructor capacity.

In addition to enhancing our efforts on the battlefield, Air Force Reserve and Air National Guard members give us unsurpassed tools to conduct Homeland Defense missions. While still involved in expeditionary operations, FTF will increase the role of the Reserve and Guard in emerging stateside missions—a perfect fit for our Citizen Airmen. These changes will not only improve our operational effectiveness, but will reduce reliance on involuntary mobilization, providing more stability for Citizen Airmen and their civilian employers.

The FTF, a modified force structure and new organizational construct, will give us the needed capabilities to meet future strategic challenges. Along with FTF, the Air Force has instituted initiatives in several key areas for the future.

Science and Technology

The Air Force is committed to providing the nation with the advanced air and space technologies required to protect our national security interests and ensure we remain on the cutting edge of system performance, flexibility, and affordability. Air Force Science and Technology (S&T) investments are focused on achieving the warfighting effects and capabilities required by the Air Force Concepts of Operations.

By focusing on the technologies we believe we will need in the next 10 to 25 years, we have made great strides in the information technology, battlefield air operations, space operations, directed energy, and sensors areas. We are pursuing key technologies, for example, sensors to identify concealed targets; automated information management systems essential to net-centric warfare; and countermeasures for Man-Portable Air Defense Systems.

One example, under development, is an integrated Surface Moving Target Indicator (SMTI) network composed of manned and unmanned air and space assets that will enable the Combatant Commander to remotely find, fix, track, target, and engage moving targets. Lessons learned from Operations DESERT STORM, ENDURING FREEDOM, and IRAQI FREEDOM reflect the growing importance of SMTI. This proven capability shortens the kill chain by providing the warfighter the ability to “put a cursor on the target.” By linking future SMTI capability to find, fix, and track a moving target to the F/A-22 and F-35 capability to target and engage that same target, we achieve a transformational battlefield capability.

Other technologies, such as laser communications to increase data transfer rates or advanced micro air vehicles to provide persistent intelligence, surveillance, and reconnaissance, will increase future warfighting capabilities.

Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance

Our goal is to achieve joint horizontal Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C⁴ISR) integration and interoperability for the entire joint force. The vision is a seamless and ubiquitous network where space, air, and terrestrial assets have global machine-to-machine connectivity; where warfighters are armed with decision dominance, speed, and precision; and where weapon systems and platforms are “network-enabled.”

The Airborne Network for ConstellationNet

The Air Force provides transportation layer components of the overall Department of Defense Global Information Grid under an effort we call ConstellationNet. The ConstellationNet is the information transport network (space, air, and ground) that allows a free flow of information rapidly accessible and presented to warfighters at the right time and right place to create the Combatant Commander’s desired effects. The key to achieving information superiority is developing a robust space and air network that provides connectivity to network enabled platforms, fused intelligence, and real-time command and control. We are building the architecture and infrastructure that connects these platforms, creating a network in the sky.

The space and air network will leverage evolving technologies and bring about the network-centric operations capabilities of Internet Protocol-based networks to overcome the current challenge of making the information exchange between platforms completely interoperable without degrading performance. These new technology standards and protocols will be incorporated through programs like the Joint Tactical Radio System, the Transformational Communications Satellite System, and the Global Information Grid-Bandwidth Expansion.

The Ground Network for ConstellationNet

The Combat Information Transport System (CITS) provides the Air Force ground segment of the ConstellationNet. CITS is structured into three components. The first is the communications transport component, which delivers high-speed and high-capacity network backbone capability for the distribution of voice, video, data, sensor, and multimedia information inside the base campus, as well as the gateway off the base to the Defense Information Systems Network and Global Information Grid Bandwidth Expansion locations. The second component is Net Battle Management. This component provides the capability to Air Force Network Operations and Security Centers (NOSCs) to centrally command and control the Air Force ConstellationNet across space, air, and ground information transport domains. To command and control the network, the NOSCs must have the ability to control the flow, routing, and traffic priorities of information based on mission requirements. Additionally, they must have the ability to grant and deny access to the network based on mission need and threat to the Global Information Grid. This leads to the third component of CITS, Net Defense. The Net Defense component integrates and fields information assurance capabilities across the ground component, to prevent unauthorized access to ConstellationNet.

The Air Force envisions machine-to-machine communication between platforms, manned and unmanned, on the ground, in the air, and in space. To command and control these interactions, the Air Force has initiated an effort called Warfighting Headquarters.

Warfighting Headquarters

We are transforming our command and control structure by establishing new Warfighting Headquarters (WFHQ), positioned globally, and replacing our old Cold War structures to provide the Joint Force Commander with the most effective means to command and control air and space forces in support of National Security objectives. This new standing command structure consists of the Commander of Air

Force Forces (COMAFFOR), the COMAFFOR's personal and special staffs, and the Air Force Forces functional staff. These forces will be organized and resourced to plan and deliver air and space power in support of U.S. and Unified Combatant Commander (UCC) strategies at a core capability level on a daily basis, further easing the transition from peacetime to wartime operations. The WFHQs are also structured to assume responsibilities immediately as the Combined or Joint Force Air Component Commander, and with the appropriate augmentation from the UCC, could assume the role as a Joint Task Force headquarters. The Warfighting Headquarters will also leverage the increased capabilities developed through Joint Warfighting Space.

Joint Warfighting Space

The Air Force is intensifying its focus on operationally responsive space—the ability to rapidly employ responsive spacelift vehicles and satellites and deliver space-based capabilities whenever and wherever needed. The first step in achieving a global Operationally Responsive Space capability is the Joint Warfighting Space (JWS) concept. JWS will provide dedicated, responsive space capabilities and effects to the Joint Force Commander in support of national security objectives. The concept seeks immediate and near-term initial operating capabilities to meet pressing Joint Force Commander needs, and a Full Operational Capability beyond 2010. Additionally, the Air Force envisions that JWS system capabilities will evolve as technology advances and the needs of the theater commander change.

In the near-term, JWS will exploit existing off-the-shelf technologies from each Service. It will enhance and incorporate space capabilities in joint training and exercises, increase space integration in the AEF, and allow the Joint Force Commander to take advantage of the many synergies provided by multi-service space professionals. Lessons learned from JWS in exercises and crisis employment will initiate changes to space doctrine and help the Air Force, fellow Services, and joint community develop innovative space-derived effects.

As technologies mature, JWS will bring the Joint Force Commander enhanced, dedicated capabilities that eliminate gaps in present-day space operations. The long-term plan envisions a fully capable expeditionary force, ready and responsive to theater warfighters' needs at the operational and tactical levels of war.

When fully operational, the JWS capability will deliver responsive near space (i.e., the area above the earth from 65,000 to 325,000 feet altitude) and on-orbit capabilities to directly support the Joint Force Commander. If required, JWS squadrons could deploy from stateside to operate near space assets or integrate JWS capabilities into theater operations.

Improving Close Air Support and Battlefield Airmen

To increase its rapid strike capabilities in the close battlefield, the Air Force is examining new ways to improve upon its joint close air support (JCAS) mission, as well as implementing a way to better train personnel for the employment of air and space power.

By combining the payload, long-loiter, and high-altitude capacity of bombers with precision munitions, improved command and control, and precise targeting, we have expanded our ability to conduct CAS. Performing CAS at high altitude with great precision and persistence is a major advancement in joint operations with land forces. Using laser and Global Positioning System-guided bombs such as the Joint Direct Attack Munition (JDAM), and with direct communications with a ground controller, a variety of aircraft are able to drop large numbers of JDAMs very close to friendly troops, destroying the enemy with massive, yet tailored, firepower. This capability provides day/night and all-weather support to ground forces.

Today, primarily fighter and bomber aircraft, like the A-10, B-52, and F-16, conduct CAS. As these aircraft begin to reach the end of their service lives, F-35A Conventional Takeoff and Landing (CTOL) and F-35B Short Takeoff and Vertical Landing (STOVL) variants will become the Air Force's workhorses for CAS and other missions.

The F-35B STOVL variant offers a capability to operate with advancing U.S. Army, Marine, and Special Operations forces in a non-linear, dynamic battlefield. In addition, the F-35B will have commonality and interoperability with F-35s operated by other Services and Allies, facilitating Joint and Coalition operations.

Additionally, Tactical Air Control Party Modernization Program improvements are transforming close air support control from reliance on voice communications during day/good weather conditions to digital/video and night/all-weather capability. The Remote Operations Video Enhanced Receiver kit provides real-time video from remotely piloted aircraft and other video transmitters. It includes computers, software, and data link operations, and can transmit targeting information as well as

formatted and free-hand messages. Laser range-finders and laser designators provide the ability to take full advantage of precision and near-precision munitions. Quickly and accurately identifying and relaying target information not only makes our forces safer by allowing engagement of enemy forces in minimum time, but also reduces the risk of engaging the wrong target.

Long-Range Strike

To further refine its rapid strike capabilities, the Air Force is transitioning its Long-Range Strike strategy to focus on effects instead of platforms. We view long-range strike as the capability to achieve the desired effects rapidly and/or persistently on any target set in any environment anywhere at anytime. The Air Force is responsible for conducting long-range strike missions as part of the Global Strike Concept of Operations. Our forces must be responsive to multiple Combatant Commanders simultaneously and able to strike any point on the planet.

Today, we provide deep strike capabilities through a variety of platforms and weapons. Future capabilities must continue to enhance the effectiveness of the system. Responsive capabilities combine speed and stealth with payload to strike hardened, deeply buried, or mobile targets, deep in enemy territory, in adverse weather, with survivable persistence in the battlespace.

Special Operations Forces

We are emphasizing the unique effect produced by the synergy of Special Operations Forces (SOF) and rapid strike, and evolving requirements for SOF in the Global War on Terrorism. As part of meeting these new mission sets, we will continue to work in an increasingly joint environment with our sister service SOF units, and in concert with U.S. Special Operations Command. Our SOF units will enhance Army operations concepts resulting in a wider dispersion of ground forces across the battlefield.

New mobility platforms such as the CV-22 Osprey and the Advanced Air Force Special Operations Forces Mobility Platform will add a new dimension in the ability to conduct SOF operations. Additionally, the F/A-22 will be a key enabler of forward operational access for joint forces. The Raptor will use its stealth and supercruise capabilities to support SOF and other maneuver elements deep in enemy territory, in what would otherwise be denied airspace.

Closely related is the need to rapidly recover and extract personnel. We have begun the Personnel Recovery Vehicle Program, seeking to achieve initial operational capability in fiscal 2013 and replace the aging HH-60 combat search and rescue aircraft.

We will continue to leverage our highly trained, highly motivated SOF personnel and develop technologies to devise a smaller, harder-hitting, faster-reacting, highly survivable force that maximizes the element of strategic and tactical surprise to defeat America's current and potential adversaries.

SUMMARY—ON COURSE FOR THE FUTURE

The Air Force of the future makes the whole team better. Built around the 2025 Force and its accompanying organizational construct, the Future Total Force, the Air Force will be a more capable, smaller force. As such, the future Air Force increases the capability and flexibility of the joint force—and, subsequently, increases options for the Secretary of Defense and the President. These military options will be crucial to the defense of the nation as the United States continues to wage the GWOT while transforming and strengthening the joint force for any future contingency.

The Air Force offers an unparalleled set of combat capabilities to directly influence any joint or interagency operation, as well as the enabling capabilities to improve joint warfighting capabilities on the ground, on or under the sea, and in the air and space. Recognizing that no Service, or even DOD, can achieve success by itself, the Air Force has focused on increasing the integration and effectiveness of the joint force and interagency team.

To achieve new levels of integration and effectiveness, the Air Force will take advantage of the United States' long-held command of the global commons—air, sea, space, and cyberspace. The Air Force intends to extend its current air and space power advantage. As part of the joint force, the Air Force is positioned to leverage its persistent C⁴ISR, global mobility, and rapid strike to help win the GWOT, strengthen joint warfighting capabilities, and transform the joint force—while minimizing risk.

To accomplish this requires focused investment in our people, science, and technology, and recapitalization of our aging aircraft and weapon systems.

As threats change and America's interests evolve, we will continue to adapt and remain the world's premier air and space force. Together with our fellow Services, we stand resolute, committed to defending the United States and defeating our enemies.

Senator STEVENS. General Jumper.

General JUMPER. Mr. Chairman, Senator Inouye, Members, it's a pleasure to share this table this morning with Mr. Dominguez, and I want to second my support for the priorities that Mr. Dominguez has laid out this morning. My comments this morning will be very brief.

RECRUITING AND RETENTION

Today, we have 28,000 airmen deployed, working the issues that confront us around the world. Six thousand of those are from the Air National Guard and the Air Force Reserve; and 2,000 of that 6,000 are volunteers. We are making our recruiting goals in almost every category, and our retention goals, also, in almost every category. And we enjoy great support from our Air National Guard and our Air Force Reserve of the missions of the United States Air Force.

FLYING OPERATIONS

We're flying about 150 sorties a day over Iraq, and about 75 sorties a day over Afghanistan every day. These missions include close-air support and surveillance missions. We have Predator—multiple Predator orbits up, doing surveillance for the forces on the ground; a very significant airlift effort, both the strategic airlift that comes across the oceans to resupply our forces and the tactical airlift that flies within the theater every day. A significant tanker effort, that is required to keep the airplanes from all of the services in the fight, takes place every day and goes largely unsung as our mobility force participates in Operation Iraqi Freedom. In the midst of all of this, we responded to the tsunami with more than 18 million pounds of relief supplies that were delivered in the tsunami effort in and around Indonesia to relieve the beleaguered people there. Overall, over 300,000 sorties this past year in our efforts around the world.

RECAPITALIZING FORCE STRUCTURE

I share Mr. Dominguez's grave concern, and put the highest priority on recapitalizing our force. As an example, our tanker force and our—portions of our C-130 fleet are over 40 years old, and we are already seeing about 2,000 of the 6,000 airplanes in the United States Air Force are under some sort of a flight restriction, mainly due to aging considerations. We need to put emphasis on this. And, again, I share Mr. Dominguez's priority to put emphasis on recapitalizing our fleet.

VISITING AIRMEN AROUND THE WORLD

And, finally, Mr. Chairman, you know the great people that are out there. And let me just tell you how important it is when you and members of this subcommittee, which you have all done, travel over to the area of responsibility (AOR) to visit our people. Believe me, they notice, and they—and I hear about it—and they appre-

ciate that visible sign of support, when you all come and see them in action. It lets them know that the people back home do, indeed, support them. So I thank you for all your personal efforts to go make yourself visible to the forces that are, indeed, engaged around the world.

I look forward to your questions, sir.

Senator STEVENS. Thank you, sir. And thank you both for your brief statement.

I'm going to yield to Senator Inouye. We have a vote that's going to start at 10 o'clock, and then we have to go join the House for a joint session, starting at about 10:25, so this hearing will end about 10 minutes after 10.

I yield to you, my friend and co-chairman.

STATEMENT OF SENATOR DANIEL K. INOUE

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

I have a prepared statement. I ask that it be made part of the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Mr. Chairman, I join you in welcoming our representatives from the Air Force. General Jumper, Secretary Dominguez we thank you for being here today.

As the President's request was being formulated this winter, word of many changes started to crop up in the press, such as terminating the C-130, and canceling the F-22.

As we review the actual budget we see that many of these issues are really recommendations that would occur in future budgets.

For example, this budget includes funding to purchase the F-22, and while it does not include funding for Air Force C-130's, it does fund the Marine Corps C-130 tanker.

Nonetheless, the decisions to truncate plans for the F-22 and C-130 are controversial matters that we will need to understand. We would expect that today's hearing would provide a forum to address these issues.

Mr. Secretary, the Air Force is to be commended for its support of Operation Noble Eagle here at home, and Operations Enduring Freedom and Iraqi Freedom overseas.

We know that the Air Force has provided great support for our ground forces in theater, using your tremendous airlift, reconnaissance, and fighter aircraft.

In addition, what many people may be surprised to learn is that there are approximately 2,600 airmen and women in Iraq in direct support of the Army and marines serving as truck drivers, security guards and combat engineers.

Mr. Secretary, General Jumper, in our hearings with the Army, Navy and marines I have expressed my concern about recruiting and retention. The other services are experiencing difficulties recruiting or retaining personnel. At this moment, the Air Force has the opposite problem, you have more military personnel than you can afford. So, I hope you will address this matter today to explain how the Air Force can be exceeding its personnel goals while the other services are having shortfalls.

Gentlemen, we sincerely appreciate all that you and the men and women in your service are doing for our Nation. We cannot be more grateful for the sacrifices that you make every day.

Mr. Chairman, I thank you for calling this hearing and I await the testimony of our witnesses.

Senator INOUE. I want to point out that most Americans don't realize that you have about 2,600 men and women in Iraq, airmen and airwomen, driving trucks, doing combat engineer work, traffic, the jobs that other people do, like the Army or the Marines. And I want to commend you for pitching in to help the other services.

Second, As you know, General, at this time, all services, with the exception of one, are having problems on recruiting and retention. You have a problem of your own. You've got too many of them.

General JUMPER. Yes, sir.

Senator INOUE. We'd like to get some explanation on how you're able to achieve all of that. Naturally, as I've pointed out in the past, I'm concerned about the plans you have for C-130s and the F/A-22s. These are—matters, I believe, which are not only of concern for Hawaii and Alaska, but for the whole Nation, and, for that matter, for the security of this globe.

So I thank you very much for the service that all of you have rendered in Operation Iraqi Freedom and Enduring Freedom and Noble Eagle. Great job, sir.

General JUMPER. Thank you very much, sir. I appreciate that very much.

Senator STEVENS. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman. I know time is short. I just want to welcome General Jumper and Secretary Dominguez to the subcommittee. I felt fortunate that I've spent a great deal of time with both of them. I think I even made their staff nervous because of the amount of time it took in my office with them yesterday. I spent the time because of the great respect I have for General Jumper's leadership. And, Mr. Secretary, I'm glad you're here. I've known General Jumper for some time, and I greatly admire him and his leadership team. I know they face some significant shortfalls—\$3 billion in operations and maintenance, almost \$750 million in personnel costs. I know we've always tried to work together in a bipartisan way to help them on these budgets, Mr. Chairman, and I pledge to work with you and Senator Inouye on that. But I just wanted to compliment them. If we don't have time for questions, I'll submit it for the record.

General JUMPER. Thank you, sir.

MILITARY PERSONNEL END STRENGTH MANAGEMENT

Senator STEVENS. Thank you very much. You both have mentioned the fact that you're, sort of, utilizing attrition to meet your top line, as far as personnel is concerned. Tell us about that. You expect to go down to October—is that what you said, Mr. Secretary?—and then start recruiting? Our figures show that you're pretty much above your end-strength level authorized right now.

Mr. DOMINGUEZ. Senator, we're—right now, at the end of March, we're about 3,000 airmen over our authorized end strength. That's the place we're supposed to be September 30. So we are in very comfortable territory. It's within the margin, now, of the wiggle room authorized by the Congress, plus or minus 3 percent of our end strength.

We've been working the problem pretty aggressively for a couple of years. Of course, the biggest gains were the ones that we resisted having to make, and that's taking a very steep nosedive in our recruiting in fiscal year 2005, which we have, but we are recruiting. We are recruiting to our most critical shortfall skills. And we figured we could do that with a 1-year holiday. But we need, in fiscal year 2006, to return back to a normal recruiting year about 30,000 active component airmen, and that is the plan.

Now, in addition to dealing with accessions to get to our end strength, we've been doing some pretty aggressive things to try and entice people to leave us when they're in overage skills. We've implemented career job reservation, where, if you're in an overage skill, you have to retrain into a shortage skill when you re-enlist. So these are all difficult kinds of things. We didn't like doing them, but we were obligated to do so.

I want to highlight, one thing that we are trying to do is that we've worked in close partnership with the Army. Anyone in the Air Force who wants to move into the Army and continue their service there, we have a program called "Blue to Green" to help facilitate that movement.

RECRUITING

General JUMPER. We essentially cut our recruiting in half for this fiscal year, sir. And, essentially, from October to February, we essentially shut down recruiting. We picked it up again in February and are trying to work our way back into normal recruiting. But that's the step, the major step, we took to meet our end strength problem.

Senator STEVENS. Thank you very much.

Let me state, for the members here, we have 20 minutes left of this hearing. The vote will start at 10 o'clock. Let me yield each of you 5 minutes, and then we'll see what happens with the last 5 minutes, whether someone else comes in.

Senator Inouye is recognized for 5 minutes.

Senator INOUE. Mr. Secretary and General, I'd just like to make a note and reflect upon history. When the B-2 was planned, we had planned for, I believe, 132. And, at that time, I believe the B-2 was going to cost us about \$350 million per aircraft. In order to cut costs, so they were told, we cut it down to 21, and each B-2 cost around \$2 billion. I see something like that happening to the F/A-22. Would something like that happen again, sir?

General JUMPER. Go ahead.

AIRCRAFT ACQUISITION

Mr. DOMINGUEZ. Senator, we may be poised on that, and that's certainly part of the discussion that we're going to have with Secretary Rumsfeld and his team through the summer in the Quadrennial Defense Review (QDR). But, largely, the up-front investment costs of building that airplane are sunk. If you—to buy the airplanes that were taken out of the budget in this latest round—costs about \$10 billion for 100 airplanes. That's about \$100 million a copy for the product. And legacy airplanes, the F-15E, if you were going to buy another one of those today, you'd be in the \$90 to \$100 million range, as well. So the sunk-cost argument is something we have to be really careful to explain.

QUADRENNIAL DEFENSE REVIEW

General JUMPER. We've got to make sure, sir, that, as we go into the Quadrennial Defense Review—I don't think that there's an argument about the capability of the airplane; it's going to be an argument—not an argument—it's going to be a discussion about the

numbers of airplanes. And that's a relevant discussion. And the Secretary of Defense said we would have that discussion. And, hopefully, we'll be able to amortize all this investment we've had over the correct number of airplanes when we finish the Quadrennial Defense Review.

Senator INOUE. I wish you the best, sir.

General JUMPER. Thank you, sir.

Senator INOUE. We'll do whatever we can.

The other matter that concerns me is the C-130J termination plans. I've been told that it may cost an extra billion dollars. Is there any truth to that?

C-130J PROGRAM

Mr. DOMINGUEZ. Sir, what is accurate today is that the costs estimated for termination of the C-130J multiyear that are in the President's budget were underestimated. We know that, absolutely. The Secretary of Defense has acknowledged that. And his Office of Program Analysis and Evaluation is, right now, re-looking at that, trying to get a handle on what—the more accurate figure of the costs of terminating the multiyear. The Secretary has committed to providing that information to the Congress, if not by the end of this month, certainly in the early part of May, before you're deep into your markup of the 2006 budget.

General JUMPER. And we also think, Senator, that, as the mobility requirements study is completed by the end of this month, that the mobility capabilities study will help inform the Office of the Secretary of Defense (OSD) and the Secretary of Defense on the proper steps to take for the C-130J multiyear contract.

Senator INOUE. And I think the study will show that the C-130J is needed. Am I correct?

General JUMPER. Sir, I haven't seen the study, but if I look at the world out there that we live in today, certainly there's great demand for the C-130. And, as you well know, the C-130s in the Air Force that we have today, many of them are facing groundings because of wing cracks. So that requirement, I see—personally, as I see it, is growing.

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

Senator STEVENS. Senator Domenici is recognized for 5 minutes.

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

FUTURE AIRSPACE AND TRAINING RANGES

General, I want to talk a little bit about airspace for the future. It's my understanding the Air Combat Command has 10 training ranges across the United States. These ranges support different types of aircraft and targets, and allow for live-ordnance delivery. These ranges and the airspace are critical, as I understand it, to the training of our Nation's premier aircraft. I believe it's less likely that new sources of airspace will be available for the Department of Defense in the future. In addition, recapitalizing tactical air assets with the Joint Strike Fighter (JSF) and with the F-22 will place greater demands on the need, as I understand it, for quality ranges. Is that correct?

General JUMPER. Sir, that's absolutely correct.

Senator DOMENICI. Do you share my view that airspace for the Air Force will be at a premium in the future?

General JUMPER. I do, indeed, sir.

Senator DOMENICI. All right. Why is it important that the Air Force of the future control large training ranges and the associated airspace?

General JUMPER. Well, sir, the very speed of the airplanes and the standoff distances of our weapons dictate ever-increasing demands for airspace in an environment where that airspace is decreasing. So, if you take, for instance, an F/A-22 that can supercruise at 1.5 Mach, or a small-diameter bomb that, when released, can glide out 65 miles to its target, those parameters are much different than anything we've seen with legacy airplanes in the past.

Senator DOMENICI. And we hear a lot about training without having to do actual missions and actual in-the-field training, but do you believe that live, realistic training aircraft, like the JSF, will be critical to the combat success of those kind of airplanes?

General JUMPER. We'll never be able to substitute for all of live training. There's no doubt about it. Certainly, distributed mission training and distributed mission operations will allow us to have our aircrews train with certain types of platforms that are hard to get into the training environment, especially surveillance platforms. And we'll do that in a distributed way.

There will be some training with next-generation munitions that we'll do in a simulator environment. But, in the end, you can never substitute—and, as a matter of fact, the great leverage that our airmen have is training, and the great leverage that we have over other air forces in the world is our ability to go out and do this live training, as you described.

Senator DOMENICI. Well, I would assume, with all that, that it will be difficult to go out and obtain new facilities, new airspace, new ranges to do this. Is that correct, General?

General JUMPER. Absolutely, sir.

Senator DOMENICI. I look out in the West, and I don't see where you'll get them.

General JUMPER. Yes, sir.

Senator DOMENICI. Is that a—

General JUMPER. It's going to be—

Senator DOMENICI [continuing]. Fair statement?

General JUMPER [continuing]. It's going to be very difficult to get more than we have, yes, sir.

Senator DOMENICI. And will not the JSF, which is a higher-performance aircraft as compared with the F-16—will it not need supersonic ranges for it—to complete its overland training?

General JUMPER. Sir, to a lesser extent than the F/A-22, but, yes, similar to the F-16. But, still, that makes that supersonic airspace very precious.

Senator DOMENICI. And why is it important that they be able to train at supersonic?

General JUMPER. Well, sir, you can't—in the modern airplane, quite frankly, and you're in the middle of a fight, you don't know when you've gone supersonic. So, if you're having to pay attention to your airspeed indicator all the time to make sure that you don't create that sonic boom and disturb the people on the ground, whose

support we need, then you're paying attention to artificialities that you don't want to be—have in your habit patterns.

Senator DOMENICI. So the same thing would be true as you train.

General JUMPER. Precisely, sir.

Senator DOMENICI. Thank you very much.

Senator STEVENS. Thank you.

Senator Leahy.

Senator LEAHY. Thank you. Thanks, Mr. Chairman.

COMMUNITY BASING INITIATIVE

General Jumper, we discussed this somewhat yesterday, but the Air Force has currently launched an important community basing initiative with the 158th Fighter Wing in the National Guard. I'm well aware of it, because the 158th is in my home State of Vermont. You're going to station active duty personnel at Guard bases to work alongside their counterparts. I think it's an excellent idea. It's going to allow the regular Air Force to draw on the Guard's knowledge and expertise, and vice versa. The F-16 pilots that are maintained at the Vermont Guard have an incredible amount of experience. They are, of course, the ones who flew cover over New York City after 9/11 around the clock for some considerable period of time.

My understanding is that 12 Air Force personnel will be coming to Vermont. We could accommodate an active duty associate unit of at least 200 pilots and maintenance personnel. I know a lot of other Guard units, very good Guard units around—across the country could do that. Where do you see this going? I know this is something you're looking at not just for today, but where we are 3 years and 5 years down the road. Where do you see it going?

General JUMPER. Sir, Mr. Dominguez has been in the personnel business in our Air Force before he became the Acting Secretary, and he and the rest of us have been very involved in making sure that the Air National Guard participates in the missions that are in demand of our Air Force, as the active duty also transforms itself—so, missions such as, not only the flying mission, but space, information warfare, unmanned air vehicles, et cetera. We want the Air National Guard and the Air Force Reserve to participate in all of those.

We also want to make sure that, wherever we can, we have the active and the Air National Guard working together. And this is the case in the community basing idea, which we are looking very much forward to testing, beginning this summer when all of our people arrive.

I've told you that the Chief Master Sergeant of the Air Force has been up to visit that unit, and his report was absolutely outstanding. I have every confidence that this experiment will be a success, and we'll look for other similar opportunities to either grow this capability or put it elsewhere. And I have a feeling that this model will be in demand in several other places. So, it's a very good model, sir.

FUTURE TOTAL FORCE

Senator LEAHY. I have sort of a corollary question. I see, in the Air Force's future total force, a disproportionate number of tactical

airplanes in the Guard being retired. And I'm just wondering if we're, on the one hand, working with the Guard, but, on the other hand, cutting back their ability to carry out this integral part. And I'm not just singling out the Air Force; I think everybody throughout the military command are going to hear this question, whether it's the Army or the Navy or whatever, because of the huge contribution the Guard's been making in the last 3 years in all these branches.

General JUMPER. Sir, our full intention is to bring the Guard along with us. And, as you know, we have an associate Guard relationship at Langley Air Force Base, Virginia, which will be the first F/A-22 unit with the Air National Guard unit in Richmond, Virginia. So, our intention is to, as I said before, bring the Air National Guard into the main mission stream, continue them into the main mission stream, as they have been.

In the plans that we have, there is absolutely no intention to bring down the end strength of the Air National Guard. So, if there are cuts in personnel, those cuts will come out of the active duty force.

With regard to the aircraft, we are simply trying to align the hardware in the Air Force where the demands for the missions exist. And we are doing that in full collaboration with the National Guard. We have National Guard members on the team that are working these issues. They are in the Pentagon with us every single day working these issues.

So, I think it's with full visibility, sir, that we're trying to do the right thing as our missions transform in the Air Force.

Senator LEAHY. Well, General, if you, and, Mr. Secretary, if you, as this goes on, can you periodically give briefings to my staff. I would really appreciate it. Thank you.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you, Senator.

Senator Dorgan is recognized for 5 minutes.

Senator DORGAN. Mr. Secretary and General, thank you very much.

General, I understand this may well be the last time you will appear before the Appropriations Committee as Chief.

General JUMPER. Yes, sir.

Senator DORGAN. And let me just tell you that, from my standpoint, I think you've done an outstanding job. I've appreciate working with you. I think you've always been straight with this subcommittee, and we appreciate your service.

General JUMPER. That's very kind, sir, thank you.

BASE REALIGNMENT AND CLOSURE

Senator DORGAN. Let me ask you about Base Realignment and Closure (BRAC), base closing. What kind of excess capacity have you indicated to the Secretary of Defense exists in the Air Force? How much, and what kind of excess capacity?

General JUMPER. Sir, what we did in the BRAC process was lay out our military requirements. And in the military requirements that have to do with range space and the necessity to distribute ourselves properly around the United States to be postured for various contingencies, either homeland contingencies or deployment

contingencies, we've laid out those requirements, which then go into an analytical process.

So, sir, we, quite frankly, have not taken this as a base-by-base issue. It's an overall requirements issue. And to keep this process completely clean, I have absolutely stayed away from any consideration of base-by-base matters.

Senator DORGAN. General, I understand that. That wasn't what—

General JUMPER. Yes.

Senator DORGAN [continuing]. I was trying to get at. My question was, there have been—all of us, on this subcommittee, I think, have read assessments that there's 20 percent excess capacity here or there, or 15 percent or 25 percent, it's in this area or that area. And that's the set of information that gave rise to a BRAC.

General JUMPER. Right.

Senator DORGAN. So I assume, coming from each of the services, and all of the services, the notion of how much excess capacity they had was a stimulant for the Department of Defense (DOD) requesting a BRAC round. And I guess, I'm trying to evaluate, not with respect to individual bases—

General JUMPER. Right.

Senator DORGAN [continuing]. Or major installations—

General JUMPER. Right.

Senator DORGAN [continuing]. What kind of excess capacity do you think, or did you recommend, exist at this point?

General JUMPER. We weren't asked the question exactly that way, but if I give you my estimate, it was about 20 percent. Now, that's just for the Air Force. As this goes into consideration, joint usage comes into the equation, too. So that 20 percent may become less as joint utilization options also are considered.

Senator DORGAN. Are there categories in which that 20 percent exists relative to other categories, such as, in some areas they talk about training, and other areas as having substantial—or depots having excess capacity?

General JUMPER. Um—

Senator DORGAN. Do you recall—

General JUMPER [continuing]. Sir, I don't want to try—I don't want to be overly specific here, because I'm not exactly sure. It's not just training; it would be training and education, for instance.

Senator DORGAN. Right.

General JUMPER. So the categories are parsed out, the way I understand it, and I don't want to sit here and quote what the categories are, because I'm not sure I'd get it right. But, if you don't mind, I'd take that for the record, if that's okay with you—

Senator DORGAN. That's fine.

General JUMPER [continuing]. And get that to you.

[The information follows:]

BRAC EXCESS CAPACITY CATEGORIES

The Air Force analyzed infrastructure capacity in terms of installation categories, more specifically a set of installations identified as "major installations." A parametric analytical technique was used which provided a rough measure of excess capacity. The results of this methodology provide a credible assessment of aggregate excess capacity.

The Air Force identified nine categories of supporting infrastructure needed to support its current and future force structure. The categories and aggregate excess capacity numbers are broken down as follows: Administrative: 31 percent; Air Force Reserve: 36 percent; Air National Guard: 34 percent; Depots: None; Education and Training: 45 percent (classroom space), 12 percent (ramp & supporting facilities); Missiles & Large Aircraft: 27 percent; Small Aircraft: 16 percent; Space Operations: 35 percent; and Labs Test Centers etc.: 18 percent.

This and a more detailed description may be found in the Report to Congress on Base Realignment and Closure 2005, dated March 22, 2004.

Mr. DOMINGUEZ. Senator, if I might, the answers to those questions are in the analysis that General Jumper described and these are rough-order-of-magnitude estimates, but the details are being worked now.

Senator DORGAN. Right.

Mr. DOMINGUEZ. And so, the answers are still forthcoming, sir.

Senator DORGAN. Well, there will be no small amount of interest in all of these issues, in virtually every office here on Capitol Hill.

AGING TANKER FLEET

Let me ask about tankers. In recent years, General, you have come to us to talk about the aging tanker fleet and the urgency with which that we deal with that. As you know, we've proceeded with the 767 issue. That's gotten snarled in a number of different ways. And so, the question is, Does the urgency still exist? If so, where do you think we are? And I don't see—at this point, we don't have, I think, a mechanism underway to try to find a way around this. So give us your assessment of the tanker-fleet situation.

General JUMPER. Sir, I think that we are—we'll await the outcome of the analysis of alternatives, which is formally being done now, and expect to see the results of that in the summertime. As soon as that analysis of alternatives is complete, then we'll have a path ahead to start a formal acquisition program. The urgency of recapitalizing the tanker fleet, I think, grows every day, and my concern is if I lose sleep over one thing at night, it's about the aging aircraft problem and the corrosion problems we have, and it's especially in our tanker fleet. So, I think that we will step out with all urgency, once we see the analysis of alternatives, to get a formal program underway, with all the provisions of the acquisition process that have been a concern with the formal proposal.

Senator DORGAN. Mr. Chairman, I will just conclude by saying, I think of significant interest to all of us, as well, is the issue of the Air Guard and the—

General JUMPER. Yes, sir.

Senator DORGAN [continuing]. F-16s and all the related issues of the Air Guard.

General JUMPER. Yes, sir.

Senator DORGAN. And I want you, always, when you go to bed, to remember the Happy Hooligans, who have—as you know, have won the William Tell Trophy more than once and are, I think, the best fighter pilots in the Air Force.

General JUMPER. They're hard to forget, sir.

Senator DORGAN. Well, again, General, you've done a first-rate job, and thank you very much for being here.

General JUMPER. Very kind.

Senator DORGAN. Mr. Secretary, thank you.

Senator STEVENS. Thank you all for your brevity.

F/A-22 PROGRAM

On the F/A-22, it's got a similar problem now, as I see it. Am I wrong? We have a proposed reduction in procurement of the F/A-22, and that's going to have some change in terms of future investment and cost. What is the future operational impact of this request to reduce the investment in the F/A-22 this year?

General JUMPER. Sir, I think that if the number is, indeed, reduced, as the proposal exists today, then we will be returning with a request for something to fill in for those capabilities.

Our proposal right now, if we lay out the Air Force requirement, I would ask for about 380 F/A-22s that would replace between 800 and 900 legacy airplanes. If we can't get to that number, or if the number is significantly less than that, then we'll have to come back and ask to fill in some of those blanks with legacy airplanes. And, as I pointed out earlier, I think those legacy airplanes will cost just about as much as an F/A-22.

Mr. DOMINGUEZ. Senator, if I might, that exact question is a thing that we'll be wrestling with through this summer in the Quadrennial Defense Review, because they're going to be looking at the air dominance problem and what's the best way to get to air dominance and sustain it.

Senator STEVENS. Well, that suggestion—really a request—to reduce the investment that is in this budget is not being too well received on Capitol Hill—what worries me is that we're going to be faced with a demand to maintain the previous level of procurement of F/A-22 and there have to be adjustments elsewhere in the budget. Have you looked at that, the two of you? Where if we have a vote that requires us to increase the rate of procurement of the F/A-22 in 2006, what's that going to do to the balance of the budget?

Mr. DOMINGUEZ. Sir, I don't believe—

Senator STEVENS. It's 2008, she tells me. It's—

Mr. DOMINGUEZ. Yes, sir.

Senator STEVENS [continuing]. 2008.

Mr. DOMINGUEZ. This is not a problem for the Congress in the fiscal year 2006 appropriation. It is something we will wrestle with—the program was terminated by Program Budget Decision 753 in 2008, so this is a problem we must wrestle with this summer, and we'll be communicating with you shortly after that, sir.

Senator STEVENS. These suggestions we're having—we're receiving from other members to try to eliminate that impact in 2008, do you think that's premature?

Mr. DOMINGUEZ. I don't—I'm not aware of any decision you're being asked to make this year, in this President's budget, that will prejudice the issue, one way or the other.

General JUMPER. And I think, Senator, considering this in the Quadrennial Defense Review, as the Secretary of Defense has promised, is the correct thing to do, and I think we'll be able to answer these questions in plenty of time to affect a decision that now doesn't impact us until 2008.

Senator STEVENS. When's that due, General?

General JUMPER. Well, it's due—the whole thing is due out next February, but I think the major part of the work that's going to go

into the Quadrennial Defense Review is going to be done this summer, and results will be forthcoming from that this summer.

Senator STEVENS. Senator Cochran, we have 9 minutes left on that vote, I'm told.

Senator COCHRAN. Mr. Chairman, I appreciate the recognition.

I wanted to just congratulate General Jumper and the leadership of the Air Force on the fine job they're doing in helping us protect the security of our country. You have a lot of competing interests and demands for equipment, materiel, funding, generally. It's a tough year to make choices and to try to assign priorities. But I look forward to working with them and with you and Senator Inouye in helping to support the effort to be sure we get it right and that we fund those activities that are important for our security needs.

I just would put my statement in the record, with your permission. And, under the constraints we have for voting on the floor, thank you for recognizing me.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to join you in welcoming these two distinguished leaders of the Department of the Air Force.

I commend the outstanding efforts demonstrated each day by our airmen. The country has come to expect air dominance in all military conflicts, and our reliance on space assets is significant and steadily increasing. The total Air Force, the active duty, Guard, and Reserve, is playing a pivotal role in the Global War on Terror, and not just in operations in Iraq and Afghanistan. We also appreciate your homeland defense mission, which includes daily patrols over United States airspace.

I thank you both for your leadership, and for the service of the women and men you represent. I look forward to your testimony.

Senator STEVENS. Thank you, Mr. Chairman. Thank you for coming by.

General Jumper, you reflect well upon the education received at the Anchorage High School.

General JUMPER. Thank you, sir.

Senator STEVENS. I want to tell you that your many friends wish you well—

General JUMPER. Thank you, sir.

Senator STEVENS [continuing]. As you go through this final year. And I, personally, look forward to being with you, General.

ADDITIONAL COMMITTEE QUESTIONS

Secretary Dominguez, we're pleased to have you here with us for the first time.

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

QUESTIONS SUBMITTED TO MICHAEL L. DOMINGUEZ

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

FUTURE TOTAL FORCE

Question. Mr. Secretary, I am advised that as part of the Department of Defense's transformation of its military forces, the U.S. Air Force is developing an initiative known as "Future Total Force (FTF)," which focuses on accelerated reductions of legacy weapons systems and the procurement of newer weapons systems. Consid-

ering that many of the legacy weapons systems are found at Air National Guard and the Air Force Reserve units, would you please describe in detail the impact of "Future Total Force" on these entities?

Answer. The traditional mix of Air National Guard, Air Force Reserve and Active component aircraft has served the nation well in the context of legacy platforms and traditional threats. However, as we move into the 21st century, the Air Force faces increasing modernization and recapitalization challenges, an adversary increasingly hard to define, and strained budget realities. While we possess weapon systems to meet today's challenges and are investing in cutting edge technology and highly capable, highly trained personnel, we must make transformational changes to maximize the capability these advances give us. One way we will do this is through the Future Total Force (FTF).

The FTF concept will enable the Air Force to meet the challenge of ensuring a sustainable 20-year strategic vision. Through the use of innovative organizational constructs such as associate units, we seek to be better able to match the skills of our highly experienced Air Reserve Component (ARC) personnel with our fewer, but more capable, cutting edge weapon systems. This fundamentally changes an old paradigm of putting Guard and Reserve in "hand-me down" systems and instead puts them in front line systems with decades of relevancy. This new force structure focuses on programs, forces and technology, as well as new organizational concepts that strive to fundamentally improve the effectiveness of our Active Duty, Guard and Reserve personnel and systems. Ultimately, FTF is designed to provide the means for the Air Force to improve its overall combat capabilities and continue to be a primary enabler in joint operations.

In addition, the FTF vision does not mean taking flying missions away from the Air National Guard without a viable, meaningful mission to replace it. In fact, FTF will guarantee that both the Air Force Reserve and Air National Guard are full partners as new weapons systems like the F/A-22 and Joint Strike Fighter come on line. In addition, our reserve components will be key players as we adopt emerging technologies to fight the fight of the future, allowing them to be involved in these exciting new missions, yet taking advantage of the "reachback" these missions provide, minimizing the need for disruptive mobilizations.

Question. Under "Future Total Force," what aircraft will be retired and under what timeframe?

Answer. Future Total Force (FTF) is a fundamental element of Air Force transformation. Comprised of two major components, 2025 Force Structure and innovative organizational constructs, FTF will create efficiencies, retain valuable human capital, and above all, increase the combat capability across all Air Force components. Specifically, this effort will divest the oldest and least capable aircraft in our inventory, including the A-10, F-16, F-117, and older F-15 models. The drawdown of some of these aircraft begins in fiscal year 2007 and continues through 2025. A recapitalized force consisting of F/A-22s, F-35s, and unmanned combat aerial vehicles (UCAVs) will replace legacy fighters, whose average age today is more than 17 years.

Question. What safeguards are in place to ensure that while the Air Force is reducing the current legacy aircraft inventory, it is not also undermining the country's ability to protect itself from multiple airborne threats?

Answer. In order to face uncertain threats of the future, the Air Force must pursue aggressive divestiture of aging aircraft that are increasingly expensive to operate, deliver less capability and experience higher attrition rates. To determine the best course of action, the Air Force Studies and Analysis Agency (AFSAA) ran a variety of defense planning scenarios (with threats determined externally by the Central Intelligence Agency, Defense Intelligence Agency, etc.) against 14 force structure models. AFSAA determined the optimal force structure, called the Future Total Force, requires retirement of aging aircraft, primarily older model F-16s, C-130s and KC-135s. From a business case perspective, the savings realized through this divestiture are critical if we are to move into high-tech emerging missions that will make the Air Force more relevant to the joint warfighter well into the 21st century.

Because these emerging mission areas will provide an exponential increase in capability, we will need the additional manpower and capability resident in our Air National Guard and Air Force Reserve to get the most "bang for our buck." Using innovative organizational constructs, members of the Active Duty, Guard and Reserve will work side-by-side at unprecedented levels to achieve the crew ratios these highly capable platforms demand.

Homeland Defense is the most vital mission responsibility of the U.S. Air Force, and for that reason, the Air Force looked very closely at what capabilities are and will be required for that mission. Those capabilities requirements were identified and separated out of the mix so as not to be jeopardized throughout the FTF anal-

ysis process. In other words, at no time will the capabilities requirements necessary to provide homeland defense be vulnerable to divestments or reorganization efforts.

It is important to point out that exempting the capabilities required for homeland defense does not necessarily isolate a particular unit or installation from divestments or reorganization efforts. There are many considerations that will help determine which units and installations will be selected for FTF implementation, but primary among these will be the impact on the Air Force's ability to provide homeland security.

The FTF is a twenty-year plan. It will evolve over time and will in fact enhance the Air Force's ability to protect the homeland.

Question. Does "Future Total Force" seek to reduce Air National Guard personnel authorization? Could the accelerated pace of retiring Air National Guard aircraft leave units and personnel without missions?

Answer. The Future Total Force (FTF) Plan does not seek to reduce Air National Guard (ANG) personnel end strength. In order to face uncertain threats of the future, the Air Force must pursue aggressive divestiture of aging aircraft that are increasingly expensive to operate, deliver less capability and experience higher attrition rates. To determine the best course of action, the Air Force Studies and Analysis Agency (AFSAA) ran a variety of defense planning scenarios (with threats determined externally by the CIA, DIA, etc.) against 14 force structure models. AFSAA determined the optimal force structure, called the Future Total Force, requires retirement of aging aircraft, primarily older model F-16s, C-130s and KC-135s. From a business case perspective, the savings realized through this divestiture are critical if we are to move into high-tech emerging missions that will make the Air Force more relevant to the joint warfighter well into the 21st century.

Because these emerging mission areas will provide an exponential increase in capability, we will need the additional manpower and capability resident in our Air National Guard (ANG) and Air Force Reserve to get the most "bang for our buck." And, as I have stated, ANG end strength will remain constant. Using innovative organizational constructs, members of the Active Duty, Guard and Reserve will work side-by-side at unprecedented levels to achieve the crew ratios these highly capable platforms demand.

There is a common misperception that because the predominant number of older model F-16s reside in Guard units that these units will be left without a mission until they receive new, emerging missions, or that they will lose their mission altogether. Nothing could be further from the truth. The Air Force needs the experience and capability that resides in the Guard and Reserve. Without it, we would be unable to meet the needs of the Nation. Members of the Guard and Reserve will be a part of all new weapons systems from their inception. In fact, we are in the process of standing up a new associate relationship between the Air National Guard and the Active Duty at Langley AFB, Virginia flying the F/A-22.

Once basing decisions are made under Base Realignment And Closure (BRAC), we plan to implement force structure plans through a redistribution of airframes as well as the stand-up of new and exciting emerging missions. Air National Guard end strength will be preserved. An ANG unit may lose older model F-16s, but may get another weapon system, even a newer airframe of the same model. Please be assured that we will work with the National Guard Bureau to make any ANG unit transition, if deemed necessary, as smooth as possible.

Question. Has the Air Force examined alternatives to modernizing some current systems in the event that funding and procurement of new weapons systems are delayed?

Answer. Modernizing and extending the service life of our aging legacy fighter force will not replace the vital transformational capabilities of the F/A-22 and the F-35. Tactical aircraft force structure trades and capability mix considerations are currently being studied in the Department's ongoing Quadrennial Defense Review Joint Air Dominance Study Analysis. Results of this study will determine modernization needs of our legacy fighter fleet.

Question. Has the "Future Total Force" initiative been presented to the Adjutant General so that the total impact on the Air National Guard (ANG) can be adequately assessed and reasonable alternatives can be developed that allow the Air Force to modernize while, at the same time, maintain an appropriate balance of Air National Guard assets so the Guard can continue to accomplish its air sovereignty mission?

Answer. The Future Total Force (FTF) Plan has been communicated to The Adjutant Generals (TAGs) through a variety of venues and means. First, both the Secretary and the Vice Chief of Staff have spoken at TAG meetings. Second, the TAGs have two colonel-level representative's working in the Air Force FTF office, as well as a full-time representative from the Guard Bureau. The Air Force convened a

General Officer Steering Committee to oversee FTF actions; there are three Adjutants General who sit on that Committee.

The Air Force Directorate of Plans and Programs recently hosted a classified meeting with the TAGs to share the entire Force Structure Plan and to answer any questions the TAGs may have. Furthermore, the ANG's Future Total Force office is working in lock step with the HQ USAF FTF office, including attendance at Air Force/FTF staff meetings. The Air Force will continue to work with both the Air Force Reserve and the Air National Guard as we make decisions regarding the Air Force's future.

Homeland defense, to include air sovereignty, is the most vital mission responsibility of the United States Air Force, and for that reason, the Air Force looked very closely at what capabilities are and will be required for that mission. Those capabilities requirements were identified and separated out of the mix so as not to be jeopardized throughout the FTF analysis process. In other words, at no time will the capabilities requirements necessary to provide homeland defense be vulnerable to divestments or reorganization efforts.

Question. Mr. Secretary, in representing a state where the Army and Air National Guard Forces represent, by far, the most significant military presence, it is my very strong hope that transformation can be accomplished without undermining National Guard personnel and its assets. Please respond for the record what you will do to make sure that the Guard's interests are represented in this process.

Answer. The Future Total Force (FTF) Plan has in fact been communicated to The Adjutant Generals (TAGs) through a variety of venues and means. First, both the Secretary and the Vice Chief of Staff have spoken at TAG meetings. Second, the TAGs have two colonel-level representative's working in the Air Force FTF office, as well as a full-time representative from the Guard Bureau. The Air Force convened a General Officer Steering Committee to oversee FTF actions; there are three Adjutants General who sit on that Committee.

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QUESTIONS SUBMITTED TO GENERAL JOHN P. JUMPER

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

PERSONNEL STRUCTURE

Question. As the Air Force continues to transform to meet the challenges of today and the future, what is your plan to shape and balance the personnel structure in the Air Force?

Answer. The Air Force's ongoing Force Shaping program is still on track to "right size" the Active Duty end strength to the congressionally mandated level of 359,700 Airmen by the end of fiscal year 2005. We were able to successfully draw down approximately 22,000 Airmen in excess skills predominantly by waiving service commitments, reducing accessions, and allowing transfers to the "Total Force" (through PALACE CHASE) and to the Army ("Blue-to-Green").

As the Air Force returns to authorized end strength, we will continue "right shaping" efforts by providing relief to overstressed career fields through recruiting, retention, and retraining initiatives. We have focused fiscal year 2005 recruiting efforts towards the 58 most critical combat and combat support specialties. Additionally, where we are experiencing shortfalls, we have targeted our bonus programs in order to retain our Airmen. Finally, we have restarted our Career Job Reservation program and implemented a robust retraining program migrating excess Airmen to shortage career fields.

However, as the Air Force corrects our active skill imbalances by realigning manpower and expanding training pipelines, the Total Force, to include our civilian workforce and the Air Reserve Component (ARC), will play a critical role in rebalancing the force for the future. We will continue initiatives that produce greater efficiencies through military-to-civilian conversions and competitive sourcing. Additionally, with the Guard and Reserve volunteers providing greater participation in our air expeditionary packages, we will take appropriate "right shaping" steps to ensure long-term health of both our Active Duty and ARC forces. As we move forward, we will constantly review our Active/ARC mix across all of our mission areas.

PROGRAM MANAGEMENT

Question. Space is very important for our national security. We seem to be experiencing cost growth problems in some of our space programs. What steps is the Air Force taking to improve program management and to control costs of our important space programs?

Answer. The Department has reorganized to vest many space responsibilities and authorities with one individual. We continue to refine the space acquisition decision-making process. One change is the creation of National Security Space (NSS) Acquisition Policy 03-01. Hallmarks of NSS 03-01 include: OSD-led independent cost estimates at each key decision point and build approval, increased attention on technology maturation, requirements documentation advanced earlier in the program cycle, acquisition phases aligned with key design reviews, and an emphasis on management reserve as key to acquisition success.

We find ourselves trying to manage programs in the non-recurring research and development field where the government program manager has inadequate reserve to apply to problems as they occur. As a result, problems that occur in the development phase of some of our very complex satellite systems take months before help is on the way in the form of additional resources to solve problems. In those months, those problems have festered and gotten worse. We can do better as a community working with Congress to give some flexibility to government program managers that are developing these complex systems. One of the features is an ability to maintain a reserve that can be applied to a problem without months of delay.

We still need to make improvements in our program management processes. While we have confidence in the overall skills and experience in our personnel, we need to establish processes that will improve our ability to manage our programs in this environment. Therefore, significant efforts are underway to identify and develop Space Professionals, particularly within the acquisition corps. The System Program Director (SPD)/Program Manager (PM), as the leader of the Government-Contractor team for a program, must be accountable and have the authority to accomplish the program's objectives and meet the user's needs. The Air Force recognizes that improving program management is critical for bringing program costs under control, and that such effective program management must include both contractor and Government program managers at all levels within their respective organizations. Further, these managers must be empowered to make not just the routine but also the controversial decisions based on timely, accurate, and complete information. We are also addressing continuity by instituting controlled tours for SPDs/PMs at Space and Missile Systems Center (SMC). Another aspect of growing our team of space professionals is continuing to improve system engineering training and discipline. The formation of SMC's Systems Engineering Center is a positive first step that we need to continue to cultivate in order to grow our cadre of experienced space systems engineers.

The NSS 03-01 policy documents several principles important to controlling and managing costs of our space systems. First is using mission success as the primary driver when assessing risks and trades among cost, schedule and performance. Mission success drives risk management, test planning, system engineering and funding profiles. The second principle centers on credibility. The NSS process is meant to encourage incentives and foster quality decision making for programs that exhibit necessary maturity to proceed into the next acquisition phase. The third principle, cost realism, is key in that the cost estimating capability shall be independent and accomplished in a timely, realistic, and complete manner. Finally, the new Joint Capabilities Integration and Development System (JCIDS) process helps program managers address cost growth driven by uncontrolled requirements growth by taking steps to ensure stability and predictability in identifying requirements for the acquisition community. To ensure warfighter input prior to firming up design concepts, NSS 03-01 requires a Joint Requirements Oversight Council-approved Initial Capability Development Document (CDD) prior to entering the concept development phase. A refined CDD is required prior to commencement of the preliminary design phase.

Although we have the ability to generate good cost estimates today, we need to merge this with better schedule estimating to come up with better phasing of near-year estimates. The nature of our transformational space programs means that problems that are common to all acquisitions are significantly greater due to their degree of complexity. We need to ensure that program managers get good data as early as possible to make informed decisions.

While cost estimating is not an exact science, we've put in place a system to ensure past experience and solid costing methods are used and will lead to realistic cost numbers. The Independent Cost Estimate (ICE) is effective in giving the pro-

gram's milestone decision authority (MDA) a comprehensive estimate. All elements of cost are considered when deciding when or if to proceed with a space system. The ICE is a requirement for each Defense Space Acquisition Board (DSAB) meeting when the MDA approves the program's entrance into the next phase of the space acquisition process. We will continue to apply rigor in budgeting to the ICE, with the goal of securing additional management reserve to plan for the unforeseen issues that are certain to arise.

SPACE RADAR

Question. Last year, the Appropriations Conference report expressed concern over the ability of the Space Radar (formerly the Space Based Radar) program to attain its goal of "global persistent surveillance" and whether the system is affordable. What changes has the Air Force implemented to make this a viable and affordable program?

Answer. We have formulated and revised our fiscal year 2005 funding plan and redirected our prime contractors to comply with last year's Congressional language.

We plan to achieve a militarily significant level of global persistent surveillance through horizontal integration with other Intelligence, Surveillance, and Reconnaissance (ISR) platforms and target characterization technologies. Horizontal integration allows us to tip and cue targets of interest to air and space ISR platforms passing "target custody" to the best situated collector to satisfy the mission. In addition, when other ISR platforms are not available, we can use target characterization to re-identify targets in subsequent Space Radar (SR) satellite passes over an area of responsibility. The number of satellites required to support this "custody" Concept of Operation (CONOP) for persistence is significantly fewer than that required for a tracking CONOP, consequently reducing overall program costs while delivering equivalent utility to DOD and intelligence community users.

In addition, in order to improve affordability, we have made major program changes such as the establishment of SR as a single acquisition program that would satisfy both the DOD and Intelligence Community needs. This single shared system would eliminate the need for two programs or funding lines, thereby eliminating duplication of costs. Another fundamental change was to increase the focus on developing the Electronically Steered Array and other advanced technologies as part of an overall risk reduction framework culminating in an on-orbit demonstration to reduce technical and cost uncertainties. An Independent Technology Assessment Panel was also formed to explore concepts that could dramatically affect the SR cost-benefit equation. Results of this effort are due summer of fiscal year 2005. We are also evaluating architecture options concentrating on reuse of existing infrastructure to minimize SR ground investment costs.

Over the span of five months, we ensured that contract modifications were in place that would shift the majority of funding to risk reduction efforts. The implementation of these efforts is intended to address the fiscal year 2005 Congressional language and their culmination will lead to a more affordable SR architecture.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

TACTICAL AIR TRAFFIC CONTROL

Question. The Air Force and the Air National Guard have the critical mission of air traffic control in operational theaters. These airmen perform a difficult mission. However, the equipment the air traffic controllers use was developed long before many of them were born. Could you describe the efforts the Air Force is taking to modernize tactical air traffic control systems for the Air Force and the Air Guard?

Answer. The Air Force is modernizing Air Force and Air National Guard tactical air traffic control (ATC) systems by acquiring a new mobile air traffic control radar known as the Mobile Approach Control System (MACS). MACS will replace the Air Force's 1970's vintage TPN-19 and the Air National Guard's 1960's vintage MPN-14K analog radar systems. Due to their advanced age, the TPN-19 and MPN-14K have many obsolete components. The difficulty in obtaining replacement parts has made these aging systems difficult and expensive to maintain and has resulted in operational availability rates of only 70-85 percent, far short of the 98 percent availability standard. MACS will be easier and less costly to deploy, requiring only three C-130s to airlift it versus seven for the TPN-19 and MPN-14K. The digital systems in MACS will allow it to share radar information with other ATC and non-ATC systems, a capability not provided by the currently fielded systems. This could enhance our ability to provide the type of en route ATC we found we needed in Afghanistan and Iraq.

Question. The Air Force and the Air National Guard have the critical mission of air traffic control in operational theaters. These airmen perform a difficult mission. However, the equipment the air traffic controllers' use was developed long before many of them were born. Is the Air Force capable of meeting the combatant commanders' tactical air traffic control needs with the current arcane system?

Answer. Although the Air Force has not lost any missions due to air traffic control, our maintenance downtime is significant and we have been fortunate to have relatively good weather when our systems have needed repair. The current Air Force and Air National Guard systems are operational 70–85 percent of the time, while the benchmark goal is for them to be available at least 98 percent of the time.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

UNMANNED AERIAL VEHICLES (UAVS)

Question. I have been advised that the Department of Defense (DOD) is considering designating the Air Force as the DOD Executive Agent for unmanned aerial vehicles (UAVs). Why do you believe Executive Agency is necessary? And why is the Air Force the best candidate to take control of UAVs?

Answer. The United States Air Force (USAF) is not in a position to speak for the Office of the Secretary of Defense (OSD), the agency with responsibility of determining the requirement for any Executive Agency's establishment. The USAF would, however, welcome the synchronization and harmonization of UAV efforts across DOD that should result from OSD's establishment of a UAV Executive Agent. Of the Services, the USAF is in the unique position of possessing the necessary airspace, intelligence, and aviation frequency management experience necessary to coordinate and synchronize UAVs across the Joint Force. No other Service has as much expertise in coordinating the use of airspace and air-developed Intelligence, Surveillance & Reconnaissance in peacetime and warfare to support the Soldier, Marine, Sailor, and Airman from foxhole to near space and beyond.

Question. How does the warfighter benefit from this effort to take UAV work away from one Service and consolidate it with a Service with less experience?

Answer. Should the Office of the Secretary of Defense decide to create a UAV Executive Agent, the warfighter will benefit from the resulting synchronization and integration of UAV systems and the effects they create on the joint battlefield. Rather than seen as moving UAV work between Services, Executive Agency is more properly framed as coordination and synchronization of air assets and the effects they generate, regardless of type and size, to produce the capabilities required by the Joint Force today and far into the future. Thus an Executive Agent would aid but not subsume the work of any Service by coordinating efforts across the DOD in areas such as airspace management and the collection and distribution of UAV generated information.

Question. Setting up a single authority for all Service UAVs is the unmanned equivalent of establishing an Executive Agent for all manned aircraft. How do you justify this?

Answer. Today, we find ourselves in circumstances similar to the early development of manned flight, a debate over aviation-produced effects on the battlefield. Experience and debate over time has created an imprecise and often overlapping synchronization of aviation roles and missions across the Services. Currently, we are in the infancy of UAV development; each Service is rapidly expanding the role UAVs play in contributing to joint warfighting capabilities. UAVs, like all aircraft, pose the capability of operating and creating effects at all levels of warfare, often simultaneously, regardless of size or Service affiliation. Projected DOD budgets and rapidly increasing UAV's capabilities mean that the coordination of UAV roles and missions within the DOD will become increasingly necessary in the future. The designation of one agent to ensure the DOD does not squander its resources by creating unnecessarily redundant capabilities early in the history of UAVs will head off much of the debate and duplication of effort which has resulted from the service-centric development of manned aircraft.

Question. What percent of tactical UAVs are currently being employed by the Air Force in theater?

Answer. Tactical UAV is defined as anything smaller than a Predator. Currently, the Air Force has 53 percent of our Air Force Special Operations Command (AFSOC) and Security Forces small tactical UAVs supporting the Global War on Terrorism (GWOT). Specifically, AFSOC has 22 of 54 (41 percent) systems and Security Forces has 17 of 20 (85 percent) systems in support of the GWOT.

Question. Your staff provided my office with no statistics on flight hours for Air Force “small UAVs.” We were told the “Air Force does not keep these types of statistics for its small UAVs.” How can you defend the decision to make the Air Force Executive Agent over tactical UAVs when you don’t even log the minuscule amount of flight hours for your own tactical UAVs?

Answer. The Office of the Secretary of Defense (OSD) is currently defining what a UAV Executive Agent’s role would be in the event one is designated. The designation of specific UAVs as tactical—operational—or strategic is artificial. In many cases the designation small and large is also ambiguous, since size may improperly characterize the impact of the capability the UAV provides. However, the Air Force does capture flying hour costs associated with tactical UAVs considered Major Weapons Systems (MWS) such as Predator. Funding for “small” tactical UAVs, which are not designated as MWS aircraft, are captured at the unit-level due to their very low operational costs. All Services are moving toward what is envisioned, as a net-centric form of warfare where information developed from any source is available to everyone with access to the network. This means that UAVs of every sort and size will be providing information to the Global Information Grid. The United States Air Force (USAF) has the preponderance of experience within the DOD in management of airspace and the collection and distribution of air generated information. Debate over UAV Executive Agency is more properly framed as coordination and synchronization of air assets and the effects they generate, regardless of type and size, to produce the capabilities required by the Joint Force today and far into the future. The USAF is the Service with the most experience in managing airspace and the collection and distribution of air generated information. The USAF stands ready to perform the Executive Agency role if called upon by OSD.

Question. Without flight information, doesn’t this basically mean you don’t even know how, where, and when your own UAVs are flying?

Answer. The lack of flight information referenced in this question is not well defined. In the past, the management of UAVs was not like that of fixed wing aircraft. One of the lessons learned from the unexpected proliferation of UAVs is the need to, in some but not all cases, coordinate UAVs like fixed and rotary wing aircraft. Operationally, several UAV aircraft fly above the coordination altitude on a battlefield and all are tracked at the Joint Force Air Component Commander’s Air Operations Center. They are flown in accordance with the Air Tasking Order, providing visibility and accountability on how, where, when and why they are flown. Backpack UAVs, on the other hand, are designed to be launched and controlled by personnel engaging in a fluid tactical environment, and are de-conflicted in most cases by flying below the coordination altitude. Taking into account the limited capability of these smaller UAVs and the nascent stage of net-centric warfare, current airspace coordination procedures do not require the Services to specifically track how, when, and where backpack UAVs are flying. Requiring tactical users to integrate their use on the battlefield below the required airspace coordination altitude would currently place an undue burden on the Soldiers, Airmen, Marines, and Sailors operating them. In the future, the proliferation of these UAVs on the battlefield, and their increasing payload capabilities, may require coordination and monitoring within, and across, all the Services and Agencies engaged in joint warfare.

FUTURE TOTAL FORCE

Question. Future Total Force (FTF), as currently proposed by the Air Force, presents a significant challenge to our citizen-airmen because it disproportionately impacts the Air National Guard. Currently, the Air National Guard maintains at least one flying unit in every state. This structure is a vital component to homeland defense.

How do you propose securing our homeland or responding to a major disaster when no units are available to our Governors because FTF has removed them?

Answer. Homeland defense is the most vital mission responsibility of the United States Air Force, and for that reason, the Air Force looked very closely at what capabilities are and will be required for that mission. Those capabilities requirements were identified and separated out of the mix so as not to be jeopardized throughout the FTF analysis process. In other words, at no time will the capabilities requirements necessary to provide homeland defense be vulnerable to divestments or reorganization efforts.

It is important to point out that exempting the capabilities required for homeland defense does not necessarily isolate a particular unit or installation from divestments or reorganization efforts. There are many considerations that will help determine which units and installations will be selected for FTF implementation, but pri-

mary among these will be the impact on the Air Force's ability to provide homeland security.

The FTF is a twenty-year plan. It will evolve over time and will in fact enhance the Air Force's ability to protect the homeland.

Question. Under the Future Total Force plan, there appears to be a significant time lapse between when airframes are removed from a unit, and when that same unit would receive a follow-on mission. What do you propose to do with those airmen in that timeframe?

Answer. First, a little background on the Air Force's effort to meet the concurrent challenges of increasingly complex threats to our national security and budget pressures, two issues with which you are very familiar. Last year, Congress asked the Secretary of Defense to submit a 20-year Force Structure Plan. Based on two assumptions: (1) the capabilities required for the future and (2) the anticipated levels of funding for the Department of Defense. After a significant two-year internal Air Force debate (including full participation from the Air National Guard and Air Force Reserve at many points along the development process), the Air Force submitted its proposed plan for the Future Total Force (FTF). This plan recommended divesting the oldest and least capable aircraft in our inventory. These older and less capable aircraft are predominately located in Air National Guard units.

It is important to note that simply identifying the oldest platforms for divestment does not mean there won't be other platforms that will "roll-down" to replace the current systems. Discussions to this effect have been ongoing during the Base Realignment and Closure (BRAC) deliberation process. However, these deliberations, by law, cannot be made public until recommendations are given to the BRAC committee in May of 2005. The planned divestment of aircraft will happen over a 20-year timeframe. If we are going to eliminate a particular mission and it is replaced with another mission, we will time that transition so as to avoid a costly lag period that would leave a unit without a mission. In short, we will ensure that units have a meaningful mission to meet the needs of the Nation. In addition, analysis included the very important requirements of the Homeland Defense missions and other State roles performed by our Air National Guard units.

Question. Recruitment for the National Guard is down. Would you agree that removing units from states, therefore forcing Guardsmen to travel long distances for drill weekends, will only hurt recruitment?

Answer. Yes. Recruiting is currently down in the Air National Guard, specifically non-prior service (NPS) recruiting. Currently, only meeting 65 percent of NPS goal to date.

We do understand that removing units from states will not only affect recruiting, but retention as well. As we transition through Future Total Force and Base Realignment And Closure, we will be asking our members to move, retrain into another career field, or leave earlier than expected. We do anticipate some unexpected losses, thus having to recruit to these losses. However, we must move forward with these transitions to new missions to not only remain relevant, but to also support the war fighter of the future.

Our plan to combat this potential problem is to use all the personnel force management tools available, to include incentives, transition authorities, and training opportunities. Additionally, leadership will undoubtedly play a large role in the transition to new missions. We will continue to take great care of our members, as we have in the past. We have always had one of the best retention rates and plan to keep it that way.

Question. Recruitment for the National Guard is down. Do you have any plan as to how you will combat this problem?

Answer. Yes. Recruiting is currently down in the Air National Guard, specifically non-prior service (NPS) recruiting. Currently, only meeting 65 percent of NPS goal to date.

We do understand that removing units from states will not only affect recruiting, but retention as well. For example, prior to the move of the 126th Air Refueling Wing (ARW) from Chicago, Illinois to Scott Air Force Base, Illinois, their unit end strength was 104.2 percent. After we moved the unit, their end strength dropped to 83.3 percent. Over 25 percent of the 126th ARW personnel were lost due to the move. It took five years to return the end strength of the unit to previous levels.

As we transition through Future Total Force and Base Realignment And Closure, we will be asking our members to move, retrain into another career field, or leave earlier than expected. We do anticipate some unexpected losses, thus having to recruit to these losses. However, we must move forward with these transitions to new missions to not only remain relevant, but to also support the war fighter of the future.

Our plan to combat this potential problem is to use all the personnel force management tools available, to include incentives, transition authorities, storefront recruiters, and training opportunities. Additionally, leadership will undoubtedly play a large role in the transition to new missions. We will continue to take great care of our members, as we have in the past. We have always had one of the best retention rates and plan to keep it that way.

Question. It is my understanding that the Guard will lose 60 percent of their airframes due to the newer F-22 and JSF coming on-line. In the past, both the Air Force and Guard leadership have stated that due to FTF, end strength won't be reduced. However, if there are fewer planes, and therefore less airtime for the same amount of Guard personnel, what will these Guardsmen be doing?

Answer. First, a little background on the Air Force's effort to meet the concurrent challenges of increasingly complex threats to our national security and budget pressures, two issues with which you are very familiar. Last year, Congress asked the Secretary of Defense to submit a 20-year Force Structure Plan. Based on two assumptions: (1) the capabilities required for the future and (2) the anticipated levels of funding for the Department of Defense.

After a significant two-year internal Air Force debate (including full participation from the Air National Guard and Air Force Reserve at many points along the development process), the Air Force submitted its proposed plan for the Future Total Force (FTF). This plan recommended divesting the oldest and least capable aircraft in our inventory. These older and less capable aircraft are predominately located in Air National Guard units. Again, our Force Structure Plan does not specifically identify who would have responsibility for the particular equipment under a specific organizational construct, or where the remaining aircraft will be based. It is important to note that simply identifying the oldest platforms for divestment does not mean there won't be other platforms that will "roll-down" to replace the current systems. Discussions to this effect have been ongoing during the Base Realignment And Closure (BRAC) deliberation process.

The planned divestment of aircraft will happen over a 20-year timeframe. If we are going to eliminate a particular mission and it is replaced with another mission, we will time that transition so as to avoid a costly lag period that would leave a unit without a mission. In short, we will ensure that units have a meaningful mission to meet the needs of the Nation. In addition, analysis included the very important requirements of the Homeland Defense missions and other State roles performed by our Air National Guard units.

Another aspect of the FTF plan is to increase the "association" of all three Components—Active, Guard and Reserve, in order to produce the most effective organizations and preserve the benefits of the highly experienced Guard and Reserve personnel. One example is the Chief of Staff of the Air Force FTF Test Initiative at Langley Air Force Base where the Virginia Air National Guard's 192nd Fighter Wing will begin to fly the F/A-22 at the same time as the Active Duty in an Associate Unit arrangement with the 1st Fighter Wing. This fundamentally changes an old paradigm of putting Guard and Reserve in "hand-me down" systems and instead puts them in front line systems with decades of relevancy. In addition to units such as the association at Langley, an important part of our plan is to increase the number of "active associate" units. That is, units in which an Active Duty unit is located at a Guard or Reserve location. The Air Force is highly cognizant of the value our Air Reserve Component bases bring to their surrounding communities, as well as the sensitivities to considerations such as recruiting demographics our Reserve and Guard Components must enjoy in order to be successful. Please know that the FTF effort is mindful of the different cultures that reside across our three.

Question. Do you really believe a trained pilot or maintainer would happily take a desk job?

Answer. The Future Total Force (FTF) vision does not simply mean taking flying missions away from the Air National Guard without a viable, meaningful mission to replace it. In fact, units of all components of the Air Force face significant change as we work to shape the optimal force to meet future threats.

The FTF will guarantee that both the Air Force Reserve and Air National Guard are full partners as new weapons systems like the F/A-22 and Joint Strike Fighter come on line. In addition, our reserve components will be key players as we adopt emerging technologies to fight the fight of the future, allowing them to be involved in these exciting new missions, yet taking advantage of the "reachback" these missions provide, minimizing the need for disruptive mobilizations.

SUBCOMMITTEE RECESS

Senator STEVENS. Our next hearing of the Defense Subcommittee will be a closed session to discuss the 2006 budget request for intelligence. That's scheduled for April 13. A classified memo will be available to Senators for review, beginning Monday, April 11. The memo is located in Dirksen, 119. Arrangements can be made for individual Senators to view that memo elsewhere if they contact the staff.

We do appreciate both of you for being here with us today, and your brevity, and wish to thank you, again, for your service, and thank you for, through you, all the men and women who wear your uniform so well.

General JUMPER. Thank you, sir.

Senator STEVENS. Thank you very much.

[Whereupon, at 10:10 a.m., Wednesday, April 6, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

WEDNESDAY, APRIL 20, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Domenici, Bond, Inouye, Leahy, Dorgan, Durbin, and Mikulski.

DEPARTMENT OF DEFENSE

NATIONAL GUARD

STATEMENT OF LIEUTENANT GENERAL H STEVEN BLUM, UNITED STATES ARMY, CHIEF, NATIONAL GUARD BUREAU

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much. We are pleased to have the opportunity to be with you this morning. We have just had the privilege of meeting them and having a photograph with them, but let me introduce to all who are here, and will you please stand when I call your name: First Lieutenant Reginald Brownlee of the Mississippi Army National Guard; Sergeant First Class Tara Niles, Illinois Army National Guard; Michelle Nelson, who is the spouse of Captain Mark Nelson, who is currently deployed with the Third Battalion of the 116th Infantry in Afghanistan, who is working with us on family affairs; Staff Sergeant Benjamin Moore of the Texas Air National Guard; and Staff Sergeant Charles Post of the Vermont Air National Guard.

Thank you very much for being with us and thank you for your service. We all are delighted to have you here this morning. Thank you very much.

This morning we are going to review the National Guard and Reserve programs. We have two panels scheduled. First we will hear from the National Guard leadership and then from the leaders of the four Reserve forces. I want to tell you all that we are in session now and we are going on the supplemental bill. We do not know when—we know the first hour we will not have amendments, but right after that we will start amendments and probably voting fairly early this morning.

Our first panel consists of: Lieutenant General Steven Blum, Chief of the National Guard Bureau; Lieutenant General Roger

Schultz, Director of the Army National Guard; Lieutenant General Daniel James, Director of the Air National Guard. We welcome you all this morning and thank you for what you have done in working with us.

We want to acknowledge, General Schultz, this is your final appearance, as we understand it, before the subcommittee. I am told you are retiring after 42 years of service. I have told others, my first father-in-law told me: Only in the English language does the word "retire" mean other than go to bed. So do not retire, General; just go to another job, okay. We thank you very much for your dedication and leadership and for your future endeavors.

I have a substantial introduction here, but I think I will yield to our co-chairman and see if he has remarks.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Well, I would like to join you in welcoming our witnesses this morning. We have entered a new era in our Nation's military history. Your forces are spread around the globe and serving here at home by the thousands. Never before in our history has the Nation demanded so much from our Reserve component in a period where we are not at world war.

By all accounts, your forces have responded magnificently. The integration of Reserve forces by combatant commanders in Afghanistan and Iraq has been seamless and the bravery displayed by your members has been most impressive. All of you here today, especially those young men and ladies, should be congratulated for the jobs you have done in preparing the men and women under your command for the challenges that they have met and continue to meet every day.

I believe every Member of the Senate would concur in offering you and those who serve the utmost thanks.

PREPARED STATEMENT

Mr. Chairman, I have, as you have indicated, a rather lengthy opening statement, but I just want to say that we are very proud of the officers and men of the Reserves components.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Mr. Chairman, I want to join you in welcoming our witnesses today. Gentlemen we have entered a new era in our Nation's military history. Your forces are spread around the globe and serving here at home by the thousands. Never before in our history has the Nation demanded so much from our Reserve component in a period where we were not in a world war.

By all accounts your forces have responded magnificently. The integration of Reserve forces by combatant commanders in Afghanistan and Iraq has been seamless. The bravery displayed by your members has been most impressive.

All of you here today are to be congratulated for the jobs you have done in preparing the men and women under your command for the challenges that they have met and continue to meet every day. I believe every Member of the Senate would concur in offering you and those who serve with you our utmost thanks.

But as I say this, I know that the challenges facing our Reserve component are many and growing.

We know that many of you are facing recruiting difficulties.

We are aware of rising concerns that our returning reservists may be hard to retain in your units.

We know that shortfalls of equipment are likely to exist for those units when they return from service overseas.

We understand that some Reserve units that have been called to deploy overseas more than once since 9/11.

We know the stress and strain that our reservists, their families, and employers are experiencing from this unprecedented level of utilization.

So today gentlemen, we are here to hear your concerns and your proposals to right some of these problems that we see today and can expect in the future.

This is your opportunity to enlighten us on your challenges and your ideas. I very much look forward to your testimony today. Mr. Chairman, thank you the opportunity to hear from these much admired leaders.

Senator STEVENS. Let me recognize the chairman of the full committee, Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much. I am pleased to join you and Senator Inouye this morning in welcoming our witnesses and thanking them and all who they represent for their great service to our country in this time of serious need. We appreciate the service of those who have been deployed to the theaters in Afghanistan and Iraq and elsewhere around the world. They are achieving great success in helping create a pathway to freedom and democracy and a world that will be free from terror for generations to come, and we appreciate that commitment very much.

I am glad to see Lieutenant Brownlee from Mississippi among the group that you introduced at the beginning of the hearing. We are proud of him, as we are all of those who are serving from all of our States.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you, Mr. Chairman.

Senator Dorgan.

STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, I will ask some questions following the statements, but I did want to add to the comments of the Senator from Mississippi. I think we have called on the National Guard and Reserve for an unprecedented commitment recently. They have performed in a spectacular way. I am very proud of the men and women of the National Guard.

General Schultz, thank you for your service. We wish you well in your retirement.

Senator STEVENS. Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman. I too look forward to hearing the testimony of our outstanding witnesses. Like my colleagues, I just want to express my gratitude for the National Guard, truly the citizen soldiers who, serving in Iraq, Afghanistan, have served nobly, but are also right now in my home State of Maryland ready to do whatever our Governor demands that they need to do, either in support of national responsibilities or our State. Of course, with General Blum, he is a Maryland guy. We have been together for some time and we are so very proud of his leadership here, and of course General Tuxell of our Maryland National Guard.

Senator STEVENS. Senator Leahy.

STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Well, thank you, Mr. Chairman. I too am glad to see they are here. I have worked with General Schultz and General Blum and General James. They know Vermont and the Vermont Guard. We are very proud of them. I am also glad we have a Vermonter, Sergeant Post, sitting in the front row.

General Schultz, I am going to miss you, but you can leave your office with the flags flying proudly for what you have done. I will continue to work with you.

Mr. Chairman, Senator Bond and I are the co-chairs of the National Guard Caucus and we have worked very hard with these gentlemen. I think all of us on the subcommittee are fortunate.

I know with more than one-third of our Vermont Guard mobilized, I am glad that we have leadership like you. Thank you.

Senator STEVENS. Thank you very much.

As I met those young people, my mind went back to the time when Senator Stennis was chairman of this committee and he asked Senator Hollings and me to go to Europe to find out about the morale of our people there. That was in the early 70s and we were at war in Vietnam. We were drafting a great many young people and an enormous number of them were in Europe, unaccompanied tours.

We went over there and found that many of them were married and their wives had followed them and they were living in third and fourth floor what we called cold water flats, but the morale was terrible.

Now we see the great advantage of relying on Americans to volunteer. This force that you all command, totally volunteers. That makes us doubly proud of them because they have signed up to defend our country. So we are honored to have these young folks with us this morning.

General Schultz, you are first, I believe, in presentation. May we call upon you—or was it you, General Blum? Who goes first?

General BLUM. Whichever, Mr. Chairman. We will go in whatever order you would like.

Senator STEVENS. No, no. You wear the stars; you tell me which is going first.

General BLUM. I will go ahead and start.

Senator STEVENS. Thank you very much. General Blum.

General BLUM. Mr. Chairman, members of the subcommittee: Thank you for inviting us today to speak before you, and we anxiously will await questions at the conclusion. We would ask that our formal statements be entered in the record.

As you all have stated, and I am so glad that you are aware, we are a Nation at war and your National Guard is in this war shoulder to shoulder with the active component. As each and every one of you know, you have combat brigades from Mississippi, Hawaii, just off of this committee, and every single member here has soldiers that I have just seen since Easter in Iraq, doing magnificently well, performing in an exemplary manner in a combat zone.

As a matter of fact, over one-half, over one-half, of the Army's combat power in Iraq today is Army National Guard, citizen sol-

diers from eight brigade combat teams. Eight brigade combat teams are on the ground in Iraq and one of the division headquarters from the National Guard, the 42nd Rainbow Division, is in Iraq today. So they are shouldering over one-half of the load and they are doing exceedingly well.

The National Guard, as you might imagine, has had to transform from what used to be a strategic reserve to an operational force that can deliver these kinds of numbers to the Air Force and the Army and to the combatant commanders overseas. As Senator Mikulski noted, they are not only in Iraq and Afghanistan; they are in Kosovo and Bosnia and the Sinai and Guantanamo and, as a matter of fact, 44 other nations as of this morning.

The National Guard is rebalancing to ensure that the Governors and the President has the National Guard that either the Governor needs day to day in the homes, in the States and the territories, or the President needs to be a Federal reserve of the Army or the Air Force and provide forces and capabilities to the combatant commanders.

The Air Guard continues to be involved in what the Air Force labels as the future total force and trying to determine what the Air Force of the future will look like in the next 20 years.

Let there be no mistake, our first and primary mission is homeland defense. You cannot be the National Guard and not be concerned with, not be concerned about defending the homeland. It has to be mission one for us, but it is not the only thing we do and it is not the mission that we have to perform at the exclusion of being able to be a Federal reserve of the Army or the Air Force.

The Guard supports emergency response managers in every State and territory in this Nation. We have committed to the Governors that we will never have less than one-half of the capability available to the Governor in that State or territory to do the protection of the citizens of those States and territories, either from terrorist acts or the ravages of Mother Nature that routinely come through our States and territories.

However, while the Air Force and the Army and the Department of Defense are keenly interested in ensuring that we have the equipment for the overseas war fight, we need to also make sure that they remain as keenly interested in providing us the equipment that we need so that we can retain these soldiers that come back from Afghanistan and Iraq, the most experienced force we have ever had, come back and have the equipment to train on for the next time they are needed, and to have the capability to deliver to the Governor; if something untoward should occur in a State or a territory, they would have the right capabilities with the right equipment.

So I would ask your attention and your assistance in ensuring that the reset or the reequipping of the Army National Guard and the Air National Guard after they come out of the combat zone to replace the equipment that was either asked to be left in theater, rightfully so, or worn out through fair wear and tear in very harsh conditions, or battle damaged, is restored so that when they come home we have more than just people coming home, we have capabilities coming back home to the National Guard that can be called upon, maybe even this evening if necessary.

Since October 2003, every single State has established a standing joint force headquarters, which is absolutely right when you are talking about how you are going to defend the homeland. This enables each Governor and each adjutant general of every State and territory the ability to leverage the joint capabilities of its Army and its Air National Guard, as well as the other Department of Defense assets that may be located in that State or territory and, beyond the military, it also allows them to have the relationships and exercise the capabilities with the inter-agencies that exist and the intergovernmental partners that will be so important in the defense of our homeland.

We have established 12 regional chemical, biological, radiological, and nuclear high-yield explosive enhanced response force packages that, when they are pulled together, give this Nation the capability to have, not one chemical biological incident response force (CBIRF) capable unit, but 13 CBIRF capable units. They are trained and equipped by the U.S. Marine Corps CBIRF and the First and Fifth United States Armies have certified their fitness and their readiness to respond to weapons of mass destruction effects or any other things that might require their special skills.

As you all know, recruiting has been a special challenge for the National Guard. This should not be a surprise to anyone. We were resourced, we had policies. We are a recruited force. But that was all set up for a National Guard that was a strategic reserve. So we have been scrambling along with the Congress in the last year and a half to make sure that we had the authorities and the resources we need to actually compete head to head in an environment where we have to be an operational force.

I want to thank this subcommittee and the other Members of Congress for the authorities that you have extended us, the reasonable changes that have been made, and the ample resources that you have provided us. We are not yet out of the woods, but we are starting on the road to recovery. We had a very good recruiting month in the month of March. It looks like we are going to have another good recruiting month in the month of April.

This would not have been possible if you had not given us those authorities and not given us the resources that we needed in terms of enlistment and reenlistment bonuses. There is one bonus floating out there I would ask you to look very hard at, and that is a bonus that is an affiliation bonus that allows someone from active duty to transition directly into the National Guard without having to be discharged and processed from active duty and then re-processed and spend taxpayers' money, several thousands of dollars, to bring them back into the system.

I think if we were to offer a \$15,000 bonus we would have something that provides us the bridge for a seamless transition from active duty to the National Guard and it would help us immeasurably in recovering our recruiting force from prior service, our most experienced recruits and the ones that are most valuable to us, because they are already trained. The training has already been paid for and they are proven performers.

We have increased our enlistment and reenlistment bonuses. We have added 1,400 new recruiters. Thank you for allowing that to

happen, and that is starting to make a significant difference in the production rates that we are experiencing in our recruiting force.

Our Army National Guard units are not resources for high levels of readiness that today's environment demands. We had a full-time recruiting ramp—I mean a full-time force ramp, that probably was acceptable when we were a strategic reserve because it did assume some risk. It was not fully resourced at 100 percent, but when you use it as an operational force I think it is time to relook at the full-time manning ramp for the National Guard because we cannot take risks. When the President calls us or the Governors call us to do the type of work they are asking for today, we cannot fail and we need that full-time manning to ensure the equipment and the training and the personnel are ready and available when needed. So I would please ask this subcommittee to look hard at that.

Your Air National Guard is undergoing dramatic change and General James will talk about that in more detail in a few moments. The total force will provide a balanced force with proportional capabilities, but what concerns me, and I will say it outright, is that I am not certain that the Department of the Air Force and the Air Staff that is putting together this program really understands the essential element of a community-based Air National Guard.

If you lose a community base, I think we will lose something very, very valuable to this Nation that we will not be able to reestablish in a time of need. I would ask that as this future total force comes together that we consider the goodness of community basing in that program.

PREPARED STATEMENTS

In closing, I would tell you that the Guard is undergoing change at an unprecedented rate, we are operating as a joint entity, and we are proud to serve as America's 21st century Minutemen and women, always ready, always there, and we anxiously await your questions. Thank you.

[The statements follow:]

IN MEMORIAM

A Special Dedication to the men and women of the Army and the Air National Guard who made the ultimate sacrifice while serving the United States of America.

AMERICA'S 21ST CENTURY MINUTEMEN—ALWAYS READY, ALWAYS THERE!

National Guard Soldiers and Airmen lost during the attacks on 9/11, Operation Noble Eagle, Operation Enduring Freedom and Operation Iraqi Freedom as of March 11th, 2005.

SGT Leonard Wade Adams, NC	SPC Todd M. Bates, OH
PVT Algernon Adams, SC	SPC Alan Bean Jr., VT
SPC Segun F. Akintade, NY	SGT Bobby E. Beasley, WV
SPC Michael Andrade, RI	CPL Joseph Otto Behnke, NY
SPC Azhar Ali, NY	SGT Aubrey D. Bell, AL
SGT Christopher James Babin, LA	SPC Bradley John Bergeron, LA
SSG Nathan J. Bailey, TN	SSG Harold D. Best, NC
SPC Ronald W. Baker, AR	SGT Dennis J. Boles, FL
SGT Sherwood R. Baker, PA	SFC Craig A. Boling, IN
1LT Gerald Baptiste, NY	COL Canfield "Bud" Boone, IN
SGT Michael C. Barkey, OH	PFC Samuel R. Bowen, OH
1LT Christopher W. Barnett, LA	SGT Larry Bowman, NY
SGT Michael Barry, KS	SSG Hesley Box, Jr., AR

SSG Stacey C. Brandon, AR
 SPC Kyle A. Brinlee, OK
 SSG Cory W. Brooks, SD
 SPC Philip D. Brown, ND
 PFC Nathan P. Brown, NY
 PFC Paul J. Bueche, AL
 SPC Jimmy Dale Buie, AR
 SPC Alan J. Burgess, NH
 SGT Charles T. Caldwell, RI
 SSG Joseph Camara, MA
 SPC Jocelyn L. Carrasquillo, NC
 SGT Frank T. Carvill, NJ
 CAPT Christopher S. Cash, NC
 SPC Jessica L. Cawvey, IL
 SPC James A. Chance III, MS
 SSG William D. Chaney, IL
 SSG Craig W. Cherry, VA
 SPC Don A. Clary, KS
 MSG Herbert R. Claunch, AL
 SPC Brian Clemens, IN
 SGT Russell L. Collier, AR
 SFC Kurt Joseph Comeaux, LA
 SFC Sean M. Cooley, MS
 SGT Alex J. Cox, TX
 SPC Carl F. Curran, PA
 SPC Daryl Anthony Davis, FL
 SPC Raphael S. Davis, MS
 SSG David Fredrick Day, MN
 SGT Felix M. Del Greco, CT
 SPC Daryl T. Dent, DC
 SPC Daniel A. Desens, NC
 SPC Ryan E. Doltz, NJ
 SPC Thomas John Dostie, ME
 SPC Christopher M. Duffy, NJ
 SGT Christian Phillip Engeldrum, NY
 SPC Michael Scott Evans II, LA
 SGT Justin L. Eyerly, OR
 SPC Huey P. Long Fassbender, LA
 CPT Arthur L. Felder, AR
 SPC Jon P. Fettig, ND
 SGT Damien Thai Ficek, WA
 SGT Jeremy J. Fischer, NE
 SPC David Michael Fisher, NY
 SGT Paul F. Fisher, IA
 SPC Craig S. Frank, MI
 SSG Bobby C. Franklin, GA
 SSG Jacob Frazier, IL
 SPC Armand L. Frickey, LA
 SGT Seth Kristian Garceau, IA
 SPC Tomas Garces, TX
 SGT Landis W. Garrison, IL
 SGT Christopher Geiger, PA
 SPC Christopher D. Gelineau, ME
 2LT Richard Brian Gienau, IL
 SPC Richard A. Goward, MI
 SGT Jamie A. Gray, VT
 1LT Robert L. Henderson II, KY
 SSG Kenneth Hendrickson, ND
 SPC James J. Holmes, MN
 SPC Jeremiah J. Holmes, ME
 SGT Jessica Marie Housby, IL
 SPC Robert William Hoyt, CT
 SSG Henry E. Irizarry, NY
 SPC Benjamin W. Isenberg, OR
 SPC William Jeffries, IN
 SPC David W. Johnson, OR
 SFC Michael Dean Jones, ME
 SPC Alain Louis Kamolvathin, NJ
 SPC Mark J. Kasecky, PA
 SPC James C. Kearney, IA
 PFC David M. Kirchoff, IA
 SGT Floyd G. Knighten Jr., LA
 SPC Joshua L. Knowles, IA
 SSG Lance J. Koenig, ND
 CW3 Patrick W. Kordsmeier, AR
 SFC William W. Labadie Jr., AR
 SGT Joshua S. Ladd, MS
 SPC Charles R. Lamb, IL
 CW4 Patrick Daniel Leach, SC
 PFC Ken W. Leisten, OR
 SSG Jerome Lemon, SC
 SPC Tiothy J. Lewis, VA
 SGT Jesse Marvin Lhotka, MN
 SPC Justin W. Linden, OR
 SPC Jeremy Loveless, AL
 SSG David L. Loyd, TN
 CPT Robert Lucero, WY
 SPC Wai Phyoo Lwin, NY
 SSG William Francis Manuel, LA
 SPC Joshua Samuel Marcum, AR
 PFC Ryan A. Martin, OH
 SPC Nicholas Conan Mason, VA
 SPC Patrick R. McCaffrey, Sr., CA
 1LT Erik S. McCrae, OR
 SPC Donald R. McCune, MI
 SPC Jeremy Wayne McHalfey, AR
 SPC Eric S. McKinley, OR
 SSG Heath A. McMillan, NY
 SPC Robert Allen McNail, MS
 SPC Kenneth A. Melton, MO
 SPC Michael G. Mihalakis, CA
 SFC Troy L. Miranda, AR
 SPC Dennis B. Morgan, NB
 SGT Shawna M. Morrison, IL
 SPC Clifford L. Moxley, PA
 SPC Warren Anthony Murphy, LA
 SPC Nathan W. Nakis, OR
 SPC Creig Lewis Nelson, LA
 SPC Joshua M. Neusche, MO
 SPC Paul Anthony Nicholas, CA
 SGT William J. Normandy, VT
 PFC Francis Chinomso Obaji, NY
 SGT Nicholas Joseph Olivier, LA
 SSG Todd Donald Olson, WI
 SPC Richard P. Orenge, PR
 SSG Billy Joe Orton, AR
 SGT Timothy Ryndale Osbey, MS
 SSG Michael C. Ottolini, CA
 PFC Kristian E. Parker, LA
 SGT Theodore L. Perreault, MA
 SSG David S. Perry, CA
 SGT Jacob Loren Pfingsten, MN
 SGT Ivory L. Phipps, IL
 SGT Foster Pinkston, GA
 SGT Darrin K. Potter, KY
 SGT Christopher S. Potts, RI
 SGT Lynn Robert Poulin, SR, ME
 SPC Robert Shane Pugh, MS
 SPC Joseph Andrew Rahaim, MS
 SPC Eric U. Ramirez, CA
 SPC Christopher J. Ramsey, LA
 PFC Brandon Ramsey, IL
 SSG Jose Carlos Rangel, CA
 SSG Johnathan Ray Reed, LA

SSG Aaron T. Reese, OH	SFC Linda A. Tarango Griess, NE
SPC Jeremy L. Ridlen, IL	SPC Christopher M. Taylor, AL
CPL John T. Rivero, FL	MSG Thomas R. Thigpen, Sr., GA
SSG William Terry Robbins, AR	1LT Jason Gray Timmerman, MN
SSG Alan Lee Rogers, UT	SGT Humberto F. Timoteo, NJ
SFC Daniel Romero, CO	SPC Seth Randell Trahan, LA
SFC Robert E. Rooney, NH	SPC Quoc Binh Tran, CA
SPC David L. Roustrum, NY	2LT Andre D. Tyson, CA
SGT Roger D. Rowe, TN	PFC Daniel P. Unger, CA
SPC David Alan Ruhren, VA	PFC Wilfredo Fernando Urbina, NY
CW4 William Ruth, MD	SGT Michael A. Uvanni, NY
SPC Lyle Wyman Rymer II, AR	SGT Gene Vance Jr., WV
SPC Jeremiah W. Schmunk, WA	1LT Michael W. Vega, CA
SPC Jeffrey R. Shaver, WA	PFC Kenneth Gri Vonronn, NY
SGT Kevin Sheehan, VT	SSG Michael Scott Voss, NC
1LT Andrew Carl Shields, SC	PFC Brandon J. Wadman, FL
SPC Roshan "Sean" R. Singh, NY	SFC Mark C. Warren, OR
SPC Aaron J. Sissel, IA	SSG David J. Weisenburg, OR
1LT Brian D. Slavenas, IL	SPC Cody Lee Wentz, ND
SGT Keith Smette, ND	SPC Jeffrey M. Wershow, FL
SGT Michael Antonio Smith, AR	1LT Charles L. Wilkins III, OH
CPL Darrell L. Smith, IN	SPC Michael L. Williams, NY
CW4 Bruce A. Smith, IA	SFC Christopher R. Willoughby, AL
Maj Gregory Stone, ID	SSG Clinton L. Wisdom, KS
2LT Matthew R. Stoval, MS	SPC Robert A. Wise, FL
SSG Michael Sutter, IL	SPC Michelle M. Witmer, WI
SGT Robert Wesley Sweeney III, LA	SGT Elijah Tai Wah Wong, AZ
SGT Deforest L. Talbert, WV	SGT Roy A. Wood, FL

PREPARED STATEMENT OF LIEUTENANT GENERAL H STEVEN BLUM

CNGB EXECUTIVE SUMMARY

Overview

The National Guard is essential and engaged in our hometowns and across the globe.

As of January 1st, there are more than 109,000 Army and Air National Guardsmen on active duty worldwide, with another 9,700 alerted and awaiting mobilization, and 2,900 more serving in a Title 32 or State Active Duty status. Over 240,000 guard members have been mobilized since September 11th. Today more than 40 percent of the forces on the ground in Iraq are Guard and Reserve, and that proportion is set to grow this year.

We conduct peacekeeping operations in Bosnia, Kosovo and the Sinai. We man the Avenger air defense batteries protecting our Nation's Capital, as well as Ground-based Mid-course Missile Defense interceptors in Alaska. We fly the vast majority of the air sovereignty missions over American cities.

The Guard supports emergency responders and managers at local, state and regional levels. We respond to fires, floods, blizzards, tornadoes and hurricanes. We counter narco-terrorism, protect critical infrastructure, conduct airport and border security missions and defend against physical and cyber attacks on our homeland.

We assist four combatant commanders as they engage in Theater Security Cooperation with our allies through our unique State Partnership Program, forging close bonds between our states and sovereign nations.

We continue to invest in our nation's most precious resource, our youth, through the Starbase, About Face, Drug Demand Reduction and ChalleNGe programs.

As the National Guard engages in every one of these endeavors, it also engages our families, employers, cities, towns and villages across this land—committing them to America's cause. When you call out the Guard, you call out America!

Support the Warfight Anytime, Anywhere

The Army National Guard is rapidly transforming from an under-resourced, Cold War, strategic reserve to an Operational Force ready for immediate employment across the full spectrum of the Global War on Terror.

In the 1990s, our National Guard divisions were not even in the Army's war plans; today, the first Guard division headquarters to deploy to combat since the Korean War is on the ground in Iraq and commanding active duty, Guard and Reserve forces.

We are rebalancing our forces in accordance with Army and Air Force requirements to ensure we have the right capabilities, in the right numbers, at the right places. We are converting, for example, our Cold War artillery into the military police, chemical, intelligence, surveillance and reconnaissance units we need for the current warfight. During the next three years, the Army National Guard will restructure to a Modular and Expeditionary force. No longer a “legacy force” or a strategic reserve, the Army Guard will have the same units and same equipment as the active Army. In order for this transformation to become a reality, it will require a long-term resource commitment on the part of Congress.

The Air Guard continues to modernize, creating a more capable and versatile force that will ensure continued American dominance in air power for the next 20 years. Air National Guard planes carry most of the precision-guided munitions dropped in Iraq, the result of congressionally directed procurement of targeting pods that has given the Air Guard capabilities superior to those of many active Air Force units.

The Guard’s State Partnership Program provides a unique tool to strengthen our international alliances. This is a highly successful, direct military-to-military engagement program that has blossomed to embrace military-to-civilian and civilian-to-civilian interaction with 48 countries around the globe. It supports the theater engagement efforts of the commanders of Pacific Command, European Command, Central Command and Southern Command, and it is in direct support of the National Security Strategy imperative that we deter forward in those four critical areas.

More than 210 National Guardsmen and women have made the ultimate sacrifice in Iraq and Afghanistan, and thousands have been injured. We as a nation must ensure that the military medical system treats our wounded with the utmost care and respect. We also have a responsibility to Guardsmen who are so critically injured that they cannot return to military service or their former civilian careers. We want to ensure they have a smooth transition to Veterans Administration care. Additionally, we will do everything within our abilities to assist them in obtaining civilian jobs compatible with their grave injuries. The National Guard took the first step by creating a position in every state dedicated to helping all catastrophically wounded veterans—regardless of service or component—make that transition and receive the benefits they are due. Wherever possible, we hire a seriously wounded veteran to perform this duty. We also reach out to employers across America to encourage them to hire our wounded heroes.

A key aspect of the Guard’s preparedness to go to war—or to provide service here at home—is the necessity to rearm and reequip our units as they return from abroad. Warfighting not only wears out equipment; in many cases, Guard units re-deploying home are ordered to leave their equipment behind for follow-on forces. An Engineer company that returns home without bulldozers or earthmovers cannot train for the next deployment. It has trouble recruiting new Soldiers and is of diminished use to a governor in the event of an emergency. As operational tempo remains high across the Guard and we shift to becoming a no-notice or short-notice reserve, we cannot ignore the costs of “resetting” the force once it returns home. These costs, when added to the necessary expense of converting to modular and expeditionary units with equipment levels equal to those of their active Army counterparts, will be high—but will only increase if the inevitable is delayed.

Homeland Defense: Here and Abroad for over 368 Years

Mission One for the National Guard is Homeland Defense. The President, the governors, Congress and the Secretary of Defense have clearly insisted that the Guard be fully prepared to engage in Homeland Defense and to support Homeland Security missions while simultaneously engaged in combat overseas; in fact, they insist that we be more accessible than we’ve ever been in the past. Congress further enhanced the Guard’s domestic Homeland Defense and Security mission capability in the 2005 Defense Authorization Act, by amending Title 32 of the U.S. Code to authorize the funding of homeland defense activities by the National Guard, upon approval of the Secretary of Defense.

We have committed to the governors—our state Commanders in Chief—that the National Guard will have sufficient capabilities under their control to meet their needs. Those capabilities include key assets for command, control and immediate response—the Joint Force Headquarters, Civil Support Teams, rapid reaction forces, medical, aviation, decontamination and engineering units.

At the state level, the Guard continues to strengthen ties with the Department of Homeland Security. In 23 states and territories, the Adjutant General serves as either the state Director of Emergency Management, the state Director of Homeland Security or both. The National Guard Bureau is also taking the lead in promoting

increased sharing of interagency and intergovernmental intelligence. By using a host of communications and intelligence networks linked to each state Joint Forces Headquarters, we are rapidly achieving a nationwide, state-by-state Common Operating Picture.

We are rebalancing forces among the states. Some of this is taking place across service lines; a medic is a medic, whether Army green or Air Force blue. The Joint National Guard Bureau will apportion medical, transportation, communication, police and other assets based on state needs—not just service-unique criteria.

Innovative solutions to Homeland Defense and Security challenges led us to leverage many capabilities previously envisioned for use only in our federal warfighting role. A year ago, we conceptually spoke of leveraging these capabilities. Today, it is a reality. Every state now has reaction forces to rapidly respond to a governor's summons—a company of 125 Army or Air Guard personnel within four to eight hours; a battalion of 500 personnel within 24 to 36 hours.

The Department of Defense has announced the activation of the final 11 Civil Support Teams. As a result, every state, territory and the District of Columbia will have this full-time asset capable of deploying, detecting and advising civil authorities on managing the effects of a Weapons of Mass Destruction attack.

Twelve regional Chemical, Biological, Radiological, Nuclear and high-yield Explosives Enhanced Response Force Packages—modeled on the single existing Marine Corps unit—were established and subsequently certified by the U.S. Marine Corps and U.S. Army. These force packages provide mass casualty decontamination, security and urban search and extraction in contaminated environment capabilities in addition to those of the Civil Support Team. The power of these response packages is that we leverage existing warfighting units in the Army and Air Guard by providing only modest amounts of additional equipment and training to create this critically needed, new capability.

Since October 2003, every state has had a provisional standing Joint Force Headquarters with the capability to coordinate, synchronize and control all military efforts in support of the lead state, local or federal agency responding to a crisis. These headquarters proved themselves remarkably capable last year handling myriad challenges—from responding to multiple deadly hurricanes in Florida, to operational control of forces for border security during Operation Winter Freeze, to full-scale command and control of all federal and state military forces during three separate National Security Special Events—the G-8 summit and the Democratic and Republican National Conventions.

The National Security Special Event command and control construct was a landmark achievement. For the first time in our nation's history, we attained unity of command for all military forces operating in support of a major security event—National Guard on state active duty, National Guard under USC Title 32 control, Army, Navy, Air Force and Marine Corps Title 10 forces—all commanded by a single National Guard commander from a state Joint Force Headquarters, operating in a joint, combined, intergovernmental and interagency environment.

Once the mission statements of the 54 state Joint Force Headquarters, as well as the Joint National Guard Bureau, are formally approved, we will begin providing our personnel with the Joint Professional Military Education they require to most effectively serve in their role as the 54 forward deployed headquarters for homeland defense and security. We are well within reach of our goals to improve the Guard's readiness to fight the Global War on Terror both at home and abroad and provide greater value in terms of efficiencies and effectiveness to the citizens of the states and of the United States.

Ground-based Midcourse Missile Defense interceptors, manned entirely by full-time members of the Alaska Army National Guard, have achieved limited operating capability at Fort Greeley. Similarly, the Air Guard continues the air sovereignty mission it has been conducting over this nation since September 2001, employing new facilities and new command and control infrastructure to improve the effectiveness of this mission. We continue to stand watch, as we have for nearly 400 years.

Transformation for the 21st Century

Transforming the Cold War-era mobilization process is a must in order to speed our shift from a strategic reserve to an operational force—and to increase Soldier retention.

Last year, we promised the governors—and our Soldiers and Airmen—a more predictable model for operational rotations. This makes it easier to plan for which units will be available for homeland defense and helps Guard members, families and employers better understand and prepare for their own future. We began implementing our plan this year, distributing the burden of deployments among states and units

as equitably as possible. Our goal is for every Guard member to know when and for how long they will deploy well in advance of their deployment date.

Recruiting for the Army Guard has been a challenge this past year. We saw remarkably high levels of retention among Soldiers and Airmen who deploy overseas with their units. However, prior service enlistments are significantly down and recruiting new Soldiers has been difficult. With the extensive new resources devoted by Congress, we hope to once again meet our goals. As a result of this congressional attention, we dramatically increased enlistment and reenlistment bonuses and added 1,400 new recruiters across the nation—an increase of more than 50 percent over the 2,700 recruiters we had. There remain, however, continued inequities between the bonuses and entitlements for which the Guard and Reserve are eligible and those that the active component receives.

Army Guard units are not resourced for the high level of readiness that today's environment demands. Since 9/11, over 75 percent of our divisional combat battalions—among the lowest resourced Army units—have been mobilized. Because of decades of maintaining units in peacetime at lower strength than authorized for wartime, nearly every Guard unit mobilized has required fillers. In effect, we are unable to mobilize a full-strength battalion without reducing the readiness of a second battalion.

In order to transform to a modern operational force, we need to change this practice. The Army Guard needs to man its units like the active Army, at full wartime strength. While this means reducing the overall structure, the result will be fully manned units and a more ready and accessible National Guard.

The number of aircraft in the Air National Guard will decrease as technologies increase capabilities. We will expand our medical, engineering, security and intelligence units through the Vanguard transformation program. The Air Guard also strives to increase its capabilities in joint operations through network-centric systems, such as the Enhanced Radio Location Reporting System—a means for tracking friendly units on the ground—and the Expeditionary Medical Support system—a highly mobile, integrated and multifunctional medical response suite that is currently in use in Iraq and is also ideal for rapid response here at home.

The Guard is undergoing change at an unprecedented rate. We are operating as joint headquarters in the states and jointly at the National Guard Bureau. We are leveraging new capabilities from our warfighting units for Homeland Defense, adopting new missions such as civil support and missile defense, working with the Army to revamp the mobilization process and the way we man our units. We are rebalancing forces for both the federal and state missions—all while conducting the daily business of disaster response at home and peacekeeping and warfighting overseas. Your National Guard—the spirit of our Soldiers and Airmen, is indomitable!

We are proud to serve as America's 21st Century Minutemen—always ready, always there!

PREPARED STATEMENT OF LIEUTENANT GENERAL ROGER C. SCHULTZ

“SERVING A NATION AT WAR: AT HOME AND ABROAD”

Message from the Director

The Army National Guard is an integral and vital component of the United States Army. The Guard is organized, trained and resourced to support the President and Congress of the United States. Since September 11, 2001, the Army National Guard has provided trained and ready units across the entire nation and the globe. The Army National Guard commits to continued support of the Global War on Terrorism both at home and abroad.

In 2004, the Army National Guard supported ongoing combat service in Iraq and Afghanistan, emergency service and reconstruction efforts in the aftermath of Florida's record number of hurricanes and enduring missions to the Balkans and Sinai Peninsula. The Army National Guard met the challenge of balancing our federal and state missions. Our Soldiers, families and employers deserve credit for a job well done in the face of strained resources.

This Posture Statement presents an opportunity to lay out in detail the Army National Guard actions to ensure our nation's defense, meet our strategic and legislative goals and transform to meet tomorrow's challenges. The Chief of the National Guard Bureau established our fiscal year 2006 priorities to Support the Warfight, Defend the Homeland and Transformation for the Future.

The Army National Guard balances its status as an integral element of the United States Army with its readiness to serve state governors and the people of our communities. Our Citizen-Soldiers represent thousands of communities across

America. Our Soldiers bring with them real-world experience and provide capabilities to address both domestic disasters and foreign conflicts.

The Army National Guard remains committed to transform into an Operational Force that continues to be capable of its dual role to support the Global War on Terrorism and the state governors. The Army National Guard's commitment to domestic and foreign affairs will remain at a consistent pace for the coming years. We are able to keep this commitment because of the continued dedication of our Soldiers, support from the families and the resources provided by Congress.

SUPPORT THE WARFIGHT ANYTIME, ANYWHERE

The Citizen-Soldier: Defending the Nation

The Army National Guard demonstrates it is a full partner of the Total Army Force. The Army National Guard provided ready units in support of a variety of overseas missions throughout fiscal year 2004.

The Army National Guard mobilized and deployed more than 95,000 Soldiers to war in support of Operation Noble Eagle (America's Homeland Defense), Operation Enduring Freedom (Afghanistan) and Operation Iraqi Freedom (Iraq). The Army National Guard conducts operations ranging from combat to peacekeeping and force protection to national missile defense missions. The Army National Guard meets operational requirements in conjunction with training activities in 84 countries. The Army National Guard balances missions with continued support to state and local authorities during natural and manmade disasters, Homeland Defense and Homeland Security.

The Army National Guard fortified its success with a long-term leadership role in the Balkans, supporting Peacekeeping Operations in Bosnia and Kosovo. Army National Guard units received assignment as Multi-National Force Observers in the Sinai Peninsula. The Active Component previously supported each of these operations. The Army National Guard will conduct these missions in the future.

Equipping the Force

The Army National Guard established funding priorities based on the Army Chief of Staff's vision for modernizing the total force core competencies. These competencies include training, equipping Soldiers, growing capable leaders and maintaining a relevant and ready land power. The Army National Guard focus is to organize and equip current and new modularized units with the most modern equipment available. This modernization ensures our ability to continue support of deployments, homeland security and defense efforts while maintaining our highest war-fighting readiness. This requires the Rapid Fielding Initiative to equip our Soldiers with the latest force protection items, such as body armor with Small Arms Protective Insert Plates, Night Vision Devices and small weapons.

Intelligence Operations

Army National Guard Soldiers assigned to Military Intelligence play a vital role in the Global War on Terrorism and National Security. The Army National Guard deployed these Soldiers worldwide to support intelligence operations at the tactical, operational and strategic levels. During 2004, Army National Guard Military Intelligence units supported combatant commanders deployed in Bosnia, Kosovo, Afghanistan, Iraq, Kuwait, Saudi Arabia, Jordan, Turkey, Bahrain, Qatar, Oman, Djibouti, Guantanamo Bay and to Continental United States locations. Army National Guard linguists and analysts provided capabilities for government agencies such as the National Security Agency, Defense Intelligence Agency and elements of the State, Treasury and Justice Departments. At all levels of operation, Soldiers participate in sanctioned activities including imagery intelligence, signals intelligence, document exploitation, counter-drug and analysis-based intelligence. Our Soldiers engage in intelligence activities concurrently with training to improve their readiness and ability to remain a key asset in the defense of our nation.

Information Operations

The Army National Guard continues to provide Full Spectrum Information Operation Teams to support a broad range of Army missions. The Army National Guard Information Operations Field Support Teams provide tactical planning capabilities at all echelons. Army National Guard Brigade Combat Teams are deployed to theater with information operation cells that provide planning support to each level.

Innovative Readiness Training

The Innovative Readiness Training program highlights the Citizen-Soldier's role in support of eligible civilian organizations. By combining required wartime training with community support projects, Soldiers obtain the training they need and com-

munities receive needed assistance in completing various projects. Community benefits usually come in the form of construction projects or medical improvements.

More than 7,000 Soldiers and Airmen from across the United States and its territories participate annually in Innovative Readiness Training sponsored projects. Army National Guard missions include:

- Task Force Alaska leadership of a joint, multi-year engineering project to construct a 15-mile road on Annette Island, normally accessible only by boat;
- In Clarksburg, West Virginia, Army National Guard engineers continue efforts to expand and improve the Benedum Airport infrastructure;
- Task Force Grizzly and Task Force Douglas improved existing road networks in support of United States Border Patrol in California and Arizona;
- Rolling Thunder is a series of Oregon Army and Air National Guard projects designed to enhance military skills while adding value to local communities. Rolling Thunder provides a positive presence in Oregon communities and promotes public awareness of the Army National Guard; and
- The South Carolina Army National Guard instituted the REEFEX project. REEFEX utilizes decommissioned Army vehicles to create artificial reefs in the Atlantic Ocean off the coasts of New England and South Carolina.

Training the Nation's Warfighter

The Army National Guard's unique condition of limited training time, limited training dollars and, in some cases, difficult access to training ranges, demands an increased reliance on low-cost, small-footprint training technologies. Quick response by the Army National Guard to our nation's missions requires a training strategy that reduces post-mobilization training time. New virtual technologies and simulators therefore become critical tools to help Army National Guard maintain a ready Operational Force.

The Bradley Fighting Vehicle is the primary weapon system of the United States Army Mechanized Infantry and a critical system to the United States Army Cavalry. The Advanced Bradley Full Crew Interactive Skills Trainer virtual gunnery training system is a low cost, deployable training system that attaches directly to the Bradley Fighting Vehicle and supports home station training in advance of a live fire event.

The Virtual Convoy Operations Trainer provides training for combat convoys under realistic conditions that simulate the streets of Baghdad and other areas. This resource trains Soldiers to anticipate ambushes and other insurgent actions from all possible directions by allowing the crew to observe, maneuver and fire their weapons in a full, 360-degree circumference. These systems train mobilizing Soldiers in tactics, techniques and procedures for convoy operations within the U.S. Central Command Area of Responsibility.

The Engagement Skills Trainer 2000 simulates weapon-training events. This trainer provides initial and sustainment marksmanship training, static unit collective gunnery tactical training and rapid identity friend-or-foe training. Soldiers utilize this trainer primarily for multipurpose, multi-lane, small arms, crew-served and individual anti-tank training simulation. The trainer simulates day and night, as well as Nuclear, Biological and Chemical marksmanship and tactical training.

The Laser Marksmanship Training System simulates weapons training events that lead to live-fire qualifications for individual and crew-served weapons. This system is similar to the Engagement Skills Trainer 2000, but it weighs less, is transportable, uses batteries and requires no fixed facilities to maintain. This system allows the Soldier to use personal weapons to conduct individual and sustainment marksmanship training using Nuclear, Biological and Chemical equipment.

The Joint Training and Experimentation Program is a California National Guard training initiative. This program develops the technology that links the Live, Virtual and Constructive training environments into an architecture, which permits fully integrated exercises at the brigade level and below.

Information Technology

The Army National Guard successfully increased the bandwidth and provided a secure data link to the Joint Force Headquarters in each of the 50 states, Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia. The Army National Guard synchronizes its transformation efforts with the Department of the Army. The Army National Guard's modern wide-area network provides improved redundancy and increased network security. The Army National Guard G-6 will continue to support the Joint Warfighter by enhancing collaboration among the Total Force and leveraging superior Knowledge Management strategies in fiscal year 2006.

Prepared and Ready

The national investment in Army National Guard training and readiness programs continues to pay strong dividends. Congressional attention and support directly enables the Guard's ability to robustly defend the homeland and provide trained and ready units to Combatant Commanders waging the War on Terror and engaging enemies abroad.

The Army and Army National Guard transformation is a process critical to meeting the challenges of today and the future. At the same time, the Army National Guard advances with proven readiness and training programs that are critical to our current successes and essential for those in the future.

The Army National Guard prepares to transform at an unprecedented pace while continuing the Warfight. National and state leaders can rest assured the Army National Guard remains committed to the responsibilities of its dual role. The Army National Guard commits itself to continued and immediate support of local civilian authorities while maintaining Relevant and Ready Forces in support of the Nation.

Full-Time Support

Fighting the Global War on Terrorism highlights the vital role Full-Time Support personnel serve in preparing Army National Guard units for a multitude of missions both at home and abroad. Full-Time Support is a critical component for achieving Soldier and Unit-Level Readiness. Full-Time Guard members are responsible for organizing, administering, instructing, training and recruiting new personnel. They maintain supplies, equipment and aircraft. Full-Time Support personnel are imperative to the successful transition from peace to war and have critical links to the integration of the Army's components. To meet readiness requirements, the Chief of the National Guard Bureau, in concert with the Adjutants General, increased Full-Time Support authorizations as a priority for the Army National Guard.

While the Army National Guard made progress in recent years to increase Full-Time Support, obstacles remain in obtaining acceptable Full-Time Support levels. It is critical that Full-Time Manning increase in the near term to a minimum 90 percent of the total requirement to help ensure the highest readiness level, C1.

Training to Protect the Homeland

The training priority for the Army National Guard is preparation of combat-ready Soldiers that limits lengthy post-mobilization periods. The requirements for missions at home and abroad direct the training emphasis of the Army National Guard in contemporary operating environments. As a result, Army National Guard units remain fully prepared, equipped, trained and ready to operationally deploy and swiftly mobilize to meet regional and territorial responsibilities.

For a second consecutive year, the Army National Guard met or exceeded the Secretary of Defense's Duty Military Occupational Skill Qualification training goals. In fiscal year 2004, the Army National Guard achieved 83.08 percent qualification status. This specific training goal increases to 85 percent in fiscal year 2005. The Army National Guard added training schools to meet the needs of our Soldiers for operational missions at home and abroad. These efforts resulted in 7,000 additional Soldiers now meeting deployment standards.

In an effort to respond to the contemporary training needs of units and Soldiers, the Army National Guard plans to establish "Training for Urban Operations" at our facilities. We currently operate one entire suite and two Mobile Military Operation Urban Terrain sites. Additional facility construction programmed over the next five years at four National Guard Training Centers will better support mobilizations. A future construction plan targets four more sites.

Protecting Those Who Protect America

The Army National Guard adheres to the Army's new Safety Campaign Plan and incorporates it into the Army National Guard's Safety and Occupational Health regulation. The Army National Guard will continue to emphasize the Defensive Driving Course in the coming years. The Army National Guard Safety and Occupational Health Office is a partner with adjacent and higher level safety organizations to identify and implement successful methods of combating all our safety related problems.

Keeping the Force Strong: Recruiting and Retention

The Army National Guard ended fiscal year 2004 by achieving 99 percent of our retention objectives and exceeding attrition goals. This accomplishment falls 7,082 Soldiers short of our End Strength goal of 350,000 Soldiers. To meet this same End Strength goal in fiscal year 2005, the Army National Guard's enlisted accession mis-

sion is 63,000 Soldiers funded at a 50/50 Non-Prior Service/Prior Service ratio. The Active Component End Strength increase, high operational tempo and reduced propensity of prior service Soldiers to join the Army National Guard prove a challenge to our recruiting mission. The reduction in Active Component members transitioning into a reserve capacity requires the Army National Guard to increase accession of Non-Prior Service candidates. Funding constraints limit the Army National Guard's ability to maintain a presence on school campuses to attract Non-Prior Service candidates. As a result, we witnessed a drop in recruits from the high school and college graduate pool. The Army National Guard currently works with the Army Personnel leadership to identify funding requirements in the Recruiting Action Plan.

The Army National Guard implemented retention and attrition programs and is developing new initiatives to minimize projected attrition impacts of the 12–18 month mobilization cycle. To date, recent operations have not significantly affected loss rates of units returning from deployment. Our current loss rate of Soldiers demobilized through December 2004 is 11.3 percent of the entire demobilized Soldier population since 9/11. This loss rate is well below our current overall Army National Guard loss rate of 18.8 percent with the Army National Guard goal being 18 percent losses. We remain cautiously optimistic that developing Army National Guard retention programs, initiatives and enhancements based on Unit Post Mobilization Survey data will preempt the kind of high loss rates resulting from the Operation Desert Storm/Shield era.

The Army National Guard launched an aggressive new marketing campaign, "American Soldier," targeting Non-Prior Service candidates. This comprehensive campaign reaches prospective Guardsmen through radio, television, college marketing, internet media, event marketing and point-of-sale materials, promotional items, print media and mass mailings. This marketing tool enables the Army National Guard to effectively execute its mission and recruit quality Soldiers. Supplemental funding identified as required in our Recruiting Action Plan is critical to continue "American Soldier" through fiscal year 2005.

The Army National Guard is taking several steps to ensure we achieve fiscal year 2005 objectives. These objectives include introduction of a comprehensive Recruiting and Retention Non-commissioned Officer Sustainment Training program with internal Mobile Training Teams. Enhancements to the "YOU CAN" school programs and educational seminars include six new and 24 updated school presentations. These programs provide Army National Guard recruiters entry into the secondary school markets. We emphasize access to the secondary schools at regional and state-level educational seminars and work with professional educators to facilitate direct marketing of the Army National Guard programs. Initiatives to strengthen Commissioned Officer levels in fiscal year 2005 include a dedicated Officer Recruiting blitz. This concentrated effort involves a coordinated campaign amongst national, regional and state officer recruiting personnel. Additional support focused on Army Medical, Chaplain, Warrant Officer and Basic Branch recruiting complement our overall Officer Recruitment campaign.

Recruiting and retaining Soldiers for the Army National Guard proves to be challenging during wartime. In fiscal year 2005, the Army National Guard increased the accession mission from 56,000 to 63,000 to compensate for fiscal year 2004 shortfalls. The Army National Guard trained 971 new recruiting and retention non-commissioned officers through December 2004 and will add 1,400 more in 2005. This addition will increase our ability to recover from current End Strength and accession shortfalls. The assistance outlined above, coupled with successful implementation of key initiatives, is imperative to attaining the End Strength mission.

Environmental Programs

The Army National Guard continues implementation and full utilization of initiatives consistent with the new Army Strategy for the Environment and Installation Sustainability. Begun in fiscal year 2002, the Training Center Sustainment Initiative reduces mission impacts through identification and prioritization of environmental vulnerabilities. Range sustainment initiatives ensure maximum continuous use of Army National Guard training lands for our Soldiers. This comprehensive, web-based tool provides sustainability analysis on our training lands and valuable analytical decision-making tools for Army National Guard leaders. The Training Center Sustainment Initiative, in conjunction with Environmental Management Systems implementation and continued Geographical Information Systems integration, greatly supports active stewardship of the environment.

Ground-based Midcourse Defense

Defending against ballistic missile attack is a key component of the National Security Strategy for Homeland Security. In the initial defensive operations phase, the Army National Guard will play a major role in this mission as the force provider for the Ground-based Missile Defense system. We requested a fiscal year 2005 funding increase in the Active Guard Reserve manpower authorization in the President's Budget Request to support this new role. The Ballistic Missile Defense program is dynamic—undergoing constant refinement and often late-breaking changes and decisions. The Army National Guard, as the force provider, may require last-minute changes in Active Guard Reserve manpower authorizations and related funding for missile defense decisions. Timely congressional support of these requests is imperative for the Army National Guard to provide the necessary manpower resources to the vital Homeland Defense mission. Soldiers serve in two statuses: (1) Title 32 Active Guard Reserve status performing duty consistent with the core functions by 10 USC 1019d)(6): organizing, administering, recruiting, instructing or training other members of the reserve components; (2) Title 10 Active Guard Reserve status performing the Federal Ground-based Missile Defense operational mission duties (for the duration of those duties). To support these manpower resources, Soldiers performing operational missions function in Title 10 status. Soldiers performing non-operational missions remain in Title 32 status.

Logistics and Equipment

The Army National Guard continues modernization to the digital force with the emerging technologies that will dramatically improve logistical support for these systems, substantially reduce repair times, increase operational readiness rates and eliminate obsolete and unsustainable test equipment. Use of these technologies allows the Army National Guard to operate heavy equipment at a higher operational rate while reducing the overall costs for these systems.

EQUIPMENT MODERNIZATION SHORTFALLS IN THE ARMY NATIONAL GUARD

High-Mobility Multi-Purpose Wheeled Vehicles
 Single-Channel Ground and Airborne Radios
 UH-60 Helicopter
 Night Vision Devices
 Small Arms

The Army National Guard currently retains a significant portion of the Army's maintenance infrastructure. This Cold War infrastructure is expensive and redundant. Under the Army's new maintenance strategy, the Army National Guard and other Army elements continue consolidation of maintenance systems. This initiative enhances the maintenance system and improves efficiency. Army maintenance personnel effectively diagnose and maintain equipment by reducing maintenance tasks to two levels instead of four.

Personnel Transformation

Critical "paperless" Personnel Transformation innovations are underway within the Army National Guard. Our web-based Personnel Electronic Records Management System utilizes digital imagery to store and retrieve personnel records. This state-of-the-art technology provides seamless records management capability throughout the Total Army. The system enhances both mobilization and personnel readiness. With over 320,000 Soldiers deployed in over 120 countries, the necessity for a Total Army Records Management solution is paramount.

Aviation Transformation and Modernization

The Army National Guard's aviation transformation supports efforts to transform for the future. Aviation transformation and modernization increases our ability to support a joint warfight while enhancing our responsiveness for Homeland Defense. We are reconfiguring our aviation units into modularized units of action and units of employment to align with Army plans. Reduction of the UH-1 Huey fleet to 100 aircraft should occur by the end of 1st Quarter fiscal year 2005. We will complete aircraft reallocations within the National Guard system, turn in aircraft legacy systems and transfer remaining aircraft from active component units.

The Army National Guard provides almost half of the Army's aviation structure. The rate of modernization, planned quantities of most aircraft and current funding levels influence the ability to maintain combat-ready status. Aging and obsolete rotary wing assets average over twenty years of service life. Fixed wing assets also show signs of age. The Army National Guard started removing Utility C-26 aircraft from service and retiring utility C-12 aircraft. C-23 cargo aircraft offer marginal capabilities for wartime cargo movement requirements. Current plans provide no alternative replacement for our fixed wing assets.

The active Army cascaded significant quantities of UH-60 Blackhawk, CH-47 Chinook and AH-64 Apache aircraft to the Army National Guard. This procurement still leaves us permanently short of adequate combat rotary wing systems. The Army National Guard anticipates receiving only 174 of the required 220 AH-64 Apaches, 131 of the required 159 CH-47 Chinooks and 662 of the required 710 UH-60 Blackhawks. Acquisition of AH-64 Apaches will consist of only 60 of the modernized AH-64D "Longbow" model.

Modernized aircraft require modern facilities to support them. Upgraded and updated facilities ensure our ability to logistically support modernized systems once in place. Fielding equipment (tool set, tool kits, test equipment and parts) necessary to support new aircraft failed to keep pace with transformation. We fund the majority of support items by diverting funds from other Army National Guard programs. Training demands for transitioning units cause further stress for already overburdened training sites. While the Army National Guard meets these challenges, eventually we will exceed our capacity to respond and adapt. We need to obtain necessary logistical support and infrastructure to sustain our aviation structure in accordance with Army readiness standards. Without increased funding, the Army National Guard Aviation Force risks lower readiness rates, reduced capability and obsolescence.

Training in "One Army"

Training centers support our ability to conduct performance-oriented training under real-world conditions. The Army National Guard modernizes and restructures in accordance with transformation needs for Future Force ranges and maneuver areas that effectively meet evolving warfighting requirements. Ranges and training land provide live fire experience. We face a number of continuing challenges in sustaining Power Support Platforms and modernizing Army National Guard live-fire ranges and range operations for the Stryker Brigade Combat Team. The Army National Guard will consolidate range and training land investment documentation under the Sustainable Range Program.

The Army National Guard achieves training excellence by leveraging the Distributed Learning construct. Distributed Learning improves unit and Soldier readiness through increasing access to training resources and reducing unnecessary time away from the home station. Interactive Multimedia Instruction courseware, Satellite programming and distance learning offer needed instruction for Soldiers and units. Current Distributed Learning addresses training priorities such as Duty Military Occupational Skill Qualification reclassification and other professional military and functional training.

The Army National Guard engages in a full spectrum of civil-military operations. Our Soldiers represent every state, territory and sector of society. Today they represent their nation serving honorably throughout the world. In these critical times, the Army National Guard must maintain readiness. A vital part of the Army's force structure, the Army Guard remains a community-based force committed to engage in overseas missions while protecting and serving our cities and towns. The Army National Guard has proven itself capable of carrying out its goals of supporting the Warfight, defending the Homeland and transforming into a ready, reliable, essential and accessible force for the 21st century.

PREPARED STATEMENT OF LIEUTENANT GENERAL DANIEL JAMES, III

MESSAGE FROM THE DIRECTOR

This has been another exceptional year for the Air National Guard. Despite our serious obligations and missions in prosecuting the Global War on Terrorism, our members remained at the forefront of Homeland Defense abroad and at home. During fiscal year 2004, Air National Guard crews flew well over 50 percent of the fighter, tanker and airlift sorties for Operation Noble Eagle while postured for Air Sovereignty Alert at 16 of 17 sites; provided almost one-third of the fighter sorties in Operation Enduring Freedom; and provided over one-third of the fighter and tanker sorties for Operation Iraqi Freedom. Air National Guard crews also supported 75

percent of the tanker sorties and over 60 percent of the airlift sorties to other theaters. In addition, Air National Guard Expeditionary Combat Support capabilities support operations and exercises around the world. More than two-thirds of the Air National Guard force engaged in worldwide operations since 9/11.

Air National Guard members could not participate at these levels without continued support from Congress and the American people. Congress has worked hard to provide the support and the necessary resources to take care of the troops and their families, allowing the troops to focus on the mission. Citizen-Airmen answer the call as they always have and are receiving the tools to accomplish these demanding, dynamic missions at home and abroad. Additionally, our members' employers continue to step up to the plate by providing financial and employment security that exceeds the standards. This, too, helps our people focus on the mission.

The Air National Guard will continue to perform these homeland defense and expeditionary missions even as our organization transforms to meet future requirements. Through VANGUARD, the Air National Guard's strategy to remain relevant, we will continue to work with Air Force leadership to achieve the right mix of forces across the full spectrum of operations. We will continue to develop organizations that create synergistic effects for the resources involved by adhering to the core values associated with unit-equipped missions, by integrating where it is smart or by creating other unique organizational structures. We will seek new missions, such as the F/A-22, Predator, missions in space and information operations, while modernizing systems that will increase mission effectiveness. We will recruit and retain the best the nation has to offer while developing our people into Total Force leaders. Our success will require the focused effort of all stakeholders to ensure the necessary capabilities will be available for Hometown America while leveraging the community experience of our members. While we face these challenges together, community, state and national leaders can be sure the Air National Guard will remain Ready, Reliable, Relevant . . . Needed now and in the future!

SUPPORT THE WARFIGHT ANYTIME, ANYWHERE

Total Force Partner in the Expeditionary Air and Space Force

The Air National Guard has been and will continue integrating into the Air and Space Expeditionary Force employment concept. Since its inception, Air National Guard men and women in aviation and support packages routinely rotated to support exercises and real-world operations around the globe. As the Air Force adjusts this concept to meet current and future requirements, the Air National Guard adjusts as well to maintain Citizen-Airmen presence globally. Air National Guard capabilities are often singularly sought because of our experience and unique capabilities. Two such capabilities are the Theater Airborne Reconnaissance System and the ability to employ the 500-pound Joint Direct Air Munitions.

Across the full spectrum of operations, Air National Guard men and women continue to volunteer for duty in record numbers. The Volunteer is a key attribute continuously leveraged to supply needed capabilities while giving commanders the ability to efficiently and effectively manage the most precious resource: People. Volunteerism combined with high experience levels and unique skills mean an outstanding support for the war fight.

Network Centric Warfare and the Air National Guard

The Air Force's vision of Network Centric Warfare is a fully integrated digital system, which delivers seamless, survivable, instant capability to execute the Joint Force Commander's desired effects. This system provides Global Network Connectivity, network enabled weapons platforms, fused intelligence capability, real-time situational awareness and command and control. A dramatic transformation must occur in the Air Force and the Air National Guard in order to make the vision of this integrated digital system a reality.

With this transformation initiative, our focus shifts from information technology to the management of information. Information technology personnel will no longer merely manage circuits, computers and the infrastructure, but also manage the movement of information. Information will be stored centrally, with authoritative ownership, in a common format. This will permit information to be accessed by anyone, across functional domains, in real-time. Governance of the information structure will be elevated to the Air Force global level, with tiered responsibilities down to the client device. Systems and their infrastructures will utilize standardized components and configurations. Applications, systems and content will be web-enabled, stored in the Global Combat Support System and accessed through the Air Force portal from anywhere, at any time.

Transformation in the Information Technology domain is expensive. Information management initiatives affect every mission and member in the Air National Guard. Legacy systems must be retired; Information Technology infrastructure must be dramatically reduced and centralized. New systems and their infrastructures must be implemented even as existing systems continue to be used.

These initiatives will reduce strategic decision cycles to minutes and tactical decision cycles to milliseconds. Transformation in the Information Technology domain is expensive, but participation in NetCentric Warfare brings continued relevance to the Air National Guard by ensuring that our weapon systems, command and control processes and information are fully integrated with the Air Force. We must remain linked with the Air Force's transformation efforts in order to remain responsive to combatant commanders and continue to be a responsive, enabled and reliable partner in the Total Force. Continued fiscal support in the Information Technology arena must be sustained.

Engineering Support to the Warfighter

The Air National Guard civil engineering structure is based on a joint military-state cooperative agreement for the day-to-day operation of installations. This lean and efficient structure allows our organization to support the many missions of the National Guard while concentrating on support to the wider Air Force engineering mission. The Air National Guard contributes roughly 30 percent of the total Air Force engineering capability and has been involved in front line operations in Afghanistan and Iraq. Recent gains in operations and maintenance funding for mobility equipment allowed engineering teams to outfit for their prominent role in the current War on Terrorism. Important gains were made in acquiring equipment resources for more specialized items like chemical detectors and RED HORSE equipment. This is one area where an increased capability will ensure mission effectiveness.

Intelligence, Surveillance and Reconnaissance Systems and Support: Holding the High Ground

The Air National Guard's Intelligence, Surveillance and Reconnaissance personnel and systems play a vital role in the defense of our nation. Air National Guardsmen and women are essential to Air Force tasking, processing, exploitation and dissemination missions to support Global Hawk, Predator and U-2 collection missions in every combat theater today. Through Eagle Vision, a deployable commercial imagery downlink and exploitation system, the Air Force transformation keeps the Air National Guard a responsive, enabled and reliable part of the total force responding to the combatant commanders' requirements.

The Air National Guard provides valuable support to aircrew mission planning and targeting, as well as imagery support for counter-terrorism and natural disasters.

Other developing Air Force capabilities entrusted to the Air National Guard include the F-16 Theater Airborne Reconnaissance System and the C-130 SCATHE VIEW tactical imagery collection system. The Theater Airborne Reconnaissance System emerged as a major impact capability in the Operation Enduring Freedom and Operation Iraqi Freedom theaters as the need for timely imagery became vital to the ground battles there. The presence of the Air National Guard Theater Airborne Reconnaissance System prompted Air Force leadership to conclude that manned tactical reconnaissance is still required in today's joint combat operations and will remain so into the near future. Consequently, Air National Guard is bolstering the airborne reconnaissance capability to include a Synthetic Aperture Radar, a streaming datalink and, eventually, a multi-spectral sensor to provide battle managers with real-time, allweather, 24-hour "kill-chain" support.

SENIOR SCOUT remains the primary signal collection asset to support the nation's war on drugs and the Global War on Terrorism within the southern hemisphere. The expanding, ever-changing world of Intelligence, Surveillance and Reconnaissance promises to continue challenging the Air National Guard to remain a relevant part of the success of this vital mission for the Total Force.

HOMELAND DEFENSE: HERE AND ABROAD FOR OVER 368 YEARS

Air Sovereignty Alert

Since September 11, 2001, thousands of Air National Guard personnel have provided complete air sovereignty across the United States. Maximizing the traditional basing locations, capitalizing on high experience levels and leveraging a long professional history in Air Defense operations, the Air National Guard continues to serve as the backbone of this vital mission for the near future. A major improvement to the alert force manning posture is the current transition to a more "steady state"

force from the traditional mobilized force. In addition, the national command and control infrastructure, to include datalink connectivity, is undergoing a major upgrade to digitize air sovereignty information, allowing real-time assessments for the national-level decision-makers. The Joint Air Operations Center that enhances the protection of the Nation's Capital is one example of new hardware and software sets available to streamline alert operations and to reduce reaction and decision-making times to a fraction of the former capability. As we move toward the fiscal year 2006 Program Objective, the National Guard will continue toward a more modernized alert force and successfully execute this vital Homeland Defense mission.

Facilities Supporting Homeland Defense

Air National Guard Civil Engineering infrastructure is available at 87 locations across the United States. This level of unit distribution supports the Air National Guard missions by providing a broad base for recruiting and retention and enhancing the overall need for a response capability in the event of a terrorist attack or natural disaster. Civil support teams are a highly visible response capability within each state, but the disaster response capabilities of the Air National Guard civil engineering units located within each state are significant as well. Civil Engineering capabilities provide fully equipped fire departments staffed with personnel trained in hazardous material response, disaster preparedness specialists equipped with chemical and biological detection equipment and the full range of craftsmen and equipment operators that can be brought to bear for any situation in a matter of hours. Continued funding support will further strengthen this capability by providing an essential equipment package for emergency response—a capability already on hand at active duty bases but not yet deployed to Air National Guard locations. The post-September 11 environment placed new requirements on the facilities program as well. Our efforts to implement appropriate anti-terrorism and force protection features are progressing, but there is much work ahead. Plans focus future efforts on improving base entry gates, perimeter security and internal circulation patterns and parking. These improvements will create a safer platform for execution of the Air National Guard's missions.

Medical Service Transformation—Dual Mission Concepts Supporting the Warfight and Homeland Defense

The Expeditionary Medical Support system provides highly mobile, integrated and multifunctional medical response capabilities. They are the lightest, leanest and most rapidly deployable medical platforms available to the Air National Guard today. This system is capable of simultaneously providing expeditionary combat support to the warfight, the Air and Space Expeditionary Force missions and Homeland Defense emergency response capabilities to the states and the Air National Guard Wings. ONE SYSTEM—TWO MISSIONS!

The U.S. Central Command validated that the Expeditionary Medical Support System is a perfect fit for the Chief of Staff, U.S. Air Force Global Strike Task Force and Concept of Operations. The Expeditionary Medical Support System is currently utilized in Iraq to provide medical support to the combatant commanders and all components. The modular “building block” capability of the system provides an advanced technology and an essential, tailored medical capability in a small, forward footprint expandable to meet situational needs.

The National Guard Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages were mission-tasked to deploy, on order, to a chemical, biological, radiological, nuclear or high-yield explosives incident to support both Department of Defense installations and civil authorities in conducting consequence management operations. The time of response for this capability is between six and 72 hours. This timeframe is the perceived gap between local and federal response times. This package will serve as a medical reach back capability for the National Guard, will ultimately ensure a seamless medical response between the local-state-federal agencies and will provide support to the Civil Support Teams.

To date, Small Portable Expeditionary Aeromedical Rapid Response packages, which comprise the initial components of the Expeditionary Medical Support packages, are available in twelve states. Numerous state emergency plans cite emergency departments, operating rooms and medical bed expansion as serious constraints or shortfalls in effectively managing an incident. Expeditionary Medical Support systems will most definitely be able to provide medical triage and treatment until civilian sources are capable of absorbing patients into the civilian healthcare system. Future plans include at least one Expeditionary Medical Support system capability in each Federal Emergency Management Agency region and to complete the packages and provide training for the medical counter-chemical, bio-

logical, radiological, nuclear and high-yield explosives mission at each Air National Guard unit in each state not collocated with an active duty or reserve unit.

The Air National Guard will continue to transform medical capabilities to support the warfight, support homeland defense and meet both federal and state requirements. This will be accomplished through the efficient, effective, and economical use of resources by developing dual tasked missions. ONE SYSTEM—TWO MISSIONS!

TRANSFORMATION FOR THE 21ST CENTURY: RELEVANT NOW . . . AND IN THE FUTURE

Clearly a full partner across the spectrum of operations and in every theater, the Air National Guard will strive to maintain its proportionality across the major weapons systems as it transforms through the VANGUARD strategy. With experience levels normally higher than our active duty counterparts—especially in the pilot and maintenance communities—it is only natural that this experience be leveraged for future missions. The integration of the 192nd Fighter Wing, Virginia Air National Guard, with the active component's 1st Fighter Wing at Langley AFB, VA, to fly the F/A-22 Raptor; the stand-up of the first integrated Predator unit in which the California and Nevada Air National Guard are members; and the activation of a "Community Based" F-16 unit with the Vermont Air National Guard are a few of our current initiatives. The Nebraska Air National Guard is continuing to use its unique capabilities to find new ways to support the 55 Wing at Offutt AFB, NE. Recent initiatives by the Air Force include a partnered Texas and Arizona Air National Guard Predator unit and a Distributive Ground Station with the New York Air National Guard. These initiatives show commitment by the current Air Force and National Guard Bureau leadership to transform air and space capabilities as a Total Force; however, Air National Guard leadership will use required resources to ensure the right mix of forces in future missions. It is also imperative that developing mission requirements be identified so units can more easily transfer from one mission to the next.

The Air National Guard's 88 flying locations provide a broad spectrum of support to governors and the Nation as a whole. Mission areas such as Civil Engineering, Security Police, Medical and Civil Support Teams provide critical links from National Command Authority down to first responders in our local communities. The synergies that exist due to the Air National Guard Units locations on Civilian Airports strengthen ties to both National and state leadership that reinforce the homeland defense mission in ways not found on Active Duty installations. Efforts are underway to put appropriate anti-terrorism and force protection measures in place at all 88 flying locations, but much work and resources are required to complete the task. These and future improvements will create unique civilian and military capabilities in the homeland defense mission that cost the country very little, yet afford protections of vital transportation modes that are the economic engine of the United States.

Continued transformation is needed in the joint battle arena to ensure full connectivity among the joint and coalition forces. Lessons learned from recent operations are flowing into the planning and modernization efforts across the Air Force and the Air National Guard. A current example of this effort to transform into a seamless joint force is the use of the Enhanced Radio Location Reporting System-based networks in ground operations. A U.S. Army developed tactical internet system, the network information provides positive location of all friendly forces, a particularly valuable piece of information in urban air operations.

Modernizing for the Future

The Air National Guard modernization program is a capabilities-based effort to keep the forces in the field fully mission capable. As a framework for prioritization, the modernization program is segmented into three periods: short-term, the current and next year's Defense budget; medium-term, out to fiscal year 2015; and long-term, out to fiscal year 2025 and beyond. In the short-term, the Air National Guard Modernization Program focuses on the ongoing Global War on Terrorism. Theaters of operation range from domestic efforts, such as fire fighting, to full partners overseas in Operation Iraqi Freedom and Operation Enduring Freedom. The modern battlefield demands that Air National Guard weapons systems and crews have identical or equivalent capabilities as joint and coalition forces. The results of the modernization program are graphically demonstrated in both Operation Iraqi Freedom and Operation Enduring Freedom. The Block 25/30/32 F-16s, with their laser designator LITENING II targeting pods, and the Enhanced Position Reporting System/Situation Awareness Data Links are the air weapons system of choice for the combatant commanders in both theaters, especially when performing very demanding close air support missions.

Air National Guard weapons systems are crucial now and will continue to be vital as the Air National Guard transitions to new missions. The timeless warrior for ground forces, the A-10 requires an upgraded digitized cockpit, precision targeting pods, a tactical datalink, upgraded engines and a robust data processing capability to allow the accurate delivery of current and future weapons.

During 2004, Air Guard F-16s provided crucial combat capabilities in Operation Noble Eagle, Operation Iraqi Freedom and Operation Enduring Freedom. The current modernization program includes the Commercial Central Interface Unit, Color Multifunctional Displays, the Heads-up Display Advanced Electrical Unit, the Radar Modernized Programmable Signal Processor, the AN/ALR-69 Radar Warning Receiver Antenna Optimization, Situational Awareness Data Link upgrade and the Electronic Attack upgrade. Fiscal year 2005 funding for the 40 Advanced Identify Friend or Foe upgrade kits was secured along with funding for six F100-PW-229 engines for Block 42 aircraft combat capability enhancements.

The Theater Airborne Reconnaissance System became a key capability for the theater commanders after the recent deployment of the Air National Guard F-16s with this capability. The installation of the Forward Looking Infrared system, an essential capability during combat rescue operations, on the HC-130 is complete. The HC-130 is also being equipped with the Large Aircraft Infrared Counter Measure system that will increase survivability in face of the ever-increasing threat from hand-held missiles.

The HH-60 program started installation of the new M3M .50 caliber door guns and replaced personal equipment for the pararescue jumpers with state-of-the-art weapons and technologies. The initiation of the Personnel Recovery Vehicle program to take the place of the HH-60 replacement program will further slow modernization efforts.

The Operational Support Aircraft Modernization Program leased two C-40s, the military version of the 737 Boeing Business Jets. These have become the aircraft of choice for the U.S. Congress and civilian and military leaders. The Air National Guard provides crucial first class support for the active duty Air Force by providing these aircraft to the airlift pool.

Training the Air National Guard air and ground crews remains a top priority. This is evidenced by the Air National Guard investment in the Distributed Mission Operations infrastructure and facilities. The A-10, F-16, F-15 and E-8C Joint Surveillance and Target Attack Radar System have all attained various levels of service and provide valuable, theater-level warfare training. The continued development of the Distributed Training Operations Center in Des Moines, Iowa, makes it the hub of Distributed Mission Operations across the Air Force.

The E-8C Joint Surveillance and Target Attack Radar System was deployed before the start of combat operations in support of Operation Iraqi Freedom, and remains in-theater as a constant presence and critical warfighting capability. The operators developed new techniques to fuse intelligence with other resources and sensors. When combined with a robust theater datalink network, Joint STARS becomes an especially formidable battlefield asset. Several key upgrades were highlighted by recent deployment and combat operations: re-engining to enhance reliability, maintainability and operational availability, in addition to installation of the Traffic Alert Collision Avoidance System to comply with Global Air Traffic Management standards.

To retain critical tactical airlift capability, the Air National Guard is modernizing the C-130 fleet by installing the multi-command Avionics Modernization Program, acquiring the AN/APN-241 Low Power Color Radar, installing the Night Vision Imaging System and continuing the development of Scathe View. Other Air Guard programs include the AN/AAQ-24 (V) Directional Infrared Countermeasures System, propeller upgrades like the Electronic Propeller Control System and NP2000 eight-bladed propeller and the final certification of the Airborne Fire Fighting System. Additionally, the Air National Guard continues to field new C-130J aircraft to replace the aging C-130E fleet.

The KC-135 weapons system installed the cockpit upgrade and continued the R-model upgrades. Keeping the aging fleet modernized challenges the Air National Guard as the refueling operations evolve to meet the next mission.

The Air National Guard Modernization Program is essential to fielding a relevant combat capability, ensuring the dominance of American air power for the next 15 to 20 years. An open and honest dialogue from the warfighter through Congress will maximize this investment of precious tax dollars. The modernization program is a process, not a goal. Recent combat successes validate that process and serve as a model for future transformation of the United States Air Force.

Facilities Supporting Transformation

As the Air National Guard continues with transformational initiatives, the facilities program keeps pace. Drastically improved funding levels for both maintenance and repair and minor construction allow us to focus on both new mission infrastructures, like the conversion to C-5's at Martinsburg, WV, and Memphis, TN, as well as support improvements to existing facilities. As Air Force and Air National Guard transformation initiatives progress, there will be a continuing drain on the construction program to support these new missions. Although funding is currently secured to implement plans, continued support is vital so existing infrastructure and facilities are not neglected.

Recruiting, Retaining and Developing the Right People With the Right Skills for Today and Tomorrow

Air National Guard Recruiting and Retention programs play a vital role in supporting our Homeland Defense mission and our successful transformation to the future, and they are the driving factor as to how well we support the warfighter. The Air National Guard has been very successful in the past by recruiting quality members and retaining them by taking care of their needs. It is critical for us to access the right people and retain current members as we transform our force and transition to different missions.

Provisions of the 2005 National Defense Authorization Act enhance recruiting and retention for the Reserve Components. Though provisions of the 2005 National Defense Authorization Act provide enhanced authority for bonus programs, the Air National Guard budget does not yet have the wherewithal to adequately fund these programs. Our ability to achieve recruiting and retention goals through fiscal year 2006 will undoubtedly be a key factor in how well we assume new missions and support Homeland Defense for the Nation. Continued support will establish a strong baseline from which to achieve future goals.

Diversity

One aspect of the Force Development construct is ensuring implementation of the Air National Guard's national diversity strategy. This approach increases mission readiness in the organization by focusing on workforce diversity that assures fair and equitable participation for all. The Air National Guard developed a formal mentoring initiative that is ready for a nationwide rollout. This program will be a key component in the professional development of Air National Guard members with a keen focus on leadership. In today's unpredictable world, the Air National Guard builds on its diversity for a broader variation of career paths to include experience, education and training. Our nation is multi-cultured, and the Air National Guard strives to reflect that in our units.

Personnel Force Development

The Air National Guard partners with the Air Force in multiple Total Force transformation initiatives. These initiatives are tied with the Office of the Secretary of Defense's new paradigm—Continuum of Service—and will require simplified processes and rules. Continuum of Service is a transformation for personnel management designed to remove legislative and policy barriers to the seamless transition of our members to and from the various military statuses in order to facilitate the way our members are employed in the full range of operational worldwide missions. A more integrated approach to military personnel management is imperative to face the emerging threats of the 21st century.

PREPARED STATEMENT OF MAJOR GENERAL PAUL J. SULLIVAN

JOINT STAFF OVERVIEW

In 2004, we reported on the many changes in the areas of Transformation, Jointness and Homeland Defense within the National Guard. These initiatives transformed the way we do business today and bring us fully in line with the Goldwater-Nichols era of jointness. We made significant progress in transforming into an organization that is doctrinally and functionally aligned like the Joint Staff of the Department of Defense.

A parallel transformation to a joint headquarters continues in the states as well. In 2004, the Chief of the National Guard Bureau approved provisional operation of the Joint Force Headquarters in the 50 states, Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia. A draft Joint Table of Distribution to make each a recognized joint activity was submitted to the Joint Staff in September 2004.

We started the implementation of the Joint CONUS Communications Support Environment. It provides a common, secure means through which the Joint Force Headquarters State, U.S. Northern Command, U.S. Strategic Command and U.S. Pacific Command can coordinate their response to any domestic emergency. We continue to address emerging requirements with the combatant commanders as they develop. And we continue to work with the Adjutants General to leverage National Guard force capabilities through initiatives such as the regional Chemical, Biological, Radiological, Nuclear and High-Yield Explosive Force Packages and the reaction forces at the state level.

These transformation initiatives capitalize on the unique nature of the National Guard—there is no other active or reserve component positioned and experienced to work in a joint interagency and intergovernmental environment through a single command authority (governor through the Adjutant General). In the Global War on Terrorism, the ability to work in a joint, combined interagency and intergovernmental environment is more important than ever.

Our goal is to achieve full operating capability for our Joint National Guard Bureau and Joint Force Headquarters State by September 2006. Improving the Department of Defense's access to National Guard capabilities is our principal focus. Our transformation will ensure that the Guard remains ready, reliable, essential and accessible!

SUPPORT THE WARFIGHT ANYTIME, ANYWHERE

State Partnership Program

The National Guard State Partnership Program links states with a foreign nation partner to improve bilateral relations with the United States. The program's goals reflect an evolving international affairs mission for the National Guard. Specifically, it promotes regional stability and civil-military relationships in support of U.S. policy objectives, and at this moment it is helping to develop dependable collaborative partners for U.S.-led coalition operations in support of the Secretary of Defense's concept of global engagement.

The program supports the combatant commanders in that cooperative security is achieved, and just as importantly, the National Guard personnel gain invaluable experience interfacing with people of diverse cultures. The state partners actively participate in a host of engagement activities ranging from bilateral familiarization and training events to exercises, fellowship-style internships and civic leader visits. The partner countries benefit from exposure to the concept of military support to civil authority as well as to a cost-effective reserve component model.

Since the last Posture Statement, the State Partnership Program has held more than 325 events between the partners and added six new partnerships—Florida-Guyana, Virginia-Tajikistan, Colorado-Jordan, Delaware-Trinidad & Tobago, North Dakota-Ghana and Wyoming-Tunisia. And because of the success of the program, the countries of the Bahamas, Serbia and Montenegro have also requested partnerships.

The National Guard, with its ability to develop long-term relationships with people from other countries as well as develop contacts in both civil and military realms, is better positioned than the active components to enhance regional stability and promote civil-military relationships.

In fiscal year 2006 and beyond, we expect to take the program to the next level of security cooperation by working with geographic combatant commanders. We look for increased interaction at the action officer and troop level. The partner countries are eager for more hands-on (how to) engagement events. The National Guard will step up and accomplish these new objectives.

National Guard Family Programs

Since 9/11, National Guard members have been deployed in greater numbers and in more locations than at any time since World War II. The role and support of the family has been and continues to be critical to mission success. The National Guard Family Program has developed an extensive communications and support infrastructure to assist families during all phases of the mobilization and deployment process. There are more than 400 National Guard Family Assistance Centers located throughout the 50 states, Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia. These centers provide information, referral and assistance for anything that families experience during a deployment. Most importantly, these services are available to any military family member from any branch or component of the Armed Forces. National Guard Online Community, which is comprised of the public website, www.guardfamily.org, as well as an internal Knowledge Man-

agement site and computer-based training modules to assist families and Family Program staff, supports the Family Assistance Centers.

If family members are not prepared for deployments, a service member's readiness, morale and ultimately retention will be affected. The Family Program office provides support to program coordinators through information-sharing, training, volunteer management, workshops, newsletters, family events and youth development programs among other services. Since last year, the National Guard Family Program has initiated its Guard Family Team Building Program, which trains and educates families on National Guard missions and expectations, readiness responsibilities and systems to support more self-reliant, independent and self-sufficient lifestyles for all Guard families.

Employer Support of the Guard and Reserve

The National Defense Strategy requires that the National Guard and Reserve be full partners in the Total Force. Our National Guard and Reserve members will spend more time away from the workplace defending the nation and training to maintain mission readiness. Employers are inextricably linked to a strong national defense.

A nationwide network of local Employer Support volunteers is organized in Employer Support of the Guard and Reserve (ESGR) Committees within each state, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. In this way, Employer Support programs are available to all employers, large and small, in cities and towns throughout our country. Today, nearly 4,500 volunteers serve on local ESGR Committees. With resources and support provided by the National ESGR Committee and the National Guard Bureau, the 54 ESGR state committees conduct Employer Support and Outreach programs, including information opportunities for employers, ombudsman services and recognition of employers whose human resource policies support and encourage participation in the National Guard and Reserve. In recognition of the importance of Employer Support to the retention of quality men and women in the National Guard and Reserve and the critical contributions of the ESGR state committees, the National Guard Bureau provides full-time assistance and liaison support to the Joint Forces Headquarters and the 54 ESGR state committees.

The success of the nation's defense depends on the availability of the highly trained members of the Total Force. The basic mission of Employer Support of the Guard and Reserve is to gain and maintain support from all public and private employers for the men and women of the National Guard and Reserve, as defined by a demonstrated employer commitment to employee military service. The National Guard Bureau is committed to the additional mission of Employment Support. In today's environment, there is a strong need to provide employment opportunities for our redeploying service members with an emphasis on our disabled veterans. One of the most important tasks our country faces is ensuring that our men and women in uniform are fully reintegrated into the civilian workforce when they return from service to our country.

Youth ChalleNGe Program

The award-winning National Guard Youth ChalleNGe Program is a community-based program that leads, trains and mentors at-risk youth at 29 program sites throughout the country to become productive citizens in America's future. As the second largest mentoring program in the nation, the ChalleNGe program is coeducational and consists of a five-month "quasi-military" residential phase and a one-year post-residential mentoring phase. A Cadet must be a volunteer, between 16 and 18 years of age, drug free, not in trouble with the law, unemployed or a high school dropout.

Serving as a national model since 1993, the 24 states and the Commonwealth of Puerto Rico that offer the program graduated over 55,800 young men and women. Participants graduate from the program equipped with the values, skills, education and self-discipline necessary to succeed as adults in society. Significantly, although many ChalleNGe candidates are from at-risk populations, over 70 percent of ChalleNGe graduates have attained either a General Equivalency Diploma or a high school diploma. Furthermore, approximately 20 percent of all graduates choose to enter military service upon graduation.

The National Guard Counterdrug Program

In 1989, the U.S. Congress authorized the National Guard to perform drug interdiction and counterdrug activities under Section 112, USC Title 32. For more than 15 years, this program has built great credibility with over 5,000 law enforcement agencies through consistent and reliable support of counterdrug operations. That support has complemented America's homeland security through a visible deterrent

to potential threats. The primary mission of the counterdrug program is to support law enforcement operations aimed at the importation, production and distribution of illegal drugs and, secondly, to support community-based drug demand reduction programs, which touched nearly 2.5 million people in 2004.

In fiscal year 2004 (October 1, 2003-September 30, 2004) the National Guard supported efforts that led to 61,029 arrests and assisted law enforcement in seizing the following:

Cocaine	102,382 pounds
Crack Cocaine	7,162 pounds
Marijuana eradicated	1,878,108 plants
Marijuana (processed)	842,509 pounds
Methamphetamines	10,759 pounds
Heroin	1,389 pounds
Ecstasy	411,520 pills
Other/Designer Drugs	14,870,793 pills
Weapons	8,359
Vehicles	15,102
Currency	\$216,000,270

There are six general counterdrug mission categories: program management; technical support; general support; counterdrug related training; reconnaissance and observation; and drug demand reduction support. In 2004, approximately 2,372 National Guard personnel in a Title 32 status provided counterdrug support, in addition to preparing for their wartime mission through required training.

Due to the tremendous effectiveness of National Guard training programs and the growing need for specialized training, the National Guard also operates five congressionally authorized counterdrug training academies to provide training to both law enforcement and community-based officials. These no-cost school programs are open to both civilian and military personnel and offer courses in both supply interdiction and demand reduction training.

The National Guard Counterdrug Program is an integral part of the synchronized cooperation between and among the Department of Defense and federal, state and local agencies across the full spectrum of homeland defense operations. With the annual authorization and appropriation by the Congress and the support of the Secretary of Defense, the governors' annual counterdrug state plans will become the framework for domestic operations. Through these operations, National Guard personnel assist nearly 5,000 law enforcement agencies at home each year. As we continue our support and engagement with the Global War on Terrorism, the National Guard Counterdrug Program provides critical complementary support to the combatant commanders in Northern and Southern Commands. By leveraging our unique military capabilities, national resources and community focus, we can play a central role in shaping our nation's response to drugs and associated transnational security threats.

HOMELAND DEFENSE: HERE AND ABROAD FOR OVER 368 YEARS

National Guard Reaction Force

The National Guard has over 368 years of experience responding to both the federal government's warfighting requirements and the needs of the states to protect critical infrastructure and ensure the safety of our local communities. To improve the capability of the states to respond to threats against the critical infrastructure within their borders, the Chief of the National Guard Bureau asked the Adjutant General to identify and develop a Quick Reaction Force-type capability. The goal is to provide a trained and ready National Guard force to the governor of each state or territory capable of responding in support of local, state and, when required, Department of Defense requests. The National Guard Bureau works with the states and territories to identify current response capabilities, as well as with U.S. Northern and U.S. Pacific commands to ensure that National Guard capabilities are understood and incorporated into their response plans. We have also begun to identify additional requirements for force protection and interoperability with civilian emergency responders. The National Guard Reaction Force is not a new capability or concept. What is new is the concept of standardized training and mission capabilities shared by the 50 states, Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia, thereby enhancing those capabilities.

Full Spectrum Integrated Vulnerability Assessment

The Full Spectrum Integrated Vulnerability Assessment program is another National Guard Homeland Defense initiative. Teams of National Guard Soldiers or Airmen are trained to conduct vulnerability assessments of critical infrastructure in order to prepare and plan emergency mission response in the case of a terrorist attack or natural disaster. This program is designed to execute the necessary pre-planning to educate civilian agencies on basic force protection and emergency response; develop relationships between emergency responders, owners of critical infrastructure and National Guard planners in the states; and deploy traditional National Guard forces in a timely fashion to protect that critical infrastructure. In developing this concept, the National Guard Bureau worked with the Office of the Assistant Secretary of Defense for Homeland Defense to establish policies and standards. During 2004, the Guard Bureau trained six teams to conduct vulnerability assessments. With this new initiative, the National Guard continues its time-honored tradition of preparedness to respond at a moment's notice in defense of America.

Weapons of Mass Destruction Civil Support Teams

The National Guard continued to strengthen its ability to respond to chemical, biological, radiological, nuclear and high-yield explosive events by adding twelve new Weapons of Mass Destruction Civil Support Teams during 2004. Since the September 11, 2001, attacks, the existing 32 certified Civil Support Teams have been fully engaged in planning, training and operations in support of local and state emergency responders. These full-time teams were designed to provide specialized expertise and technical assistance to the incident commander by identifying chemical, biological, radiological or nuclear substances; assessing the situation; advising the incident commander on potential courses of action; and assisting the response team with innovative technology and expertise.

Operationally, these teams are under the command and control of the governors through the respective Adjutant General in a USC Title 32 status. The National Guard Bureau provides logistical support, standardized operational procedures and operational coordination to facilitate the employment of the teams and to ensure supporting capability for states currently without a full-time Civil Support Team.

During fiscal year 2004, the National Guard Civil Support Teams were actively involved in assisting emergency responders throughout the country. This included 52 requests from civil authorities.

In accordance with Congressional mandate and Department of Defense direction, the National Guard will add 11 new teams in fiscal year 2005 so that each of the 50 states, Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia will have at least one full-time team.

Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Package

The National Guard developed an initiative to equip and train existing traditional National Guard units in 12 states to provide a regional response in the event of a domestic Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive attack. This Enhanced Response Force Package capability consists of traditional National Guard Soldiers and Airmen who are rapidly recalled and deployed in teams to assist emergency responders. These units can secure an incident site, search for and extract casualties, and conduct mass casualty decontamination. The Enhanced Response Force Package is designed to be a follow-on force that complements the detection and advisory functions of the Civil Support Teams.

The National Guard Bureau identified 12 states to test this initiative and provided them with specialized equipment necessary to conduct mass casualty decontamination, medical triage, and casualty search and extraction. Individual and collective training on decontamination and medical triage tasks were successfully conducted during fiscal year 2004, with search and extraction training scheduled for fiscal year 2005.

These traditional National Guard units are now organized, trained and equipped to perform this critical mission and are able to provide a regional response in support of both Defense Department installations and the civilian community should a Chemical, Biological, Radiological, Nuclear, or High-Yield Explosive attack occur.

National Security Special Events

During fiscal year 2004, three National Security Special Events required National Guard leadership and forces to provide support to the Department of Homeland Security. These events were the G-8 Summit Conference in Sea Island, GA, the Democratic National Convention in Boston, MA, and the Republican National Convention in New York City. For each of these events, the National Guard provided support

to local, state and federal agencies for security and protection to the participants and local citizenry.

For the first time ever, these events formalized the use of a National Guard Officer, in a dual United States Code Title 10 and Title 32 status as a Joint Task Force Commander. For these events, the Title 10 and Title 32 forces were under a command and control configuration that promoted a single point of accountability for operations to the combatant command, U.S. Northern Command. It also ratified a concept of operations that provided unity of effort for both Homeland Security and Homeland Defense activities. These events and the concept of the operations involving the incorporation of the Title 32 forces established a baseline precedent that will serve this nation in the security and defense of its homeland.

Intelligence for Homeland Security

During fiscal year 2004 and continuing into 2005, the National Guard Bureau's Joint Intelligence Directorate instituted a number of well-designed initiatives. An unclassified information system called Homeland Security Information System was installed and is operational in all 54 Joint Force Headquarters. An additional unclassified system, the Open Source Information System, is also operational at most of these headquarters, with training on the system either underway or completed at most sites. The directorate has provided daily intelligence briefings to these headquarters while developing intelligence architecture and standardized intelligence tools that result in a common operating picture, situational awareness and maximum efficiency for information-sharing. Working with the Joint Force Headquarters, the Intelligence Directorate has drafted a Joint Intelligence Table of Distribution and Position Description, which is under review for approval at the Department of Defense.

The directorate continues to evolve within the National Guard Bureau. We have produced the Joint Intelligence mission statement and a mission essential task list. A classified information system is being installed at the Joint Operations Center to provide information-sharing at the classified level. The directorate continues to establish partnerships with national-level intelligence agencies for information-sharing and to leverage training opportunities. In addition, intelligence support to National Security Special Events and to Homeland Security joint exercises is a top-priority of Joint Intelligence. National Guard Bureau leaders receive regular intelligence briefings on such events, as well as briefings on world and local events.

TRANSFORMATION FOR THE 21ST CENTURY

Transformation to a Joint National Guard Bureau

The central elements of our historic dual mission are to provide policy, coordination and resources that permit the augmentation of the Army and Air Force with federalized National Guard forces in time of war or national emergency and to support the governor and combatant commanders with non-federalized forces to meet homeland defense needs.

The National Guard Bureau crafts the strategies that will result in the implementation of the Secretary of Defense's guidance to improve National Guard relevancy and support to the War on Terrorism, Homeland Defense and Homeland Security. The National Guard Bureau has presented the concept and implementation plan to achieve formal recognition as a joint activity of the Department of Defense to the services, which would formally establish the National Guard Bureau as the Joint National Guard Bureau.

Joint Force Headquarters-State

In fiscal year 2004, the Chief of the National Guard Bureau approved provisional operation of the Joint Force Headquarters in each of the 50 states, Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia. These headquarters serve as joint activities and exercise command and control over all assigned, attached or operationally aligned forces. They provide situational awareness of developing or ongoing emergencies and activities to federal and state authority and, as ordered, provide trained and equipped forces and capabilities to the military services and combatant commanders for federal missions. They support civil authority with capabilities and forces for homeland security and domestic emergencies.

The National Guard Bureau is working to obtain approval of Joint Force Headquarters-State as a recognized joint activity, and submitted a draft Joint Table of Distribution to the Joint Staff in September 2004.

National Guard Enterprise Information Technology Initiatives

The National Guard continues to aggressively promote and support the use of its Enterprise Information Technology for our warfighters in the execution of their mis-

sions at all levels, including Homeland Security and Homeland Defense. The National Guard Bureau is implementing new initiatives as part of the National Guard Enterprise to support the Guard's expanding role for Homeland Defense, as well as for mobilization and deployment. The initiative will utilize National Guard telecommunications resources, specifically distributed learning classrooms and video teleconferencing assets to link Civil Support Teams in thirteen states. In March 2004, the National Guard resources assisted the Department of Homeland Security with the ongoing development of Buffer Zone Protection Plans. These are a vital component to the overall protection of the country's key assets and critical infrastructure. Use of this technology saved thousands of dollars in travel costs; promoted sharing and collaboration among senior homeland security coordinators and advisors in the 50 states, Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia; and helped standardize information and guidance for the field.

Another initiative is the development of the Virtual Mission Preparation capability. This is a prototype that provides a web-based, portal technology with the capability to display real-time unit status, as well as overall mobilization readiness status down to the individual Soldier level. It was developed in Pennsylvania to support the 28th Division's rotation to Bosnia. It is now being applied to Operation Iraqi Freedom and to stand up the 56th Stryker Brigade of the Pennsylvania Army National Guard. The system provides functionality that has application across the Army National Guard to improve deployability and capability to meet Department of Defense and emergency response missions.

Homeland Security Joint Interagency Training Centers

In April 2004, the Chief of the National Guard Bureau commissioned a study on the feasibility of creating a Homeland Security Center of Excellence with sites in the eastern and western United States. These centers would function as Joint Interagency Training Centers (JITC), which would provide the needed education and training to National Guard personnel and our intra- and interagency partners in Homeland Security and Homeland Defense.

The study recommended that:

- Camp Dawson, WV, be known as JITC-East, with the primary focus on Chemical, Biological, Radiological and High-Yield Explosives and Continuity of Operations
- The National Interagency Civil Military Institute relocate from Camp San Luis Obispo to the Naval Air Station at San Diego, enabling the establishment of JITC-West with the mission focus on maritime/port security and cross border security.

The mission of the centers is to provide a joint training environment that focuses on the detection, prevention and deterrence of the terrorist cycle over the near-term and supports the transformation of the Armed Forces for the long-term to win the Global War on Terrorism. The centers will be dual-use, military and civil support; provide a range of training consistent with the June 2003 Department of Defense Training Transformation Implementation Plan; and educate, train and exercise Department of Defense and Intergovernmental, Interagency and Multi-national partners/organizations in conjunction with ongoing Homeland Defense operations in accordance with guidance from the National Guard Bureau.

Joint CONUS Communications Support Environment

Under USC Title 10, one of the National Guard Bureau's purposes is to be the channel of communications between the National Guard of the several states and the Departments of the Army and Air Force. That role includes providing an interface for communications between federal and state agencies concerning incidents involving homeland security. U.S. Northern Command, U.S. Pacific Command, U.S. Strategic Command and other federal agencies require "continuous situational awareness" of incidents occurring in the states related to homeland security and the associated activities of the National Guard while acting under state or federal control. A command and control requirement exists when both the president and governor agree to designate a National Guard commander under the provisions of USC title 32, Section 325 for National Security Special Events. This was the case during 2004 for the G8 Summit and both national political conventions.

In 2004, the National Guard Bureau initiated implementation of the Joint Continental United States Communications Support Environment. This state-federal network connectivity concept involves national-level management and integration by long haul, tactical and other service communication capabilities. This system will provide U.S. Northern Command, U.S. Pacific Command, U.S. Strategic Command and the Joint Force Headquarters-State with connectivity to and through state net-

works to an incident site. The system environment includes information technology support to the National Guard Bureau Joint Operations Center, a Joint Force Headquarters-State communications element, network-centric connectivity state-to-state, vertical connectivity to incident sites (to include mobile wireless capability) and both radio and satellite systems to provide a National Guard Homeland Security Communications Capability. This approach was used in real world situations during the political conventions and the hurricanes in Florida with outstanding results.

Transforming the Mobilization and Demobilization Process

The Logistics Directorate of the National Guard Bureau is charged with the responsibility for monitoring the mobilization process of National Guard units. Transformation of these processes is essential to maintain a strong, reliable National Guard and to support the combatant commanders during wartime.

Mobilization of the National Guard is continuing at historic proportions. Not since World War II have the numbers of reservists who have been called to active duty been as high as they are today. Currently, more than 40 percent of the Soldiers, Sailors, Airmen and Marines participating in Operation Enduring Freedom and Operation Iraqi Freedom are Reservists. The Guard alone has mobilized over 100,000 Soldiers and Airmen since the attack on the United States on September 11, 2001.

Transformation and reform of the mobilization and demobilization process go hand-in-hand for the National Guard. In 2003, the United States Joint Forces Command was tasked to transform the mobilization and demobilization processes. The National Guard Logistics Directorate worked with the command and the other services and components to report recommendations to the Chairman of the Joint Chiefs of Staff in the fall of 2004. Many of those recommendations have been instituted by the services, either as a result of that report or as self-initiated better business practices.

Greater time efficiency is achieved by improving the mobilization process. Several of the recommendations focused on the readiness of Reserve units prior to their mobilization date. Implementing those recommendations resulted in a reduction in the length of time a unit or Guardsman spends at a mobilization station.

The mobilization and deployment processes at the onset of the Global War on Terrorism were designed for the Cold War era. Today, there is a more immediate and urgent demand for the National Guard. We must transform the process to be more efficient and effective in putting more "boots on the ground" . . . Protecting America at Home and Abroad!

STATE ADJUTANTS GENERAL

Major General (Ret) Crayton M. Bowen, The Adjutant General, Alabama.
 Major General (AK) Craig E. Campbell, The Adjutant General, Alaska.
 Major General David P. Rataczak, The Adjutant General, Arizona.
 Major General Don C. Morrow, The Adjutant General, Arkansas.
 Major General Thomas W. Eres, The Adjutant General, California.
 Major General Mason C. Whitney, The Adjutant General, Colorado.
 Major General William A. Cugno, The Adjutant General, Connecticut.
 Major General Francis D. Vavala, The Adjutant General, Delaware.
 Major General (DC) David F. Wherley, Jr., The Adjutant General, DC.
 Major General Douglas Burnett, The Adjutant General, Florida.
 Major General David B. Poythress, The Adjutant General, Georgia.
 Colonel Jerry M. Rivera, The Adjutant General, Guam.
 Major General Robert G. F. Lee, The Adjutant General, Hawaii.
 Major General (ID) Lawrence F. Lafrenz, The Adjutant General, Idaho.
 Brigadier General (IL) Randal E. Thomas, The Adjutant General, Illinois.
 Major General R. Martin Umbarger, The Adjutant General, Indiana.
 Major General G. Ron Dardis, The Adjutant General, Iowa.
 Major General (KS) Tod M. Bunting, The Adjutant General, Kansas.
 Major General (KY) Donald C. Storm, The Adjutant General, Kentucky.
 Major General Bennett C. Landreneau, The Adjutant General, Louisiana.
 Brigadier General (ME) John W. Libby, The Adjutant General, Maine.
 Major General Bruce F. Tuxill, The Adjutant General, Maryland.
 Major General (Ret) George W. Keefe, The Adjutant General, Massachusetts.
 Major General Thomas G. Cutler, The Adjutant General, Michigan.
 Major General Larry W. Shellito, The Adjutant General, Minnesota.
 Major General Harold A. Cross, The Adjutant General, Mississippi.
 Brigadier General (MO) King E. Sidwell, The Adjutant General, Missouri.
 Major General (MT) Randall D. Mosley, The Adjutant General, Montana.
 Major General Roger P. Lempke, The Adjutant General, Nebraska.
 Major General Giles E. Vanderhoof, The Adjutant General, Nevada.

Brigadier General Kenneth R. Clark, The Adjutant General, New Hampshire.
 Major General (NJ) Glenn K. Rieth, The Adjutant General, New Jersey.
 Brigadier General (NM) Kenny C. Montoya, The Adjutant General, New Mexico.
 Major General Thomas P. Maguire, Jr., The Adjutant General, New York.
 Major General William E. Ingram, Jr., The Adjutant General, North Carolina.
 Major General Michael J. Haugen, The Adjutant General, North Dakota.
 Major General (OH) Gregory L. Wayt, The Adjutant General, Ohio.
 Major General (OK) Harry M. Wyatt, The Adjutant General, Oklahoma.
 Brigadier General Raymond C. Byrne, Jr., The Acting Adjutant General, Oregon.
 Major General (PA) Jessica L. Wright, The Adjutant General, Pennsylvania.
 Brigadier General (PR) Francisco A. Marquez, The Adjutant General, Puerto Rico.
 Major General Reginald A. Centracchio, The Adjutant General, Rhode Island.
 Major General (Ret) Stanhope S. Spears, The Adjutant General, South Carolina.
 Major General Michael A. Gorman, The Adjutant General, South Dakota.
 Major General Gus L. Hargett, Jr., The Adjutant General, Tennessee.
 Major General Wayne D. Marty, The Adjutant General, Texas.
 Major General Brian L. Tarbet, The Adjutant General, Utah.
 Major General Martha T. Rainville, The Adjutant General, Vermont.
 Major General Claude A. Williams, The Adjutant General, Virginia.
 Brigadier General (VI) Eddy L. Charles, The Adjutant General, Virgin Islands.
 Major General Timothy J. Lowenberg, The Adjutant General, Washington.
 Major General Allen E. Tackett, The Adjutant General, West Virginia.
 Major General Albert H. Wilkening, The Adjutant General, Wisconsin.
 Major General (WY) Edward L. Wright, The Adjutant General, Wyoming.

Senator STEVENS. General Schultz.

STATEMENT OF LIEUTENANT GENERAL ROGER C. SCHULTZ, DIRECTOR, ARMY NATIONAL GUARD, UNITED STATES ARMY

General SCHULTZ. Thank you, Mr. Chairman. Mr. Chairman, thanks for recognizing the soldiers here with us today and Michelle Nelson, our family volunteer. This team and those they represent have answered every call, been up to every task. To this subcommittee and your colleagues, you have made what we do possible and we say thanks.

Mr. Chairman, for us in the Army National Guard, we have \$618 million being considered in the supplemental and I am here to tell you we need that money in both the operations and the personnel accounts. Without favorable consideration, we will not be able to make it through the May timeframe within our current budgets. Mr. Chairman, that same condition would not be found inside the active component budgets today, and anything that you can do to help encourage the process through the supplemental reviews would be most important for the Army.

Mr. Chairman, I stand by for your questions.

Senator STEVENS. General James.

STATEMENT OF LIEUTENANT GENERAL DANIEL JAMES, III, DIRECTOR, AIR NATIONAL GUARD, UNITED STATES AIR FORCE

General JAMES. Thank you, Mr. Chairman and members of the subcommittee. It is always a pleasure to come here and speak before this subcommittee because of the support that you have provided to our National Guard and Reserve components. Without your support and help, we would not have the readiness levels and the quality of life that we enjoy today as the 21st century Minutemen and women.

Also, thank you for your recognition of these fine soldiers and family members that are here today. They all serve in their own capacity and we could not do our job without them.

AIR SOVEREIGNTY ALERT

As we sit here today, I reflect on the members of this subcommittee and every face that I see has a member, on this subcommittee, has an organization that is now engaged in the war on terrorism, whether it be on air sovereignty alert, where the Happy Hooligans and the Green Mountain Boys and the Tacos from New Mexico are sitting alert today and the Warriors from the F-15 squadron in Hawaii are also sitting alert.

We truly guard America's skies and we are very proud and capable of doing that. We want to continue to do that because we bring great value to our Nation.

AIR NATIONAL GUARD FLYING MISSIONS

The C-130J is being introduced for the 175th there in Maryland. The C-17, the premier airlifter in Air Mobility Command and U.S. Transportation Command, from the 172nd in Jackson, Mississippi, is engaged in their conversion and will soon be mission ready, but they are already still flying missions in theater as part of their training. Of course, we will have involvement in the C-17 in Hawaii in a unique arrangement with the active component as well, and possibly in the future in Alaska. So this diverse missioning that is represented by the members that are here today does not go unnoticed.

The men and women of the Air National Guard have had another very exceptional year. We have been engaged both in theater and around the world in different exercises, but most importantly in the war, in the global war on terrorism. We believe, as the Chief mentioned, that our primary mission is in homeland defense, but one of the things that allows us to do that mission is that we are trained for a Federal mission. Homeland defense in depth is our primary mission and we also want to make sure that we have the capabilities that our Governors need when called upon, whether it be for a natural disaster or a man-made emergency.

We will continue to perform both the homeland defense mission and the expeditionary missions as our organization transforms to meet our future requirements.

I thank you again for your support and I look forward to entertaining your questions.

Senator STEVENS. Thank you very much.

We will have a 5-minute rule now and we will recognize members in the order in which they came to the subcommittee's table, with the exception of the chairman. Mr. Chairman.

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

I am happy to hear the report about the combat brigade. We are really proud in Mississippi that the 155th Combat Brigade is on duty and discharging their responsibilities in a professional way, with a lot of courage and skill. We appreciate their service. I remember that we had that similar brigade mobilized 10 years ago in Desert Shield/Desert Storm. They did not quite make it to the theater that time. They ended up in the training center when the war was over. But they went through training in Fort Hood and were ready to go if needed as a round-out brigade of the First Cav-

alry at that time. So we are very proud of our soldiers and all of them have acquitted themselves honorably, I am advised.

General James, you mentioned the aircraft, the C-17 in Jackson, Mississippi. We were very proud to be selected as a port, as a facility, as an airfield for those planes. Do you see this continuing to be part of a plan of the Air National Guard forces? You mentioned Hawaii. Are there plans to also deploy those C-17's elsewhere in the country at National Guard facilities?

BASE REALIGNMENT AND CLOSURE (BRAC) AND FUTURE TOTAL FORCE

General JAMES. We cannot say exactly where they will be deployed. With the impact of BRAC and future total force, we will make an adjustment where we can. Right now, with the buy as set at 180, we do not have any other aircraft that are being designated to go to National Guard units in the country.

That is why we have used the different type of structures. We have an associate type unit in Hawaii, where we have active duties and National Guard members flying the aircraft in Hawaii, as opposed to what we call a unit-equipped unit in Jackson. I look forward to a day when we will have community basing and where we will have active duty members coming to Jackson, living in the community, and flying there. That would impact the connection to the community in the very positive way that General Blum mentioned earlier.

Also, I believe—and my colleague Lieutenant General John Bradley will probably talk about this—there is an associate Active and Reserve associate C-17 unit that will be operating in Alaska. But if the buy goes past 150, then we will have additional assets to look at stationing in other places in the United States, continental United States or overseas.

Senator COCHRAN. General Blum, you mentioned the incentives that you are suggesting that we consider providing funding to support for reenlistments and streamlining the process from active duty to Reserve units or National Guard units. Do you have any cost estimates of what the impact will be on the budget, if any, for these initiatives that you are suggesting?

General BLUM. Yes, Senator. What we have done is we have consulted with all of the 54 adjutants general (TAGs) that are responsible to recruit and retain citizen soldiers and airmen in their States and territories. We have distilled this down into the top 10 initiatives that we think that we will require some additional authorities or policies adjustment to be able to do that.

Then what we did is our best estimate of what those policies or authorities might mean in terms of dollars amount or in terms of authorizations that would have to be associated with them. We have provided that to this subcommittee. I am comfortable with 8 out of 10 of these. Two of them are shown as—essentially, you could read this as cost-neutral, but I do not think they really are. I would, rather than put “not available” (NA) on this chart, I would rather put “unknown.” There is some associated cost to it, but I am not prepared to tell you what that is today. I would have to take that for the record and do a little bit of homework for those two.

But the rest—but the authorities are exactly what the adjutants general have advised the three of us as the tools they will need to

be able to achieve end strength in Mississippi and Hawaii and Maryland and every other State and territory in the country.

Senator COCHRAN. General Schultz, there was some question 10 years ago. I mentioned the experience of the 155th being mobilized. There was concern about the physical conditioning of the troops and whether or not they were ready for combat situations. I am told that that is not a problem now, that this is a situation with recent experience that the physical condition and the physical readiness of the troops were such that no delay was needed, and that is one reason we were able to see troops transferred directly to the theater where they were needed to take part in active combat operations.

Is that a correct assumption that I am making?

General SCHULTZ. Mr. Chairman, that is a correct assumption. Average age of the Army National Guard soldiers on active duty today is 31 years, so perhaps slightly older than an Active component peer. But we track statistics all the time in terms of medical condition, reasons soldiers leave the theater, and the issue of fitness is not a question.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator STEVENS. Thank you.

Senator Inouye.

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

General Blum, the State of Hawaii as a territory and as a State has always stood high in sending their sons and daughters to serve when called upon. I notice from your chart here that the State of Hawaii has 51 percent of the Guard committed and mobilized, to a low of 5 percent for some other States. What is the policy that brings about this divergence of percentages?

General BLUM. That is an excellent question, Senator Inouye. The contribution Hawaii made in this particular case was a decision made by the adjutant general and the Governor in consultation with the National Guard Bureau and the Department of the Army as to how much of the 29th Brigade Combat Team we wanted to take out of Hawaii and how much was going to actually remain in State. There was some flexibility offered to the State. Governor Lingall and General Lee felt that we could take the entire brigade, as we did. In fact, they almost insisted on it, and they felt comfortable that we had leveraged enough Air National Guard and Army National Guard units remaining in Hawaii to provide them 49, just about 50 percent, about one-half of the capabilities, which is what we promised the Governor we would do.

In addition, because of Hawaii's unique location and who lives there in terms of Department of Defense equities that are there, they have a fairly robust Navy and Air Force and Coast Guard contribution that is also, because the joint force headquarters exists in Hawaii, they are able to leverage those capabilities as well. So Governor Lingall is quite comfortable that if anything were to happen in Hawaii she has the Civil Support Team, she has one of these CERFP packages, this enhanced response, weapons of mass destruction (WMD) force packages. One of those is existing in Hawaii today. It is there now. She has and General Lee has over just one-half of their joint capabilities between the Army and the Air National Guard.

You notice that Hawaii is the lowest, the lowest percentage of capability that we left in the States. All of the other States—red is good on this chart, by the way, for those of you that are not used to looking at a chart with red on it and seeing it as good. The larger the piece of the pie that is red, the better it is for the Governor. That means the more capabilities that are still home and available to them.

You can see that all of those pie charts, almost three-quarters of the pie is still there, even though we have such a large number of troops deployed. That is done in conjunction and collaboration with General Schultz with the Army Guard, General James of the Air Guard. And frankly, the United States Army, General Schoomaker and United States Air Force, General Jumper, have worked very closely with us to make sure we had the flexibility to not pull too much capability out of any State and leave any State or Governor uncovered such if a natural disaster or terrorist attack should occur in their State.

Sir, does that address your concern?

Senator INOUE. In other words, General, are you telling me that if the Governor had resisted or requested a smaller force to be mobilized Hawaii would have had a smaller force?

General BLUM. Yes, sir, they would have. We would have left another battalion in Hawaii and we would have taken another battalion from another State that has a much larger piece of the pie, so to speak, left in State. I think that is the right way to defend America, frankly, and I think also modularity, the Army modular force, will even give us greater flexibility in the future as we move to that, because we will be able to plug and play pieces and elements, where in the past we would have to pull a big unit out of one State and leave that State with no capability to respond here at home.

Senator INOUE. So in a State that has 5 percent mobilized, I would assume that the Governor did not want the troops to be sent out?

General BLUM. No, that is not the case, sir. I do not want to mislead anybody. A State that only has 5 percent mobilized right now on a chart 6 months or 1 year ago may have had 40 or 30 or 20 percent of that State gone. It just means that we have probably used those soldiers already and now it is someone else's opportunity to serve.

Senator INOUE. General Schultz—thank you very much, General Blum.

General BLUM. Thank you, sir.

Senator INOUE [continuing]. I note that the Guard is having problems with recruiting and retention. Can you tell us about it?

General SCHULTZ. Yes. Senator, we have today reached 97 percent of our end strength objectives for the year. Now, as a data point that sounds okay, but what we are really in need of today is recruiting performance, more enlistments. Today both in the prior service and the non-prior service marks we are off our objectives by some measure.

General Blum has already outlined March was a 5,200 plus enlistment month. We expect April to be another 5,000 plus enlistment month.

Mr. Chairman, as we talk about recruiting I would just outline that incentives make a difference. For example, in the area of retention we have, by comparison with last year's reenlistment rates, three times the number of soldiers reenlisting than we did just 1 year ago. So a 3 to 1 ratio in terms of an incentive that this committee helped clear last year from the Congress. So those items in terms of incentives are making a difference.

Our challenge is in recruiting and that is the target that we have had at the recruiters and no doubt given more focus out in the States.

Senator INOUE. Thank you, sir.

Senator STEVENS. General Blum, following up on that enlistment bonus, I am told we have bonuses that range from \$1,000 for a 2-year enlistment to \$20,000 for a 6-year enlistment and that you have been reviewing those. We have in the bill already before us a \$10,000 increase for enlistment from the Air Force to the Army—from active duty into the Guard or Reserve.

Now, what you just said is going to mean I am going to face an amendment on the floor pretty clearly. Why can you not use the money we have got now? You have authority to go up to \$20,000 if you want to do it. Why do you ask now for a change? In effect, you are asking for a change in our bill today; you know that, General?

General BLUM. Well, that would be the second order effect, yes, Mr. Chairman, I understand that. But if we have the clear authority to go beyond the \$10,000—here is my concern—

Senator STEVENS. You do have that authority up to \$20,000 in special circumstances.

General BLUM. Then we would have no issue. If I have that authority, then we can make the programmatic change.

Senator STEVENS. Am I correctly informed? It is based on critical skills to go above the \$10,000.

General BLUM. Well, if we have that authority and we have the authority to determine what the critical skills are and what the needs are, then I have adequate authority and we can reprogram the money we have.

Senator STEVENS. Senator Inouye and I are reluctant to see a start of amendments to this bill of ours at the last minute. So I would hope that we will try to take it into conference the way it is, and you let us know if you do not have the authority you need. I am sure in conference both House and Senate will respond to your needs, but I just do not want to have a flood of amendments here at the last minute trying to add to this bill.

General BLUM. I appreciate that, Mr. Chairman. I think, based on what you just outlined to me, we have adequate authorities to move forward with this and I appreciate, frankly, the significant change in the bonus offering because I think it will have a dramatic effect.

Senator STEVENS. That is our intent, to work with you. I do think recruitment is absolutely essential, that we pay a great deal of attention right now. There is no question a substantial number of reenlistments are necessary to maintain the force we have.

General Schultz, we provided \$95 million for the Guard and Reserve equipment in the 2005 bill. General Schultz—General James,

we had the same amount for the Air National Guard. Are those going to fulfil your requirements?

General SCHULTZ. Mr. Chairman, they have filled critical needs for us. Most of the items, much of the equipment we bought with that amount of appropriations, you will find in Iraq and Kuwait and Afghanistan today. We bought critical items of need for our units deploying and of course we deploy units at the highest level of readiness: machine guns, night vision devices, trucks. We bought all kinds of things that our units were short prior to their deployment into the combat theater. So we have applied those units to our readiness-related requirements.

But we do still have a shortage, but our priority across the Guard is to get units ready for their combat tours, and we are able to do that by cross-leveling some of the items that this community has provided for us.

Senator STEVENS. General James, the same question to you about the \$95 million that we provided you.

General JAMES. Well, first of all thank you for that. That account is one of the ways that we are able to fund some programs that do not make the cut with the program objective memorandum (POM) at the Air Force level. The Senate has been very generous in doing that.

We do feel we still do have some requirements that we would like funded. However, we have prioritized that, filled the critical ones that we have. It has given us the opportunity to do some things that we need to do, but there are still some issues that need funding. One of them is the large aircraft infrared countermeasures systems, the LAIRCM modification. I have a list of how the moneys are being spent that I can give the staff and I can highlight some of the areas that you can give us some additional help if it is there.

Senator STEVENS. Well, as you indicated, I just finished visiting the 172nd at Fort Wainwright and Fort Richardson in my State and they are in transition now to go over with their new equipment. The items you mentioned, are they available for units such as that?

General JAMES. The C-130 has a high priority in getting an updated large aircraft infrared system.

Senator STEVENS. Thank you very much.

Senator Dorgan.

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

General Blum, I wrote down one of your statements and I think I am probably quoting you correctly. Correct me if I am wrong. You said you were not certain that the Air Staff understands the value and benefit of a community-based Air National Guard.

That set off a lot of alarm bells and sort of reconfirmed a fear I have. I appreciate your candor. It is helpful to us. I hope it is not hurtful to you. But let me ask about that. We are going into a BRAC round where there will be decisions made that can have a profound impact on the Air Guard. Can you amplify on this statement that you are not certain the Air Staff understands the value and benefit of community-based—

General BLUM. Yes, Senator. And it is not only the Air Staff. There is nothing evil in this. It is sort of like high frequency hearing loss.

Senator DORGAN. That is even more candor, General.

Senator STEVENS. We can all tell you something about that.

COMMUNITY-BASED CITIZEN SOLDIER AND AIRMEN FORCE

General BLUM. The Active component I do not think has an intrinsic appreciation for the fact that when you call out the Guard you call out America. That is very, very powerful for this Nation. The reason that when you call out the Guard you call out America is that you are calling up every home town, as you can see from the charts that we have been showing and as you can tell from your constituents. They feel the people that are at war in this Nation really are those that are serving and the families and employers of those people. When you are talking about families and employers you are only usually talking about the Reserve component, and the Guard has an extremely high number of this contribution.

I do not want to lose the goodness of a community-based citizen soldier and airman force. I am afraid that some well-intended people who put their programmatics together or their analytics together for the future force did not factor in the fact that if you do not have a community base you probably do not have a community-based force, and pretty soon you do not have the capability that we have come to expect and call upon in this Nation for the last at least 32 years. The next time we need it, we will not be able to regenerate it or reestablish it.

So if it puts some alarm bells off, that is good. I think it should and I think it should be a tough question that defense planners and senior military people like myself should have to be able to answer as we talk about how we are going to defend the Nation in the future and how we are going to shape the Army and the Navy and the Air Force of the future.

Senator DORGAN. General, I share those concerns and I think every State has an Air Guard. Some have more than one Air Guard unit. There is a lot of concern about where we might be after BRAC. Especially if homeland security is a priority, when you take a look at what is implied with respect to the retiring of the number of airplanes in the Air Guard, you wonder how that can square with the top priority being homeland security.

I would like to mention, General James, I spent Monday with the Happy Hooligans, which is the Air Guard unit in Fargo. You are well familiar with them. They have had more accident-free hours in F-16s than anyone else in the entire world. They are the only Air Guard unit that has ever won the William Tell Trophy three times. This is an Air Guard unit which flies in the worldwide meet to test pilots and crews against the best of our Air Force and the best in the world. They are the only Air Guard unit that has won it three times, the only F-16 unit that has won the Hughes Award.

In fact, they are flying fighter cover over our Nation's Capital, as you know, out of Langley. But the best pilots in the world happen to fly the oldest iron, the oldest F-16s, which are set to retire in 2007. Then we see coming from the Pentagon discussions about the number of F-16s and the older planes that will be retired, a dramatic percentage. In my judgment that seems at odds with the top priority of homeland security.

I wonder if you could tell me your impression of that and perhaps also General Blum.

AIR NATIONAL GUARD AIRCRAFT

General JAMES. Well, Senator, you are right. The Air Force has a difficult decision to make. They have to program for the new aircraft that are coming, and we know that there will be dramatically fewer aircraft, i.e., the F/A-22 and the Joint Strike Fighter, the F-35 as it has been designated. Because there will be fewer, we still will have the capability because these aircraft are more capable.

Our problem becomes one in the National Guard, in the Air National Guard, that the F-16s that we have are more what they call the legacy airplanes. The Block 15s that you have and that we have in Tucson, in the unit in Tucson, the foreign training unit, are the oldest, and then the Block 25s and the Block 30s. Right now the Block 25s and some of the Block 30s are slated to go out of the inventory.

I would propose that we look very closely at this after BRAC comes out and work very closely with the adjutants general and with the programmer for the Air Force, Lieutenant General Wood, to make sure that we do this in such a manner that if we do not have aircraft to replace those aircraft that come out, that we do have new missions to replace those aircraft that come out. Otherwise, we could get in a situation where I call it the units would be uncovered, in other words they would not have a Federal mission.

In my mind that really sets off bells, because the Air Force has told us that they are going to sustain our current level of manpower, however I am not sure that folks in other parts of the Pentagon will see that as sustainable in fact if we have units uncovered. So we are going to work very hard to get missions to those units that lose aircraft.

Senator DORGAN. Could either of you just address that question of the top priority being homeland security with a substantial—

Senator STEVENS. Your time has expired.

Senator DORGAN. All right, Mr. Chairman.

Senator STEVENS. Senator Mikulski.

Senator MIKULSKI. Thank you, Mr. Chairman, and to the Generals and to the men and women that you represent at this table.

I would like to come back to the issues related to recruitment and retention and to focus on retention, because I think that has been a troubling aspect. General Blum, when you talked about those bonuses and that they have been effective, are those bonuses tax free?

General BLUM. Senator Mikulski, they are tax free if you take advantage of them in the combat zone. For instance, I watched 256 soldiers from Louisiana reenlist in theater, which is quite remarkable in itself. They were from the 256th Brigade Combat Team. They reenlisted en masse. Each one of them would have had a tax-free reenlistment. All 15,000 would have been.

Senator MIKULSKI. But for anyone else reenlisting—it is only tax free in a combat zone, is that correct?

General BLUM. That is correct. Sorry. That is correct.

Senator MIKULSKI. And we understand why. I mean, they are literally in the line of fire and it is a way of thanking them for being willing to re-sign up.

Is this an issue also, for those who are not in the combat zone? Would a tax free status be helpful in terms of retention or a way that does not exacerbate tensions with those that are literally in the line of fire? This is a tricky question. It is not meant to be a trick question. But it is delicate or possibly prickly.

General BLUM. A simple candid answer is that incentives work. So the more of it that you get to keep, the more of an incentive it is.

Senator MIKULSKI. The more cash they end up with.

General BLUM. Of course, yes.

Senator MIKULSKI. I understand.

Now, when we look at retention, we also know that there has been, as you said in your own testimony, the inequities at times with active duty. Again, we do not want to exacerbate problems between active duty and Guard and Reserve, but what is one of the most significant drawbacks that the troops have told you about retention? Is it the operations tempo (OPSTEMPO)? Is it the fact that they are called up so frequently? Is it the fact that there is such a big pay gap that their family is enormously suffering because of this?

What are the retention flashpoints?

General BLUM. There are two that come to mind. And General Schultz, if I fail to cover them, you jump in on this. There are two that come to mind.

The first one, which you would least expect, is that soldiers have told me they will redeploy to the combat zone again, but they will not go through the mobilization process again, they would get out first. So that tells me we need to really look at the mobilization process hard and make sure that it is not as painful as it appears to be, is perceived to be by those who have to live it and go through it, not the ones that conduct it, the ones who actually have to suffer through that process.

Then the other item is that about one-third of our soldiers suffer financial losses to the point that it is almost untenable for them.

Senator MIKULSKI. What would be the recommendation on that? We have heard horror stories in Maryland. I worked hands-on with you when your duty assignment was Maryland, with General Tuxell, our Air Force guy, now head of our Maryland National Guard. What are these issues?

We, Senator Durbin and I, have talked about the Federal Government making up the pay gap. What would be some of the concrete steps that we could take to deal with this financial hardship that families are facing, not for a few months, but now for multi-years? I talked to one marine who has come back and he has lost \$20,000 a year for 3 years. That is \$60,000. That could have put his son or daughter through the University of Maryland for 4 years.

General BLUM. Senator, there are three elements to having a sound and functional Army and Air Guard. One is the citizen soldier. We have to get the right people, the right incentives to be able to compete in a level playing field for a recruited force. That is

what we are talking. They are all volunteers, but they are recruited.

The second is we have got to make sure the families do not suffer too extremely while they are deployed—

Senator MIKULSKI. Right, and how do you want to do that? What are your recommendations?

General BLUM. Then the third is the employer. I think that we probably need to look at some way to ensure that families are not financially ruined for answering the call.

Senator MIKULSKI. What are your recommendations and what does the top civilian leadership at the Pentagon say?

General BLUM. Well, I will tell you what. I will take that for the record and I will provide you some ideas that we have come up with. But it really would be for this body and Congress to decide what they would like to legislate. The tax relief—

[The information follows:]

The top three recommendations for Personnel Benefits provided below will assist the National Guard in meeting their recruiting and retention goals.

First, BAH II should be eliminated or the threshold should be reduced for paying BAH II in lieu of BAH. BAH II is the housing allowance that is presently authorized for reservists serving on active duty for fewer than 140 days. The net averages of the difference between BAH II and BAH have been approximately \$300 per member per month. This has a direct impact on bottom line take home pay. Active duty and reserve component members serving side-by-side should be compensated at the same rate. Therefore, BAH II should either be eliminated completely or at least the threshold for paying BAH II should be reduced from the current 140 days threshold.

Second, we want to have the authority and funding to pay the \$15,000 affiliation bonus which would allow us to transition someone directly from active duty into the National Guard. In the Supplemental which was passed in May 2005, we received the authority to pay a \$10,000 affiliation bonus, however this authority will expire on September 30, 2005 unless a new authority is passed. The reason we need this affiliation bonus at the \$15,000 mark is because Prior Service members without a Military Service Obligation (MSO) are eligible for a Prior Service enlistment bonus of \$15,000. This means there is a built in incentive for a Prior Service member with the MSO to wait for the MSO to expire and then enlist without the MSO to receive the \$15,000 bonus. Therefore, if we are able to offer the \$15,000 affiliation bonus, it would help us recover these members who are already trained from their active service.

Third, as you know the National Guard is comprised of both the Army National Guard and the Air National Guard and, in this case, we have slightly different requirements which could meet their needs. For the Army National Guard, we would like to expand the parameters of offering the tax-free reenlistment bonus to include all members who deploy for one year, even if the actual reenlistment doesn't occur while they are in the combat zone. We believe all our members who deploy for one year should be eligible for this tax-free benefit without penalizing those members who will deploy, however, not have their reenlistment occur during the actual deployment. Air National Guard members are deployed for shorter periods of time and few would be eligible for the tax-free reenlistment bonus. Since a much larger number of Air National Guard members will be substantially impacted from BRAC, we want an increase in the retraining bonus from the current \$2,000 to \$10,000. By using this \$10,000 retraining bonus, we could entice members to stay and retrain and therefore save money we would otherwise have to spend on recruiting. We believe this increased retraining bonus will serve us well in retaining our Air National Guard members during the difficult BRAC transition period.

Senator MIKULSKI. But I would like to know the top three.

General BLUM. I would think that employers would benefit greatly. They are full partners in the defense of this Nation. They would benefit from some form of tax relief for being able to make up the differential for the employee's salary.

Senator MIKULSKI. General, I would welcome those ideas.

My time has expired, but we are all Team USA here and we need to make sure we not only recruit, but retention is another form of recruitment—

General BLUM. Absolutely.

Senator MIKULSKI [continuing]. To keep the best and, as you said, these wonderful men and women are coming back with exceptional capabilities. They are going to serve Maryland, they are going to serve the Nation. We have got to really show that we are on their side and on the side of the families.

So thank you, Mr. Chairman.

Senator STEVENS. Thank you very much, Senator.

Senator Leahy.

Senator LEAHY. Thanks, Mr. Chairman.

I would like to follow up on this question that there are sometimes inequities with the National Guard and Reserve at a time when, as you know, we go into active areas and you really cannot tell who is Guard and who is Active military. For example, when a member of the National Guard or Reserve is called to active duty for a period of less than 140 days, that citizen soldier, airman, or marine receives a lower BAH II, basic allowance for housing. Actually that can be as much as \$300 per month less than he or she would receive on regular active duty.

Now, I raise this because last year Congress enacted a piece of legislation sponsored by me and Senator Bond as the Guard Caucus co-chairs. It authorized greater use of the Guard for national homeland security missions.

A number of soldiers from the Vermont National Guard were called up to help increase security along the northern border, where we have far less people deployed than our southern border. They worked side by side with their active duty counterparts, but they received \$300 per month less in housing allowance. They are doing exactly the same thing.

I think it is unfair. I want you to take a look at BAH II. Is there any justification for keeping this lower tier of housing allowance in place?

General BLUM. No, sir. The way we look at it is as a general rule when you are called to active duty you should get all the rights and benefits and entitlements as anybody else that is serving right alongside of you in the same status, performing the same duty. I will go back and look at that. If there is something that we can do, we will do it. If not, if we need some assistance with legislation, we will come back to you, sir.

Senator LEAHY. Please let us know because I am actually looking forward to introducing some legislation on this. I want to make sure it is bipartisan legislation. So whatever you can give us for information will be very helpful.

General James, Senator Dorgan was talking about the future total force initiative you and I have talked about this because of the talk of significant cuts in the Guard's aircraft force structure. At the same time, we are starting city basing. It is going to begin imminently with the Vermont Air National Guard in Burlington, Vermont. Active duty pilots and maintainers are going to come to Guard bases. I think it creates a synergy where the total may be greater than the sum of the parts.

Can this basing arrangement be a model for the whole Air Force? Because if it would be, does that bring about an argument against making significant cuts in the Air National Guard's force structure?

General JAMES. Senator, the answer to that is yes, it could be. Community basing, as we call it now, is, as the Chief pointed out, a way of balancing the needs of the Air Force in terms of their skill levels. We have very experienced people. Sixty-two percent of our maintainers are seven skill levels, seven or higher, whereas the majority of theirs are three level skills.

So it takes the best of the Guard and helps balance some of the needs of the Air Force. Now, the debate comes down to can the active duty folks who go there have the same quality of life. I say yes, they can. If you select Jackson, Mississippi, and have community basing there with active duty crews coming to Jackson, I think they can have the same quality of life there. There are some other places where there are even bases, like Kirtland in New Mexico, where you could have active duty folks there and supported by the base and flying with the New Mexico Air National Guard.

So I think the community basing, city basing concept is an excellent way of balancing the force, giving the personnel system options to station people throughout the United States, and when they rotate back from an overseas deployment or an Air Expeditionary Force (AEF) involvement they have more options as to what assignment, where they can be assigned. I think it will be—I think it could turn into a win-win force.

Now, those folks—there are people who say, no, we cannot do that, it is not appropriate to do that, they will not have the quality of life and we cannot afford it. I think we should look into it. I do not think this should be just a random test case that falls off the table. I fully support the concept of community basing and community involvement of the National Guard and the active duty.

Senator LEAHY. Thank you.

Senator STEVENS. Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman.

General Blum, you were spelling out the three elements that you thought were important and I want to make sure I heard the third one, which I do not believe you had a chance to say a word on: the citizen soldier, the family support, and then you said employer; did you not?

General BLUM. Yes, sir.

Senator DURBIN. Could you just say a word or two about that?

General BLUM. Well, I talk about a three-legged stool, the seat being the National Guard, the Army and Air Guard, but the legs that hold that stool up are these three elements: the soldiers themselves, the uniformed member; their families, because you may enlist soldiers, but you retain the families. And frankly, you are not going to have either one if the employer does not stay a willing partner. So just like a three-legged stool, if you pull one leg away the stool is very unstable and will fail. That is why I think we need to pay particular attention to the employers and the employer-employee relationship, the family member relationship, as well as the citizen soldier-airman relationship.

Senator DURBIN. Thank you.

If I am not mistaken, we maintain a program and a web site, the Employer Support of Guard and Reserve, ESGR, and we acknowledge companies and employers that make up the differential in pay for Guard and Reserve. Is this a positive element when it comes to recruitment and retention of members of the Guard and Reserve?

General BLUM. Of course, sir, of course it is. Any time someone—there is enough angst with changing from a civilian to a soldier to go in a combat zone or go have separation from your family, your loved ones, and your employer, to have added to that the concern that you are not going to have your job when you get back or you are not going to have employment when you get back or you are going to suffer financial ruin while you are gone I think was not intended by anyone and probably we should address that wherever we can.

Senator DURBIN. So the survey, when they ask for the reasons that Guard and reservists do not re-up and are not retained, said that family burden was number one, 95 percent. Too many activations and deployments, 91 percent. Deployments too long, 90 percent. Income loss, 78 percent. Conflict with civilian job, 77 percent. So that really kind of tells the story as to the retention challenge that we have.

Now, some members seem to believe that there is a resentment among the active military when a Guard or Reserve member is receiving this pay differential, meaning that that Guard or reservist may be actually getting more money each month than the active soldier. Have you heard of this?

General BLUM. I do not actually think that that exists, frankly, Senator. There are no two soldiers that ever existed or ever will exist that had exactly identical income. I mean, you know that some soldiers get chocolate chip cookies from their mom, they get their family sends them extra money. That does not mean there is angst in the ranks over that.

It is very, very rare that two soldiers sharing a foxhole are going to talk about their income tax returns or how much money they make. They are worried about doing their mission and defending their Nation.

Senator DURBIN. That is the point that Senator Mikulski and I have made in our bill here, because it turns out that 10 percent of the Guard and Reserve happen to be Federal employees and it turns out that the Federal Government is one of the few—I should not say one of the few—is one of the major employers which does not make up the difference in pay. So we have introduced a bill together—this is our third try—to make that—do away with that inequity, to make sure that the Federal Government makes up that pay differential.

But I wanted to address the necessity, number one, and the most common complaint, that active soldiers would resent it, which you have addressed as well. So thank you very much for doing that.

General BLUM. Thank you, sir.

Senator DURBIN. General James, you mentioned an unfunded need for large aircraft infrared countermeasures. Could you tell us a little bit more about that?

LARGE AIRCRAFT INFRARED COUNTERMEASURES

General JAMES. The newer equipment that comes on, the C-17s and so forth, have built-in infrared countermeasure protection. One of our highest priorities is to fund that for our C-5s and our C-17s and even the C-130Js I do not believe have that. That is why it is at the top of our list. We have such a high OPTEMPO there in those airplanes with the two-theater or two locations of the conflict that is going on.

I can give you the exact numbers. I do not know that I have what the shortfall is, but I would be more than happy to furnish that.

Senator DURBIN. Would you please do that, provide some detail for us? I would appreciate that very much.

[The information follows:]

The Air National Guard is currently installing Large Aircraft Infrared Countermeasures (LAIRCM) on Special Mission HC/MC-130s in two of our three Combat Search and Rescue Squadrons. We have also made strides in installing LAIRCM on our combat delivery C-130s. As Air National Guard (ANG) force structure changes, every aircraft we employ and deploy must be as survivable as possible. With this philosophy in mind, the ANG has invested in excess of \$42 million of fiscal years 2004 and 2005 National Guard and Reserve Equipment Account funding on LAIRCOM to modernize our Special Mission/Combat Delivery C-130 fleet. We have an overall requirement to equip 152 C/HC/MC/EC-130s with LAIRCM.

Senator DURBIN. Mr. Chairman, I will not use the rest of my time, but I would like to take what is remaining and acknowledge in the audience here Sergeant Tara Niles, who is from the Illinois National Guard, who has been activated, served in Iraq, left two children behind with godparents who were happy to watch them, and she is now back home in Springfield, Illinois, going to school and working at Camp Lincoln. I want to thank her and all of the soldiers here for their service, particularly the Guard and Reserves that I have had a chance to meet and to share some of those experiences with.

Thank you very much, Mr. Chairman.

Senator STEVENS. Thank you very much.

For the information of the subcommittee, there are amendments now pending on the floor that directly impact this subcommittee. Senator Inouye has gone to watch the floor for us. We will continue here into the next panel.

Senator Domenici.

Senator DOMENICI. Mr. Chairman, I am sorry that we have to stay on so long, but some of us have some urgency about our questions.

First, I say to all three of you Generals, I do not believe the active military leaders had ever contemplated that we would place such burdens on the National Guard and Reserves. As a consequence, I believe you are treated as second class generals. And I hate to tell you that, but I do.

For instance, as they talk about in the Pentagon, about the new kind of military we are going to have in the future, you have heard the Secretary of Defense talk about how it is going to be different. I just wonder, maybe you could tell me, General Blum, how much input have they asked of you in terms of how that new force structure, new military, is going to look like under this streamlined, changed military of the future?

General BLUM. Senator Domenici, are we talking about the Army or the Air Force?

Senator DOMENICI. I do not care. You tell me all of them, each one of you.

General BLUM. I do not wait, Senator. I have got a clear record. First of all, I do not consider myself nor my two colleagues second class in any respect.

Senator DOMENICI. Oh, that is all right. I am a Senator; I can say what I want. You can say what you like.

General BLUM. We do not often wait to be asked. We have our opinions and our inputs. They are not always considered—I mean, they are not always accepted, but they are always considered, at least at the highest levels. General Jumper on the Air side and General Moseley and General Schoomaker and General Cody on the Army side, we have their ear. We can get our thoughts in to them when we need to.

The head of the snake, I think, the heads of the two snakes are solid. The problem is that there is a whole lot, there is a whole lot of snake that pig has to go through in the Pentagon before it comes out. So while the head can agree—

Senator DOMENICI. You have got it right.

General BLUM [continuing]. The process can take it many, many different directions, and often does, and we have to stay very vigilant to that to make sure that what the senior leaders agree to and accept ends up happening.

Senator DOMENICI. I want to clarify the record. I was not suggesting that you are second class Generals. You are first class Generals.

General BLUM. I did not take it that way, sir. I just want to make sure you know that they do not treat us as second class. I do not perceive it at all.

Senator DOMENICI. Well, let me tell you. The record seems to me to reflect that they do, and it seems to me that if they ever are going to learn that you cannot have two armies, two air forces, and expect them to be ready to fight the same war on the same trenches and the same skies, then you cannot have different equipment, you cannot have different training, and you cannot treat one as a purely citizen group and another as a ready army.

There has got to be more meshing of the two or you are going to have the problems we all heard about. You all know the problems were there. You had your people going over there, especially the Army, with lesser equipment, lesser protection. And they got over there and then we found out about it. In fact, some of that had to be ascertained by people telling us. Defense did not come up here and tell us. We found out kind of by freedom of the press, to be honest with us, and military people being worried.

I do not want to argue with you.

General BLUM. No, no, sir.

Senator DOMENICI. But you go ahead. If you want to comment on that, fine.

General BLUM. I would tell you that what you said is entirely true until this last, until this last generation of senior leadership in the Army and the Air Force. Quite different than anything I have seen in my entire adult life before that. I would never have

stood before this committee 3 years ago and said anything other than what you just said. But with General Schoomaker's leadership of the Army and Secretary Harvey, they are committed to exactly what you just said happening.

Senator DOMENICI. Are you saying the same thing, General James?

General JAMES. I agree with the Chief on that. I will tell you there is a differential in our staffs unlike you may have in your staffs. Many of our directorates are led by full colonels and their counterpart on the Active component is a one-or two-star general. So they have to be very careful about the way they present National Guard equities and it takes a lot of tact and it takes timing.

So at the highest level there is no question of how they feel and look upon us and how they value us, but when it is time to get down to the details and slug it out for what we are going to really do here with this force or with this budget or with this weapon system, sometimes our people, they are out-horsepowered.

Senator DOMENICI. How about General Schultz?

General SCHULTZ. Senator, the points you raise about equipment inequities were initially existing. We have taken those issues on and, with the support of the senior leadership in the Army, we have addressed those items of concern and made fairly serious progress in the journey here. In some cases Guard units are actually receiving equipment ahead of their active counterparts.

Senator DOMENICI. Look, I have never asked the chairman how he felt about this, so I do not know. I understand it is hard, that there are two different institutions and it is not always that we are going to have the same kind of need to fit as we have right now. But we have had two in a row. One is very different than the other because of time.

General BLUM. I honestly think it will be more important in the future than it is even now, so we have got to get this right.

Senator DOMENICI. I believe that is right. Look, I am talking about the F-16 versus the F-22 and F-35. Right now we already know they have fewer of the new ones ordered. We understand that. But you are not included in that at the offset. You are left out.

My last question—I know I am out of time, but I want to say to all of you I am very worried about the fact that we have post-traumatic injuries to a far greater extent in this war than we had even in the Vietnam war, and they are real. I want you to be sure you look at and urge that there be adequate military—adequate doctor help for those that have that kind of problem.

Thank you, Mr. Chairman.

Senator STEVENS. I would agree with the Senator, but we have to move on because we have another panel.

Senator DOMENICI. Thank you.

Senator STEVENS. Senator Bond.

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

I join with my colleagues in welcoming Generals Blum, Schultz, and James. As the co-chair with Senator Leahy of the National Guard Caucus, I share the concerns that Senator Domenici has just expressed, particularly when the National Guard has 50 percent of the combat force in Iraq and 40 percent of the total force. We know

that the Guard is being called on and we are very much concerned that you are getting short shrift.

Now, progress has been made on the Army side, but let me address something—let me just address this to General Blum. I continue to hear concerns from the TAGs about the future total force strategy of the Air Force. I have two letters. Mr. Chairman, I would like to make these part of the record.

The first one is from Brigadier General Stephen Koper, President of the National Guard Association. In that letter, addressed to Congressman Hunter and Skelton, he talks about the Air National Guard. But he said, “Our membership is expressing grave concerns about the direction of the future, the future total force (FTF) plan, and its immediate negative impact on Air Guard force structure. Such concerns include,” among other things, “the limited role the adjutants general have played in developing the FTF plan and the impact these force structure reductions will have on Air Guard basing in anticipation of BRAC.”

Major General Ratacrak, the President of the Adjutants General Association, in his letter to General Jumper said: “As BRAC draws near, I am becoming increasingly convinced that the process has been designed to validate a predetermined view of the futile—future total force as defined strictly by the active Air Force, without the substantive input of the Air National Guard.”

I apologize, I had a Freudian slip. I said “the futile total force.” I meant “the future total force,” because there is no substantive input from the National Guard.

[The information follows:]

MARCH 17, 2005.

The Honorable DUNCAN L. HUNTER,
Chairman, House Committee on Armed Services, 2120 Rayburn House Office Building, Washington, DC 20515-6035.

The Honorable IKE SKELTON,
Ranking Minority Member, House Committee on Armed Services, 2120 Rayburn House Office Building, Washington, DC 20515-6035.

DEAR CHAIRMAN HUNTER AND CONGRESSMAN SKELTON: This decade our military forces have faced some of the greatest challenges in our nation’s history. By supporting successful missions in Operation Enduring Freedom, Noble Eagle and Operation Iraqi Freedom, while at the same time transforming to face the threats of the future, our Air National Guard has played a critical role in supporting U.S. strategic interests at home and abroad.

Currently, the Department of the Air Force is developing its transformation plan, called Future Total Force (FTF). Over the years, the ANG has proven its willingness to transform and evolve. However, our membership is expressing grave concerns about the direction of the FTF plan and its immediate negative impact on Air Guard force structure. Such concerns include: continuation of the Air Sovereignty missions; funding to transition personnel from current missions to “future missions;” the limited role that The Adjutants General have played in developing the FTF plan; and the impact these force structure reductions will have on Air Guard basing in anticipation of BRAC.

As you and your staff continue holding hearings, NGAUS respectfully requests that the House Armed Services Committee conduct a hearing on Future Total Force. Should any hearing be scheduled, we respectfully request that the National Guard Association of the United States (NGAUS) be invited to testify on behalf of the National Guard and its membership to outline the Guard perspective in relation to FTF. In addition, we offer to coordinate with you and your staff the selection of appropriate Adjutants General that could also offer relevant and critical testimony.

The NGAUS recognizes a need for the Air National Guard to remain a ready, reliable and relevant component of our total air force capability. We also believe it is imperative that any future force modernization discussions that impact the Air Na-

tional Guard involve a cooperative and collaborative interaction with the Adjutants General.

Respectfully,

STEPHEN M. KOPER,
Brigadier General, USAF (ret), President.

ADJUTANTS GENERAL ASSOCIATION OF THE UNITED STATES,
Washington, DC, March 9, 2005.

General JOHN P. JUMPER,
*Chief of Staff, United States Air Force, HQ USAF/CC, 1670 Air Force Pentagon,
Washington, D.C. 20330-1670.*

DEAR GENERAL JUMPER: The Adjutants General of the 54 states see the USAF transformation strategy known as Future Total Force (FTF) having a profound effect on the Air National Guard (ANG). We want to help the Air Force shape a strategy and force structure that uses the ANG to its full potential. Homeland defense is a critical issue for us as we are responsible to our Governors for homeland security matters.

Adjutant General involvement with the FTF initiative only began recently with three Adjutants General being invited to participate on the AF/XP sponsored General Officer Steering Committee (GOSC). Lieutenant General Steve Wood has actively engaged us since coming on board late last year. His focus on open exchange of information is refreshing and is setting a course that will benefit all.

From our initial perspective the FTF initiative seems to focus on accelerated reductions of current weapon systems located predominately in the Air National Guard and the relocation of ANG units to active duty bases. The loss of flying units will be compensated by rolling ANG force structure into new missions to sustain its end strength. Issues exist that could be very detrimental to the National Guard to the point of irreversible deterioration. In particular, we fear the initiative as we understand it will cause serious gaps in our capability to defend the homeland.

Our concern compels us to ask you to undertake actions to refine and improve the FTF initiative. These proposals are necessary to preserve the Air National Guard, ensure defense in depth of the homeland, and provide the most lethal and cost effective force in the future.

The Adjutants General can add significant value to Air Force modernization initiatives. First, we feel we should be involved with developing and vetting options, and be given the opportunity to contribute data and analysis to various studies. Through our Adjutants General Association of the United States (AGAUS) we can offer valuable ideas and critiques in a timely manner that will enhance the FTF initiative by making it more palatable to a broader range of interested parties.

Second, the Air Force should thoroughly evaluate the air sovereignty mission after receiving USNORTHCOM requirements from which to develop a realistic force structure plan for homeland defense. The evaluation should consider weapon system dispersion as well as lethality and determine more precisely the extent other services will support this vital mission.

Third, we want to work with the Air Force to develop a roadmap to 2025 that uses proportionality as a key principle for determining roles and missions for the Air National Guard. This is not to say that current proportionality must be strictly adhered to. But rather, it is a starting point for determining the best mix of active and reserve component forces for future operations. We believe increasing full time strength for key weapon systems in the ANG deserves evaluation. The ANG may more effectively support critical Air Expedition Force rotations and other vital missions with a different mix of full time and traditional Guard personnel in units.

Fourth, the community basing plan should be expanded immediately to include additional sites and different weapon systems for a more comprehensive evaluation. The Adjutants General believe very strongly that community basing is a key to sustaining the relevant and ready Air National Guard which has performed so magnificently in homeland defense and contingency missions.

Fifth, to sustain an effective ANG end strength of approximately 107,000 the FTF schedule must be adjusted to slow aircraft retirements while accelerating the assumption of new missions by the ANG to avoid a lengthy gap between mission changes during the transitory period. A gap will cause the loss of experienced personnel while impeding our transition to the Air Force of the Twenty-first Century.

Sixth, the ANG should field new Air Force aircraft weapon systems in ratios consistent with our contribution to the war fight and interspersed throughout each system's fielding plan. The nation will be well served by involving the Air National Guard early on during the fielding F/A-22, C-17, and F-35 weapon systems. This

would also apply to the new tanker and other flying systems (such as intra-theater lift) as they emerge from development. The Adjutants General can provide the Air Force valuable support if given a clear picture showing ANG participation throughout weapon system fielding.

The Adjutants General have an obligation to nurture the rich heritage of the Air National Guard and ensure its readiness and relevance. We have defined several principles that will guide our actions in influencing the make up of the future of the Air Force.

1. Retain the militia basing concept which connects the Air Force to communities dispersed throughout the nation and provides for agile and quick responses to dispersed threats;

2. Leverage the cost efficiencies, capabilities, and community support generated by ANG units in the several states by including them as an integral part of the Future Total Force structure;

3. Each state needs a baseline force for homeland defense which includes civil engineering, medical, and security forces;

4. The Air National Guard maintains essential proportions of flying missions to nurture and sustain direct connectivity with America's communities while supporting the expeditionary Air Force cost effectively, captures the extensive aircrew and maintenance experience of the Air National Guard;

5. The nation is well served by a continuing dialog involving the Air Force, National Guard Bureau, and the Adjutants General as new missions emerge and threats change.

Our desire is to work with the National Guard Bureau in developing, vetting, and implementing initiatives. We provide perspectives from the field that when aligned with the programmatic expertise of NGB will result in sound courses of action with solid support from the several states.

Sir, we truly understand and appreciate your Herculean efforts to transform the greatest Air Force in the World into something even better. We only ask that we are allowed to help in the process.

Respectfully,

DAVID P. RATACZAK,

Major General, AZ ARNG, President, Adjutants General Association.

Senator BOND. Can you, General Blum, give me your assessment of the Guard's role in the development of the future total force strategy of the Air Force? And I refer to the input of the TAGs from States with significant Air Guard assets.

General BLUM. Sir, we cannot pull in a committee of 54 to do that, although we have brought senior members of the Air Staff, to include the Air Force Vice Chief, General Moseley himself, and General Jumper has actually addressed all of the TAGs, the adjutants general, on the future total force.

The problem is there is not great fidelity on the future total force because of exactly the process as you talked—Quadrennial Defense Review (QDR), BRAC, some other things that nobody knows how it is going to shake out yet. So in uncertainty there is always discomfort and paranoia.

I am not ready to say that—I think it bears close watching for exactly the reason I said. I cannot have a community-based force if we do not have a community base. I think once you lose that community base, I cannot think of a place in this country where you can open up a new military airport in our lifetime. So if you lose that capability, you will never reclaim it.

I think those things need to be factored in. We have engaged with the senior leadership of the Air Force and expressed our concerns. We have not been dismissed. They do listen to this and they are making adjustments. Now, how it will all come out I do not know, but we will watch it very closely. And we do have members, representatives, from the adjutant generals who are involved in this process, but it is clearly the business of the National Guard

Bureau to be the interface between the Air Force and the States and we will discharge our duties.

Senator BOND. General, I have to—I will say regretfully, we are not paranoid. They really are after us. I have heard reports about closing of National Guard, Air National Guard facilities that I think are absolutely unwarranted in the BRAC process and would cause me grave concern about the BRAC process if they are not fully engaged.

I have fought long and hard to get upgraded radars on the F-15s because that will make them fully homeland defense capable, and I would like to see support for it.

Let me ask one last thing. Equipment requirements. General, can you expand on your pie chart about the Guard equipment requirements? What is being done to address the equipment shortfalls?

General BLUM. Put up chart 4, please.

On this part you notice, the part in green are the soldiers that are deployed around the world and they are on active duty right now in the Army Guard for 18 months. In the Air Guard it varies, different times. The average is about 120 days.

The yellow, the yellow part of the chart, are those that are getting ready to replace those in the green sector. The part in red is what is available to the Governors of the States and territories for homeland defense and support to homeland security. We have, as we described earlier, have worked very closely with the Governors and the adjutants general to ensure that as we call up Army and Air Guard units we leave at least 50 percent of their capability in the State for command and control, maintenance, medical, communications, transportation, security, and engineers and other critical skills.

What I am concerned about is that the Pentagon is very willing to resource us adequately, in fact superbly, unprecedented equipping of the National Guard for an overseas war fight, but when they come home to the Governor of whatever State or territory, I do not want them to be without the equipment they need to provide the Governor the capabilities that that Governor requires in terms of tornadoes, floods, hurricanes, or counterterrorist acts or critical infrastructure protection missions that may be required in today's environment.

That is where I share some concern that we get adequate resources in the red part of that chart.

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

Thank you, Generals.

Senator STEVENS. Thank you. We thank you very much.

General Blum, I hope we can find some way to deal with the problem that was mentioned about this increment of pay that people lose when they are called up. We have had to oppose those because there is no ceiling. I think there are some people that enter the Guard or Reserve when they are in college or first starting out in business, and 10 years later they find they are making \$1 million a year.

Now, these amendments say we are going to make up the difference. In terms of Government employees, of course, there is no million dollars a year, but there are people that are paid \$175,000,

\$200,000 in specialty pay in various Government agencies and they are in the Reserve or Guard. Now, I think there ought to be some limit, upper limit, on what that makeup is in that gap between the pay of a person in the service and the pay that they are getting performing different skills in the civilian branch of Government.

Doctors, psychiatrists, lawyers, a bunch of things, we have discretion to pay some people much higher than the normal rate of general service.

So I hope that you will study that and give us some recommendations. This has been a bruising fight on this floor so far and the amendment that has been passed has no limit. It has happened twice before and we have dropped it in conference. I do not think that is fair, but I do think that we have to have a fair upper limit to what the difference is if we are going to pay that automatically when people are called up.

I hope you will help us find that upper limit. If you can, we might come out of this conference with success this year.

ADDITIONAL COMMITTEE QUESTIONS

Thank you all very much. We appreciate your service and your testimony here today.

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

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL H STEVEN BLUM

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

GUARD MOBILIZATION SITES

Question. General Blum, as the regular Army continues to transform to the modular force and garrison space at home stations become more of a premium, the use of National Guard facilities will increase as reserve component units are mobilized for deployments. Critical to mobilization is having the necessary infrastructure to support all aspects of mobilization, especially medical screening and training facilities.

Is the Army providing the necessary funding to ensure that key mobilization sites are resources to support units preparing to deploy in support of the Global War on Terrorism?

Answer. The Army continues to provide adequate funds to resource mobilization sites to ensure our soldiers are receiving the very best training possible prior to being deployed in harms way. Typically, Army National Guard mobilization site funding requirements are validated by their respective Continental U.S. Army and Forces Command representatives. After the requirements have been validated, the Continental U.S. Army and Forces Command organizations provide the approved funding. As we utilize these sites more in the future, we need to consider long term Military Construction investments.

The Army National Guard programmed \$284 million in the Future Years Defense Plan that will provide facilities such as barracks, maintenance facilities, dining facilities, and unit administrative facilities. These programmed projects will directly support our mobilizations sites. Moreover, we have worked with the Army to establish an Operational Readiness Training Complex model to enable our training and deployment capabilities of our mobilization sites. The monies we have programmed can be indirectly associated with the Operational Readiness Training Complex model.

RESERVE SOLDIERS EMPLOYMENT

Question. General Blum, recently there have been several news articles citing examples of employers not allowing reserve soldiers coming back from deployment to return to their jobs. This is especially troubling in light of the debate about the over-

use of the reserve component, and the challenges with meeting recruiting and retention goals.

How prevalent of a problem is this, and specifically, how many soldiers and airmen are being denied their right to return to their jobs?

Answer. There are not a significant number of soldiers and airmen who are being denied their rights to return to their jobs at this time. The majority of service members return to their place of employment with little or no problem. In calendar year 2004, the Nation called 76,952 Army National Guard and 33,397 Air National Guard men and women to federal active duty. Of these, the National Committee for Employer Support of the Guard and Reserve (ESGR) show less than 2,100 with employment or reemployment incidents that required mediation (1,500 for the Army National Guard and 500 for the Air National Guard). That is 0.02 percent of our mobilized population. Of that group, only 2 percent reported being denied the right to return to work. ESGR resolves such problem via its Ombudsman Volunteers. Using education and mediation, these volunteers resolve 95 percent of all cases. Those that cannot be resolved are referred to the Department of Labor for formal investigation.

ESGR is the Department of Defense's outreach agency whose mission is to educate employers about their legal requirements under the Uniformed Services Employment and Reemployment Rights Act (USERRA, U.S. Code 38, sections 4301-4334). ESGR also provides free ombudsman services to our military members and their employers concerning employment and reemployment issues.

Service Members may also seek remediation of possible USERRA violations via the Department of Labor (DOL). In its 2004 report to congress, DOL reported a total of 440 cases, for all services, specifically concerning a refusal to reinstate or reemploy an individual following a period of military service.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL ROGER C. SCHULTZ

QUESTION SUBMITTED BY SENATOR TED STEVENS

RECRUITING AND RETENTION

Question. What recruiting and retention incentives are working well for your services and are there any additional authorities you believe would be more helpful than what you currently have?

Answer. The PS bonus of \$15,000 and the reenlistment bonus of \$15,000 both are working extremely well. The ARNG PS recruiting mission YTD is 99.3 percent and the retention mission is at 106 percent of YTD mission.

The following are new authorities that we believe would be helpful in meeting our fiscal year 2006 recruiting and retention mission:

- Increase Enlistment NPS Bonus authority to equal that of Active Component;
- Provide the ARNG with an every Soldier a Recruiter referral bonus of \$2,500;
- Provide AC to RC soldiers a one time \$15,000 affiliation bonus;
- Allow RC prior Service soldiers to receive PS Enlistment bonus;
- Increase MOS conversion bonus from \$2,000 to \$4,000 and allow concurrent receipt of bonus;
- Allow the RC to offer a separate quick ship bonus;
- Allow flexibility to offer multiple combinations of reenlistment bonus;
- Allow a variable term retention bonus beyond 16 years of service; and
- Increase Montgomery GI Bill for SELRES to 50 percent of the AC benefit.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

LEFT BEHIND EQUIPMENT

Question. General Shultz, Mississippi has a proud history of contributing to our nation's defense through both the deployment of troops and the production of military supplies and equipment. We are proud of the 155th Armor Brigade, Mississippi National Guard, which deployed to Iraq this past December and January. I understand that many reserve component units have redeployed home and left their equipment behind for follow-on units.

Once the 155th Armor Brigade returns from Iraq, will it, along with other forces returning home, have the equipment necessary to perform future training and missions?

Answer. The 155th was equipped to deploy with 100 percent of their Modified Table of Organization and Equipment (MTOE) requirements as well as additional

mission required items. Some of that equipment has been designated as Stay Behind Equipment (SBE), equipment that will remain in theater to assist follow-on reserve or active component units in subsequent missions. The SBE typically consists of the following equipment: Armored tactical vehicles, newer versions of small arms/electronics and specified specialty equipment.

The SBE order from the Department of the Army for the 155th has not been published. Once published, the SBE order will articulate the time the equipment is expected to remain in theater. Historically, this can range from one year to an undisclosed period of time (end of hostilities). Assuming the \$2.94 billion fiscal year 2006 Army National Guard Supplemental is approved, additional items will be fielded to the 155th Brigade Combat Team in accordance with production and Army policies calling for S-3 (approximately 70 percent) at conversion/employment date and S-1 (approximately 90 percent) at employment date plus 24 months. Additional equipment may be funded by other sources.

Any of that equipment subsequently not deployed (identified as not required for the specific mission or available in theater as SBE from the unit relieved, such as armored vehicles) was left in CONUS or returned from theater without use.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL DANIEL JAMES, III

QUESTION SUBMITTED BY SENATOR TED STEVENS

RECRUITING/RETENTION

Question. What recruiting and retention incentives are working well for your services and are there any additional authorities that you believe would be more helpful than what you currently have?

Answer. The Reserve Component cash bonuses are our most effective incentives in today's difficult recruiting and retention environment, and the increase in bonus authorities authorized by the Fiscal Year 2005 National Defense Authorization Act are a big reason for our success. However, there are two incentives that we believe could be improved to be even more effective. We feel the retraining bonus will be critical as we attempt to retain as many members as possible through Future Total Force and Base Realignment and Closure. We will be asking thousands of members to move and/or retrain and, the current \$2,000 retraining bonus is not a sufficient incentive to ask them to do that. We would like to see the retraining bonus increased to \$10,000. In addition, the reserve affiliation bonus of \$50 per month for every month remaining on a member's military service obligation, has not changed since the late 1980's, while all other incentive programs have increased substantially. We would like to see the reserve affiliation bonus increased to at least \$10,000, to make it a more viable recruiting tool for these fully qualified prior service members who save us millions in training dollars.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

AIR TRAFFIC CONTROL

Question. General James, I have been informed that the Air National Guard has the critical mission of air traffic control in operational theaters. I have also been told that the equipment the air traffic controllers' use was developed long before many of them were born. Could you describe to this committee the efforts the Air Force is taking to modernize tactical air traffic control systems for the Air Force and the Air Guard? Is the Air Guard making use of the Mobile Approach Control System?

Answer. The primary Air Force deployable Air Traffic Control Systems (ATCALS) are the TPN-19 and the MPN-14K. These systems include an airport surveillance radar, precision approach radar and operations center. The Active Duty Air Force is currently using the TPN-19 and the Air National Guard is using the MPN-14K. The MPN-14K was designed and purchased in the late 1950s while the TPN-19 was designed and purchased in the early 1970s. Both systems have already exceeded their expected life-cycle and are reaching unsupportable levels. The Air Force has an on-going acquisition program to replace these systems called the Mobile Approach Control System (MACS).

The Air Force has defined a requirement to purchase 18 systems for both the Active Duty and Air National Guard. To date, two test units and three pre-production systems have been procured. These systems will support developmental testing at Duke Field, Florida this summer and operational testing in early 2006 at Shaw

AFB, South Carolina. Additionally, these pre-production units will support training for maintenance personnel and air traffic control operators. The remaining 13 MACS systems will be procured after completion of the operational testing. Using these systems, an initial operational capability is planned in 2007.

Funding for the remaining 13 systems was not within the Air Force fiscal year 2006 budget. However, the high operations tempo and increased use of tactical radar systems to support Operation Enduring Freedom and Iraqi Freedom resulted in MACS being elevated to number four on the Air Force's fiscal year 2006 Unfunded Priority List. The current shortfall is \$121 million.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

FUTURE TOTAL FORCE

Question. General James, Future Total Force (FTF), as currently proposed by the Air Force, presents a significant challenge to our citizen-airmen because it disproportionately impacts the Air National Guard. Currently, the Air National Guard maintains at least one flying unit in every state. This structure is a vital component to homeland defense. How do you propose securing our homeland or responding to a major disaster when no units are available to our Governors because FTF has removed them?

Answer. We recognize the fact that a preponderance of legacy aircraft reside in the Air National Guard (ANG) and are now working with the Air Force to ensure that the Future Total Force vision does not simply mean taking flying missions away from the Air National Guard without a viable, meaningful mission to replace it whether it is existing legacy aircraft or new emerging missions. We are making every effort to work with the Air Force to ensure that we “bridge the gap” between our divestiture of legacy systems and our stand-up of these new and emerging missions.

In fact, we want to ensure that we retain one of our most valuable assets—our high experience base. There will be some changes, but we will continue to work with the Air Force to make sure that we minimize the loss of the valuable experience resident in the Air National Guard. From our perspective, one of the most exciting changes underway is the “Community Basing” concept test in Vermont recently approved for implementation by the CSAF and SECAF.

The Community Basing concept should provide us with a model that we can expand to other guard locations. By placing active duty personnel at Air National Guard locations, we can take full advantage of the experience that resides in the Air Guard and increase our utilization across the entire Total Force. As this concept matures, we will be able to maintain a dispersion of our ANG forces with their inherent Expeditionary Combat Support capability that can be dual-used for defense of the homeland and to meet Combatant Commander requirements. Our role in defense of the homeland doesn't include just Air Sovereignty Alert; we maintain a vast skills base in Expeditionary Medical Support to Chemical Biological Radiological Nuclear and High-yield Explosives Enhanced Response Force Packages (CERFPs), Civil Support Teams, secure communications, fire fighting, etc. The Community Basing concept is a Future Total Force vehicle that will allow us to keep these dual-use skills where they are needed.

Question. Under the Future Total Force plan, there appears to be a significant time lapse between when airframes are removed from a unit, and when that same unit would receive a follow-on mission. What do you propose to do with those airmen in that timeframe? How are you working with the Air Force to solve this problem?

Answer. The Air National Guard (ANG) agrees that the need exists to modernize our force structure and bring online new and emerging missions. We are making every effort to work with the Air Force to ensure that we “bridge the gap” between our divestiture of legacy systems and our stand-up of these new and emerging missions. Our greatest concern, as you have noted, is ending up in a position where we have transferred out of a system prematurely, thereby losing our most valuable asset—our experienced guardsmen. As we move forward we will continue to keep a watchful eye on the training pipelines for these new roles and ensure our guardsmen have adequate access to training. In addition, we are working with the Air Force to identify adequate resourcing for these new and emerging mission areas. We will make every effort to ensure our future guardsmen are equipped and trained for their new role.

Because we await the basing decisions of BRAC 2005, we cannot predict with any certainty which units will get which missions, but as soon as the BRAC announce-

ments are made, please be assured that the Air National Guard will work with the Air Force to make any ANG unit transition, if deemed necessary, as smooth as possible.

RECRUITMENT

Question. Recruitment for the National Guard is down. Would you agree that removing units from states, therefore forcing Guardsmen to travel long distances for drill weekends, will only hurt recruitment? Do you have any plan as to how you will combat this problem?

Answer. Yes, recruiting is currently down in the Air National Guard, specifically Non-prior service (NPS) recruiting.

We do understand that removing units from states will not only affect recruiting, but retention as well. As we transition through Future Total Force and Base Realignment and Closure, we will be asking our members to move, retrain into another career field, or leave earlier than expected. We do anticipate some unexpected losses, thus having to recruit to these losses. However, we must move forward with these transitions to new missions to not only remain relevant, but to also support the war fighter of the future.

Our plan to combat this potential problem is to use all the personnel force management tools available, to include incentives, transition authorities, and training opportunities. Additionally, leadership will undoubtedly play a large role in the transition to new missions. We will continue to take great care of our members, as we have in the past. We have always had one of the best retention rates and plan to keep it that way.

FUTURE TOTAL FORCE

Question. It is my understanding that the Guard will lose 60 percent of their airframes due to the newer F-22 and JSF coming on-line. In the past, both the Air Force and Guard leadership have stated that due to FTF, end strength won't be reduced. However, if there are fewer planes, and therefore less flight time for the same amount of Guard personnel, what will these Guardsmen be doing? Do you really believe a trained pilot or maintainer would happily take a desk job?

Answer. We recognize the fact that a preponderance of legacy aircraft reside in the Air National Guard (ANG) and are now working with the Air Force to ensure that the Future Total Force vision does not simply mean taking flying missions away from the Air National Guard without a viable, meaningful mission to replace it. As previously stated, we are making every effort to work with the Air Force to ensure that we "bridge the gap" between our divestiture of legacy systems and our stand-up of these new and emerging missions. As we move forward we need to continue to keep a watchful eye on the training pipelines for these new roles and ensure our guardsmen have adequate access to training. In addition, we are working with the Air Force to identify adequate resourcing for these new and emerging mission areas. Through the addition of new and emerging missions, as well as, the increased crew ratios and new organizational constructs, we believe all of our guardsmen will be key players in relevant missions well into the future.

To remain a key part of the Air Expeditionary Force and provide for the Air Defense of the Homeland, it will be necessary for the United States Air Force to continue cascading existing modern aircraft and ensure the Air National Guard is also participant in new aircraft.

There will be some changes, but we will continue to work with the Air Force to make sure that we minimize the loss of the valuable experience resident in the Air National Guard. From our perspective, one of the most exciting changes underway is the "Community Basing" concept test in Vermont recently approved for implementation by the CSAF and SECAF.

The Community Basing concept should provide us with a model that we can expand to other guard locations. By placing active duty personnel at Air National Guard locations, we can take full advantage of the experience that resides in the Air Guard and increase our utilization across the entire Total Force.

RESERVES

STATEMENT OF LIEUTENANT GENERAL JAMES R. HELMLY, CHIEF AND COMMANDER, ARMY RESERVES, UNITED STATES ARMY

Senator STEVENS. Let us now hear from the commanders of the Reserve forces: Lieutenant General James Helmly, Chief of the Army Reserve; Vice Admiral John Cotton, the Chief of the Naval Reserve; General Dennis McCarthy, Commander of the Marine Force Reserve; and Lieutenant General John Bradley, Chief of the Air Force Reserve.

We welcome you, gentlemen. General Bradley, you are making your first appearance before the subcommittee. We welcome you and look forward to hearing from you. We also acknowledge, General McCarthy, that this is your last statement before us. I understand you have had 38 years in the Marine Corps and we wish you the best for the future.

I must say to you, you have seen the subcommittee has sort of disappeared. They are on the floor and there are several amendments pending, as I have said before, that affect this panel and this hearing. But I do wish to have your statements.

By the way, all the statements that are presented today by the general officers will appear in the record as though read.

I welcome whatever statements you all would like to make here this morning. I do not know whether any of my colleagues will come back. I may be called to the floor to vote before you are finished. But let me ask, who will open this? General Helmly.

General HELMLY. Sir, the Army is the senior service. We will be happy to oblige.

Sir, I am Ron Helmly. I am an American soldier and it is with great professional pride and personal humility that I come before you today to discuss the posture of our Army Reserve with my fellow chiefs of Reserve components. Let me state first that I am proud to be in their company as well.

One thing. While we are, as was noted earlier, institutionally charged in law separately, funded separately, and we do different things for our services, the facts are that we are blessed with an exceptionally strong joint team, not only across the components but also across the services. So it is a distinct privilege for me to serve with these gentlemen to my left.

I am also privileged this morning to introduce two of our soldiers: Captain Damon A. Garner and Sergeant First Class James J. Martin. They represent the centerpiece of our formation across all components of our services, our people, our uniformed members and in turn their families, and our civilian employees.

PREPARED STATEMENT

I look forward to your questions during the course of the hearing. Thank you for allowing us to be with you this morning.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JAMES R. HELMLY

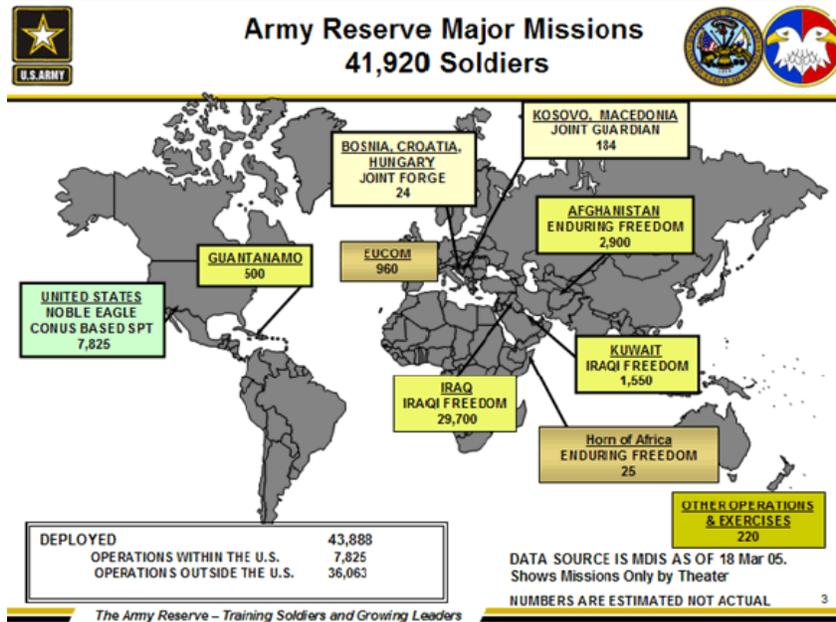
The Purpose of the Army Reserve “. . . to provide trained units and qualified persons available for active duty in the armed forces, in time of war or national emergency, and at such other times as the national security may require, to fill the needs of the armed forces whenever more units and persons are needed than are in the regular components.”—Title 10 USC, subsection 10102

“. . . The Army isn't just an ordinary institution, it's a great institution with an unparalleled set of enduring core values, a long, rich tradition, and a demonstrated ability to change and adapt to new situations . . . We must . . . develop a future force that is better able to meet the challenge of our security environment by transforming the way the Army fights and the way it does business . . . We will keep the best of the past, while transforming to be better able to meet the challenge of the future.”—Secretary of the Army Francis J. Harvey, Welcome Ceremony, December 6, 2004

RECOGNIZING THE NECESSITY FOR CHANGE

Dual Missions for Citizen-Warriors

We are your Army Reserve. We are waging two battles simultaneously. First, we are 205,000 Citizen-Soldiers, serving with our Army at war, an integral and complementary part of our Army's capabilities, decisively engaged with the Army in joint and expeditionary operations around the world. In all, about 130,000 Army Reserve Soldiers have served on active duty since 2001, waging the Global War on Terror, and deploying in support of Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. We are an integral component of the world's best army, complementing the joint force with skill-rich capabilities. Simultaneously, we are an Army Reserve decisively engaged in the process of change, transforming itself to better meet the challenges of the 21st century and beyond. We are reinventing ourselves as Warriors even as we fight the war. The change is essential and profound, of a scope unprecedented in our history.



A Smaller Army: an Army Reserve Refocusing

After nearly 50 years of Cold War and a victory, our Armed Forces were reduced in size—our active duty Armed Forces by 33 percent; our Army Reserve force by 36 percent. Throughout these reductions, The Army essentially remained a smaller

version of its Cold-War self, still oriented on large-scale, maneuver warfare appropriate to a campaign in the Fulda Gap and to Armageddon on the plains of Germany. Post-Cold War campaigns taught us that the wars of the 21st century would be a different item altogether. Future, regional conflicts would not be fought on open plains, by superpowers' massed armored formations, but by smaller units maneuvering their way through devastated urban areas and congested villages of the third world. Local warlords and strongmen with private militias would replace regular forces as adversaries. Speed, mobility, agility, and the correlation of forces became ascendant military virtues. An expeditionary force (Active and Reserve) would be the weapon of necessity to fight our country's battles, while essentially retaining campaign qualities. The roles of intelligence, special operations, psychological operations, and civil affairs forces were moving to center stage and beginning to expand and proliferate. Moreover, the fact that after Operations Desert Shield/Storm, Reserve component support had leveled off and was maintaining a steady-state of about 12.5 million mandays per year (up from an average of less than a million mandays per year in the mid-eighties), raised some very interesting issues about overall force balance for Total Force planners. Things were changing profoundly, indeed.

During this period, the Army Reserve, reacting to these reductions realigned its internal command and control structure. Smaller commands were folded into one another wherever possible to increase command efficiency and reduce the size of the force structure. Command boundaries were redrawn and aligned with existing federal administrative regions to improve emergency planning, coordination, and response. Economies of scale and focus were achieved, while enhancing responsiveness and flexibility. All of this took place before September 11, 2001. Then the world changed.

Filled With a Terrible Resolve

In the wake of the attacks of September 11th, came the Global War on Terror, and Operations Enduring Eagle, Enduring Freedom, and Iraqi Freedom. The reduced Army and its smaller Reserve components were at war, and the system was being stressed. The need to change radically the operational paradigms of the Army and its Reserve components became ever more apparent. The Army leadership embarked on an ambitious and far-reaching program of change intended to redefine, realign, rebalance, and refocus the force to meet the new realities of the 21st century and beyond. The focus and expectations had changed because the realities of war had changed.

In a time of war when there were no secure rear areas, the Army's Chief of Staff declared that every Soldier would be a rifleman, a Warrior. The twenty-first century Reserve Soldier would become a new model Citizen-Warrior, who, though he would remain a citizen first and foremost, would always be a Warrior. Operations Enduring Freedom and Iraqi Freedom tested the mettle of these Warriors.

At the same time, long-accepted Cold-War planning assumptions and expectations concerning duration of operations required continuous adjustment and recalculation to accommodate a period in which offensive operations had widely ceased, but in which counter-insurgency, combat, pacification and stability intermeshed in high tempo. Rotation timetables and troop levels were subject to frequent adjustments. Predictability was becoming a morale issue, and the potential adequacy of available troop levels was also being questioned in light of foreseen and developing strength management shortfalls. The problem was institutional.

The management problems that were emerging were clearly tied to obsolete, Cold-War models, based upon legacy force structure, personnel management and policy, and operational responses to unconventional and asymmetrical military threats. The key to meeting this challenge would have to be the development of a coherent and integrated plan that would change Army Reserve force structure, manpower planning training, equipping, and employment policies, and merge the results into an entirely new approach to future combat operations. Transformation and change were recognized not as processes separate from fighting the war on terror, but as necessary preconditions to successfully waging the war. Change became a strategic imperative.

EMBRACING PROFOUND CHANGE

A Catalyst for Change

The Federal Reserve Restructuring Initiative (FRRI).—In 2003, the Army Reserve, having assessed its organization and many of its legacy management policies, began implementing the FRRI, an integrated structural and manpower reorganization program that would realign force structure, and focus assets, resources, and policies on

improving wartime readiness rather than peacetime, organizational-support missions. The project was an ambitious one that sought to remedy a hollow force and its inherent lack of readiness; build rotational depth into the force; create a command and control system that produced active duty-ready Soldiers and units; and established Soldier lifecycle management. It realigned support commands to focus their efforts on mobilization readiness rather than peacetime operations. It introduced a Reserve human resources lifecycle management system that offered personalized, centralized management, scheduled professional development education, facilitated assignments among all portions of the Selected Reserve. It developed leaders, and fully manned and resourced the Reserve structure. In sum, the FRRI prepared the way for many personnel and force management features that support change and the Army Reserve Expeditionary Force (AREF).

Mobilization Issues

One other issue that the FRRI addressed was the mobilization system. During the Cold War, mobilized Army Reserve units were typically sequenced to flow in a prescribed order at a modest readiness level. Preparation and qualification time were built into an alert-mobilize-train-deploy model, that was linear and rigidly sequential in nature. This system protected unit integrity and presupposed extensive post-mobilization training and that unit sets of mission-essential equipment would also be issued after mobilization. The old system also provided predictability in the process and a minimum of 30+ days from alert to mobilization. Partial mobilization authority allowed for a full year or more of employment in theater.

During the Bosnia and Kosovo period, Presidential Selected Reserve call-up authority was used to call up smaller numbers of Soldiers in accordance with the old model. However, because total Army Reserve requirements were relatively modest, we did not reach deep into the force and exhaust any one set of skill capabilities. The old system held up—for the time being.

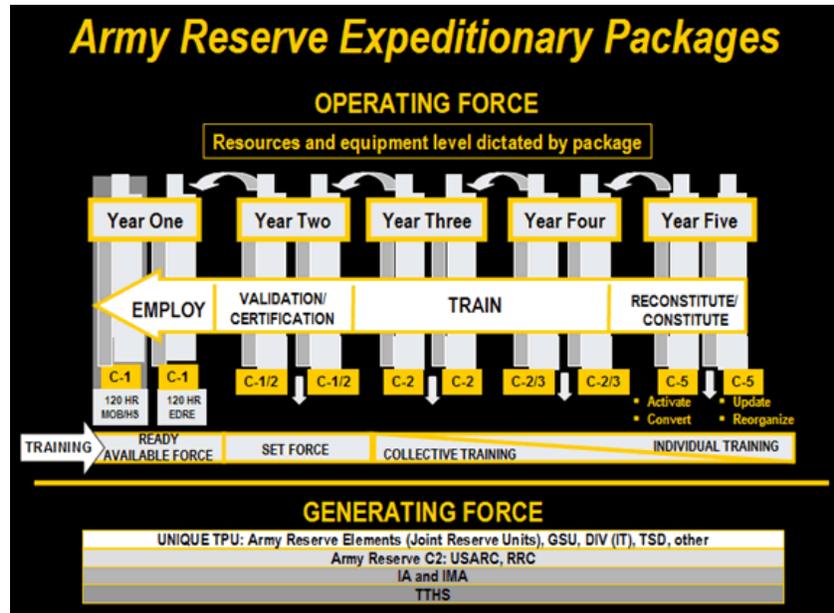
Even as We Speak

Current mobilization practice (the new model) is built around combatant commanders' requests for forces (RFF) and deployment orders (DEPODs). Typically RFFs could consist of as little as one Soldier or range up to an entire unit. (Fifty-two percent of the Army Reserve's mobilizations under OEF and OIF have been for 6 Soldiers or less.) Typically, multiple RFFs are made and each element is placed on alert. Some have received short-fused DEPODs in as few as a couple of days, while other elements have been left on alert awaiting orders for months. There has been little predictability in the process as required forces have been deployed from virtually anywhere on our troop list. A much higher deployment criterion was regularly called for, and this required the Army Reserve to perform extensive reassignment of Soldiers and realignment of equipment. Today, on average, 35 percent of the Soldiers in a deploying unit are reassigned from elsewhere. This has presented us with an extremely difficult challenge—manage the current mobilization process to keep it from breaking the readiness of not-yet-alerted units. These remaining units will be needed later in the warfight and, if “cherry-picked,” will not be able to reach deployment standards themselves without additional personnel reassignments.

TOWARD AN EXPEDITIONARY FUTURE

The Army Reserve Rotational Concept and the AREF

The centerpiece of the Army Reserve's change to the future is its expeditionary force packages, an integrated rotational model that grows out of the Army's efforts to transform itself and restructure its forces to remain relevant and responsive in an era of uncertainty and change.



The Army Reserve Expeditionary Force (AREF) synchronizes Army Reserve structures, programs, and operations to sustain responsive, effective and available support of the Army mission. The AREF is a major institutional response to the changing nature of war, and a significant departure from historical Army mobilization and management models that had not contemplated sustained Reserve deployments as an essential feature of military campaigns. It supports the Army's concept of modularity, and the brigade combat teams that are organized under that concept to be more readily deployable and more capable of meeting combatant commanders' needs. The AREF is intended to make the Army Reserve's provision of campaign quality combat support and combat service support forces to the combatant commanders more sustainable.

AREF: the Lynchpin of Army Reserve Readiness

In August 2003, the Army Reserve, building upon the Federal Reserve Restructuring Initiative, and Active component expeditionary structures, began to refine and implement a complementary expeditionary support force concept. The Army Reserve Expeditionary Force (AREF), which itself reflects and complements Active component management models, provides available and ready Army Reserve Soldiers, and synchronizes Army Reserve equipping and training cycles to develop and sustain the readiness of Reserve component forces required to support Active Army formations, readiness, and operations.

The Global War on Terror was as much as any other single factor, responsible for the development of the Army's expeditionary force concept and its Army Reserve counterpart, the AREF. The protracted nature of the GWOT as well as the heavy investment in equipment required to carry it out, mandated that certain planning factors had to be addressed for the long term if the war on terror was to be waged successfully. The expeditionary force concept is a solution to that problem. It allows a force of limited size to sustain a campaign for a long, if not indefinite period, by cycling its limited, though renewable, assets and resources through a synchronized, progressive, and focused schedule of deployments, engagements, and regeneration, refit, and retraining to achieve serial, selective readiness.

When we speak of assets and resources, we mean the personnel, equipment, and training needed for units to be campaign-ready when required for a predetermined period. In this case, we mean an institutional goal of units capable of deploying to the theater of operations for 9 months on 120 hours' notice every 5 years. We must generate the force; equip the force; and train the force to achieve adequate campaign readiness. We are focusing our efforts and assets on these areas in turn as the constituent units of the AREF move through their service cycles.

The Army Reserve will provide units supporting Army Expeditionary Force Packages (AREP), consisting of trained and progressively mobilization-ready forces. The first two expeditionary packages (AREP) are expected to be ready for deployment in the fall of 2005. Army Reserve expeditionary packages will contain a number of units, each of which will move through a progressive readiness cycle. In a steady state, each Army Reserve expeditionary package has a planned activation period of 270 days to capitalize on the Presidential Reserve call-up with 6–7 months' "boots on the ground." The goal is a package rotation of one deployment in five years. Our analysis indicates that single-package availability to the combatant commands is sustainable over an indefinite period of time. In a surge state, the Army Reserve can make available up to 4 packages (roughly 40 percent of our force) for a limited period. Based on surveys from both in-theater and recently returned Soldiers, the Army Reserve believes this new strategy is sustainable over the long term. "Transformation and change were recognized not as processes separate from fighting the war on terror, but as necessary preconditions to successfully waging the war."

The benefits of these new training and equipping strategies to the Army are many. Most notably, they allow the Army Reserve to provide fully trained and equipped units and Soldiers, while reducing the need to reassign personnel and equipment upon receipt of mobilization orders. These strategies also position the Army Reserve for transformation to support the modular force structure of the Army.

GENERATING THE FORCE

The New Force

The all-volunteer Army is required by its nature to constantly regenerate itself quantitatively and qualitatively if it is to survive. As with any living entity, it must change to accommodate external forces and events that impinge upon it and its mission. In the face of external change, the Army Reserve is restructuring its forces and rebalancing its skill inventories to support the Army Reserve Expeditionary Force. It also seeks to provide sustainability and predictability in mobilization and utilization of Reserve forces (while avoiding wholesale cross-leveling and its inevitable results). At the same time, we want to improve management efficiency, and focus training on skills and specialties required by the combatant commanders. These force-generation changes mirror similar major initiatives throughout the rest of the Army. Because they are being pursued concurrently while we are at war, they are complex, intricate, time-consuming, and dynamic; but once completed, they will enable us to remain engaged as an integral, complementary, participant in an expeditionary army with campaign qualities. As we noted earlier, they are an essential precondition to winning the war on terror.

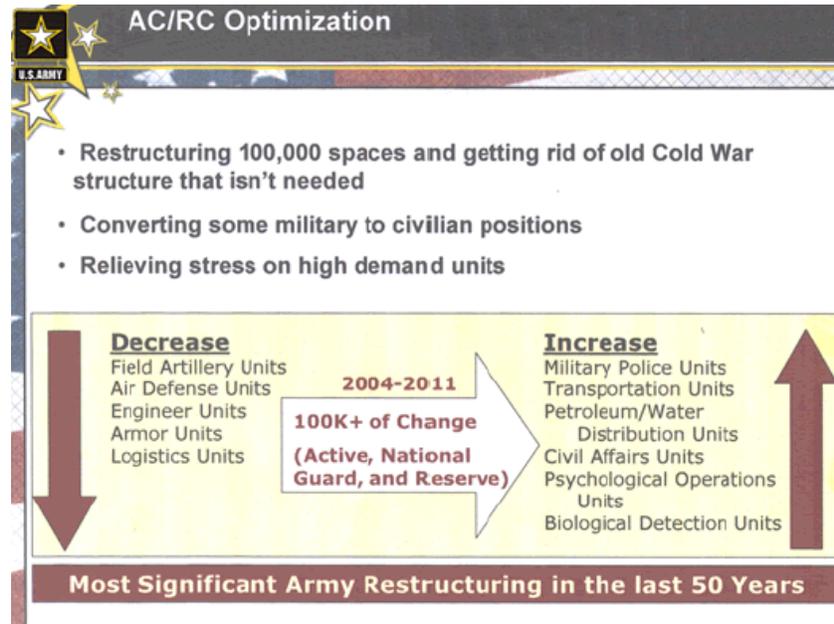
Restructuring the Force

Significant changes originally undertaken as a part of the Federal Reserve Restructuring Initiative remain central to the Army Reserve's strategic vision for regenerating and transforming its command and control force structure. In keeping with the National Defense Strategy, the National Military Strategy, OSD's comprehensive review of Reserve Component Contributions to National Defense, and the strategic global military environment, these changes provide the basis and rationale for moving from the older Army Reserve regional support commands, to operationally deployable commands. Peacetime command and control has been replaced with wartime readiness.

Optimizing the Force

The Army Reserve's Citizen-Soldiers have been continuously mobilized since 1995. Prior to September 11th, the annual manday usage for the Reserve components had leveled off at a steady state of about 12.5 million per year (the equivalent of more than two traditional Army divisions). From the very beginning of the Global War on Terror, we have known that it would be a long war that had to be sustainable in order to be won. Because many of our military formations were misaligned to meet the current threat, our legacy force structure was being stressed in ways that we had not anticipated by missions that we had not contemplated (or if we did envision them, we did not foresee the degree and frequency to which they now occurred). This was particularly true in some military specialties that were assigned entirely or nearly so to the Reserve components. Military police, transportation, petroleum and water distribution, civil affairs and psychological operations units were among those finding themselves spread thin by heavier-than-anticipated demands for their specialized support services. They had been aligned for a different war than we were now fighting, a war based on a whole other set of operational assumptions that were no longer useful and functional. As a result, these units were experiencing sufficient

stress to potentially challenge our ability to sustain the long push needed to bring the second Gulf War and the Global War on Terror to successful conclusions.



Based upon an analysis ordered by the Secretary of Defense, the military services undertook a comprehensive assessment of their forces and components, seeking ways to relieve the stress on certain high-demand-low-density units, particularly those that are found primarily in the Reserve components. "Optimizing" is intended to refocus Total Army assets on current and emerging missions. It will allow us to trim away low-demand force structure and convert it to directly usable forces to meet missions that would otherwise require more frequent repetitive mobilizations and deployments. More than 100,000 Active, Army National Guard, and Army Reserve spaces have been earmarked for restructuring and in some cases elimination between 2004 and 2011 as Cold-War over-structure. Specifically, the intent of optimizing is to

- Develop a flexible, modular force structure with a proper force mix and depth to sustain homeland defense, major combat operations, smaller-scale contingencies, stability operations, and other requirements of our defense strategy.
- Optimize the Army's ability to respond with a predominantly AC force within the first 15 days of an operation and ensure sufficient AC-RC force structure depth to sustain and support both operational rotations and contingencies.
- Develop plans to fully man Active and Reserve component units and improve the readiness of all our formations.
- Resource high-demand unit requirements by eliminating less-utilized force structure and capabilities.

Optimizing paves the path to modularity, stability, and predictability. It successfully regenerates and restructures the force, creating a flexible, modular Army Reserve that provides stability and predictability for our Soldiers, their families, communities and employers. This initiative will result in a rapid and responsive, campaign-quality Army, while maintaining the depth necessary to meet any threat across the full spectrum of conflict. We will eliminate unnecessary Cold-War over-structure to pay the bill; there will be no reduction in the number of Soldiers. Sustained operations will be the norm for the future, so we must optimize our capabilities to meet this reality.

Our formations must be relevant to the defense and military strategies—modular, interoperable, and agile. They will optimize our capabilities and sustainability by expanding in specialties that are most in demand. We remain convinced that manning our forces at 100 percent will increase readiness and reduce turbulence for Soldiers and their units. We further believe that building rotational-based, modular

force packages will provide predictability and sustainability for Soldiers in the Army Reserve.

The Army Modular Force

Closely aligned to these force structure changes is the issue of the Army Modular Force. The Army has historically favored mobilizing its assets as discrete units. This practice helps ensure unit efficiency and morale as well as effectiveness by allowing Soldiers who have trained and worked together to be mobilized and to serve together. One of the lessons of the campaigns of the last 15 years is that our traditional NATO/Cold-War divisional structure is no longer optimal for the nature of the wars we are now fighting. Expeditionary formations must be smaller, more adaptable, and provide combatant commanders greater flexibility when they task organize their forces to meet emerging threats and evolving situations. The intent is to develop interchangeable units (modules) that can be assigned with a minimum of cross-leveling of assets, across a spectrum of task-organized forces in what the Army calls its “plug and play” mode. All of the components of the Army share this organizational imperative. The Army Reserve is incorporating this principle in its restructuring and rebalancing initiatives, and has allocated 30,000 spaces to support modularization of its force.

FORCE GENERATION MANAGEMENT PROGRAMS

The Test

When we discuss “generating the force,” we address issues that range from recruiting and retention and the tools associated with those functions, to the broader topic of human resource management and its supporting programs and policies. Ultimately, the issue is people—attracting, retaining, and managing the best, most motivated and qualified people and Soldiers we can to make up our Army and its Army Reserve.

The Global War on Terror is the first real test of our all-volunteer force. It will sorely try the soul of our Armed Forces and our ability to recruit, retain, and manage the human resources we need to defend ourselves and our interests over time.

Total U.S. Army Reserve			1,060,041
Ready Reserve			
322,127			
Selected Reserve			IRR
206,775			115,352
			<i>Individual Ready Reserve</i>
PAID DRILL STRENGTH			
TPU STR	AGR	IMA	
187,331	14,501	4,943	
<i>Troop Program Unit</i>	<i>Active/Guard Reserve</i>	<i>Individual Mobilization Augmentee</i>	

Source: 10 Jan 05 RCCPDS Strength Summary Report and HQC 307 Report
 * IRR Enlisted includes 950 Reserve Delayed Entry Program Enlistees

Recruiting and Retention

The Army Reserve has been working very hard to meet its programmed manpower goals. The challenges that we face in this area have caused us to reconsider our historic approach to manpower recruiting and management. We recognized the need to take more active steps toward meeting our Soldiers' needs and structuring their careers. While our level of success in this endeavor remains to be seen, the array of initiatives and incentives to service that we have developed with the help of the Army and the Congress bodes well for the future. Among these initiatives are the following:

- Expanded Recruiting Force—we have reassigned 734 more Active Guard and Reserve (AGR) NCOs to the USAR recruiting force. This brings our recruiting force total to nearly 1,800.
- Incentives—During the preparation of the fiscal year 2005 National Defense Authorization Act, we worked closely with members of the congressional oversight committees to improve the attractiveness of the Selective Reserve Incentive Program, enhance prior-service enlistment and reenlistment bonuses, and establish a \$6,000 officer accession bonus.
- For our own part, we have moved aggressively to
 - Realign Individual Ready Reserve and troop program unit mission responsibilities to increase retention.
 - Place 49 recruiting NCOs at transition points to work with Soldiers leaving the Active Army and help them find units to continue serving the nation.
 - Resource the start-up costs for the 734 new AGR recruiters.
 - Realign funding to support increased bonuses and program enhancements.
 - Increase funding support for national and local advertising.

Officer Recruiting

Currently, Army Reserve troop program units reflect a shortage of company grade officers. The Army is taking the following actions to remedy this shortfall:

- We have increased officer accessions into the Army Reserve. U.S. Army Cadet Command now has a formal mission for Reserve Officers Training Corps (ROTC) for 670 cadets a year. In February 2005, we also implemented the officer accession and affiliation bonuses that were authorized in the fiscal year 2005 National Defense Authorization Act (NDAA). These tools will enable us to attract more officers to serve in the Army Reserve and will help us with our accession mission.
- We have implemented the Army Reserve Green to Gold pilot program and plans are being made for its expansion. The Green to Gold program, which began at the University of Pittsburgh and now has been expanded to six universities, is managed by the 80th War Division (institutional training). Army Reserve-wide there are approximately 35,000 enlisted service members who meet minimum requirements for appointment as commissioned officers.
- Active component and National Guard officer candidate schools remain a strong venue for appointment of company grade officers.
- Direct appointment remains a strong commissioning source.
- The Army has also implemented several initiatives that will greatly improve the retention of our junior officers. Some of the initiatives include: (1) We've increased the number of officer basic course training seats and are reducing the time it takes for a reserve officer to get to training; (2) we are now assigning newly commissioned officers directly to a troop unit rather than to the Individual Ready Reserve; (3) we've streamlined promotions to first lieutenant and changed promotion policy for centralized promotion boards. These changes will enable us to increase retention while improving readiness.

Medical Officer Recruiting

The Army Medical Department (AMEDD) continues to be mindful of the challenges to the recruiting of medical professionals. We have taken active steps to address challenges and will continue to monitor these numbers to determine if additional changes are required. One of the most frequently cited barriers to effective AMEDD recruiting is repeated mobilizations. To address this we have implemented the 90-day boots-on-the-ground program for many critical, hard-to-recruit medical positions. This change, which allows shorter deployments, was developed from input from our Reserve component AMEDD personnel, and today we believe it is successful. However, we will continue to monitor these types of challenges to ensure we maintain a ready force and will continue to work with AMEDD recruiters to develop initiatives tailored to meet current and emerging requirements.

Individual Augmentation Program

One of the significant force-generation challenges the Army Reserve faces is the large number of taskings to provide the Army with individual Soldiers, or small, nontask-organized groups of individuals to fill specific individual mobilization requirements. To fill these requests, the Army Reserve has typically had to mobilize groups of six or less Soldiers, making personnel tracking and accountability extremely difficult. To re-engineer and streamline the individual mobilization process and improve accountability, we established the United States Army Reserve Command Augmentation Unit (UAU) as a holding element for individual mobilized Soldiers.

Soldiers living in areas without a unit that supports their MOS or grade may be assigned to the UAU and attached to a troop unit near their home of record for training. Individual Augmentees may also support force generation requirements by being temporarily attached to fill critical MOS/grade shortfalls in mobilizing Army Reserve units.

Currently there are more than 7,500 Army Reserve Soldiers registered in the IA Program Volunteer database.

Since October 2003, the IA Program has provided approximately 1,200 volunteers to fill individual augmentee mobilizations, replacement operations, World-wide Individual Augmentee System requirements, or be cross-leveled to fill critical military occupational specialties in deploying units.

Full-Time Support

The Army Reserve is a full partner in Army transformation, the Global War on Terror, and support for ongoing strategic operations in Iraq and other parts of the world. Full-time support (FTS) levels directly affect all facets of force generation and unit readiness—personnel, training, and equipment—by providing the core expertise and continuity required to effectively prepare for and efficiently transition to war. The Congress has long recognized that adequate levels of full-time support, both Active Guard and Reserve (AGR) and military technicians (MILTECHs), are essential

for units to attain and maintain the heightened levels of mobilization readiness demanded the Global War on Terror and ongoing strategic operations.

The current FTS ramps for AGRs and MILTECHs, established in January 2001 by the Army, in cooperation with the Army Reserve and the Army National Guard, were designed to gradually achieve minimum essential resource levels (73 percent of requirements) in support of RC unit readiness.

The Army Reserve historically has had the lowest FTS percentage of any DOD Reserve component, including the Army National Guard, and this will still be the case when the current approved ramps reach end-state in fiscal year 2010. The fiscal year 2005 DOD average FTS manning level is 21 percent of end strength, while the fiscal year 2005 total for the Army Reserve is 11.3 percent.

In fiscal year 2005, the Army Reserve was tasked with additional FTS mission requirements above and beyond programmed requirements, including:

- Replacing 223 Active component training advisers (Title 11) to the Reserve components who will be reassigned to support Active component missions.
- Providing U.S. Army Recruiting Command 734 additional recruiters for fiscal year 2005 and fiscal year 2006.

In cooperation with the Department of the Army, the Army's Reserve components are revalidating their FTS requirements to ensure that existing FTS models and support structure remain relevant to current missions and the needs of the Soldier. We expect that, as a result of this effort, requirements may increase, not decrease. It is imperative that the programmed resourcing of full-time support not only be maintained, but increased, as the Army Reserve restructures to move to a more ready, campaign-capable, and accessible future force.



Army Reserve Well-Being Architecture



<p><u>Values</u> Army Values Religious Support</p> <p><u>Professional Development</u> Training Personnel Management Workplace Maintenance Leader Development</p> <p><u>Espirit</u> Tradition Camaraderie Job Satisfaction Life-Style Satisfaction</p> <p><u>Health Care</u> Preventive Services Patient Care</p>	<p><u>Pay & Compensation</u> Military Base Pay Allowances Incentive and Special Pay Other Compensation RC Employer Support Finance Processing</p> <p><u>Continuous Learning</u> Continuing Education</p> <p><u>Leadership</u> Leadership Human Relations Military Bearing & Discipline</p> <p><u>Workplace Environment</u> Workplace Modernization</p>	<p><u>Family Programs</u> Deployment Cycle Support Dental Services</p> <p><u>Welfare</u> Safety Risk Reduction Legal Services Transition/Retirement Final Honors Community Referral</p> <p><u>Citizenship</u> Religious Programs Voting Assistance</p> <p><u>Financial Readiness</u> Personal Financial Management</p>
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The Army Reserve – Training Soldiers and Growing Leaders

FORCE GENERATION SUPPORT PROGRAMS

Army Reserve Well-Being Program

As a major element of its long-term force generation plan, the Army is formalizing the concept of well-being. The Army Reserve Well-Being Program enhances the institutional strength of the Army Reserve through a comprehensive strategy that integrates all well-being resources to enable Soldiers, civilians, retirees, veterans, and their families to become more self-reliant and better able to meet their personal needs and aspirations. Army well-being integrates and incorporates existing quality of life programs into a framework that supports performance, readiness, recruiting, and retention.

The Army Reserve's well-being program consists of more than 30 elements. Our goal is to raise awareness and an understanding of the relevance of well-being and its impact on Soldiers, civilians, family members, and The Army. We are developing strategic communications that inform, educate, and engage each Army Reserve well-being constituent. The Deployment Cycle Support Program, the Army Reserve Family Program, Army Reserve Rear Detachment Operations, and "Welcome Home, Warrior" program are among the most significant of the initiatives that provide force generation support for deployed Soldiers and their families.

Deployment Cycle Support Program

The Deployment Cycle Support Program (DCS) supports all Soldiers and units undergoing reconstitution upon completing a deployment. It is a three-phase program. Phase 1 (redeployment) begins when the unit is released from its mission and reports to the rear assembly area in theater. Phase 2 (demobilization) involves five days of DCS/reintegration focus training at the facility from which the unit mobilized. Phase 3 (reconstitution) consists of a series of sustainment activities at home station.

Army Reserve units and individual Soldiers (including Individual Ready Reserve and Individual Augmentee Soldiers) will return to Reserve status as quickly as possible, consistent with mission accomplishment, achieving required levels of readiness, and the need to complete key DCS tasks.

The Army Reserve is developing a DCS assistance team to support the completion of reconstitution activities at home station. Part of this effort will include reinforcement of key information previously provided at demobilization stations (e.g., information regarding medical and dental entitlements, Veterans Administration services, Army Career and Alumni Program (ACAP) services, and family reunion workshops). We are developing a DCS program (tools and techniques) to ensure that our Soldiers complete all DCS elements, and ensure that they have full access to all services throughout their personal reintegration.

Army Reserve Family Program

Support to Army Reserve Soldiers and their families has been paramount to our senior leadership since the beginning of the Global War on Terror. The Army Reserve is committed to providing a full range of essential support and service to all Soldiers and their families. Many initiatives implemented since September 2001 continue to be refined as funding becomes available.

The Army Reserve has nearly 150 full-time and contract family program staff members providing essential services to Reserve Soldiers and their families. Services are provided through 10 regional readiness commands and 26 other general officer commands or separate units in the continental United States, the 7th Army Reserve Command in Europe, the 9th Regional Support Command in Hawaii, and United States Army Civil and Psychological Operations Command (Airborne).

Services provided by Family Program personnel include support and assistance to unit leadership. Training programs include the following:

- Fundamental and Developmental Family Program Academy (FPA). Fundamental training includes the basics that help establish and maintain a viable, functioning family readiness group at the unit level. Developmental FPA training builds on those basics and enhances the participants' capability to sustain and enhance unit family programs.
- Operation READY (Resources for Educating About Deployment and You) curriculum is a series of training modules, videotapes, and resource books published for the Army as resources for staff in training Army families affected by deployments.
- Chain of command training is designed to assist the personnel staff from the headquarters through the unit leadership in learning more about the scope of family programs within the Army Reserve.
- Deployment Cycle Support training provides instruction for unit personnel who assist and manage Soldiers and families during the mobilization, deployment, sustainment, and reunion phases of the deployment cycle.
- Mobilization/deployment and reunion briefings are provided by family program directors or coordinators at the unit level at the time mobilizations, deployments or reunions occur.
- Senior Volunteer Resource Instructor (SVRI) training provides initial and advanced training to volunteer instructors who represent the regional readiness command and Army Reserve.
- The Army Reserve provides direct support to families of Individual Ready Reserve and Individual Augmentation Soldiers. The staff contacts families by telephone within 48 hours of Soldier mobilization and follows up with additional information and points of contact. Assistance and support is currently being provided to 6,400 families.

Army Reserve Rear Detachment Operations (ARRDO)

The Army Reserve is reviewing its Rear Detachment Operations (ARRDO) procedures to identify systemic problems and develop solutions that update current guidance and outline the way ahead.

Inadequate information flow from forward command elements to rear detachment commanders, pay issues, and family support have surfaced as continuous challenges for Soldiers.

Given the magnitude and the unique nature of Army Reserve rear detachment operations, full-time support is critical to providing the stability to support current and future contingency operations.

Welcome Home Citizen—Warrior Program

This program is intended to ensure that each returning Citizen-Warrior understands that his contribution to accomplishing the mission and making the homeland more secure for all of our citizens is recognized and appreciated by the nation and The Army. The program is a vehicle for conveying public recognition and private gratitude that might otherwise slip by in the press of demobilization tasks and events and the rush to reunite families and friends. Each returning Soldier is presented with a shadow-boxed American flag, a Welcome Home, Warrior-Hero flag, a Soldier and spouse pin set, and a commemorative coin. The Soldier and family reactions at these award ceremonies, which are held within 30 days of the units' return to home station, have been overwhelmingly positive, and suggest that recognition effort is sincerely appreciated.

Medical Readiness and Medical Hold Improvements

The Army Reserve has listened to the concerns of all its Soldiers and their families, and we have sought ways to provide the best healthcare possible and improve administrative processes for Soldiers and their families—before, during, and after mobilization. Since combatant commanders need a force that is medically fit and ready, the Army Reserve has placed increasing stress on medical readiness.

During the alert phase, the 90 days of pre-mobilization TRICARE benefits authorized in the fiscal year 2004 National Defense Authorization Act (NDAA) and made permanent in the fiscal year 2005 NDAA is used to improve medical readiness of Army Reserve Soldiers. The Federal Strategic Health Alliance, also known as (FEDS-HEAL), is a huge success story for the Army Reserve. FEDS-HEAL is a joint venture between the Army Reserve and the Department of Health and Human Services. This unique program utilizes civilian medical and dental services across the United States to provide care to Army Reserve Soldiers in their neighborhoods. The program allows alerted Soldiers to receive required medical and dental services before they arrive at the mobilization site so they are medically ready to deploy with their units.

Because of its remarkable effectiveness, the FEDS-HEAL Program has expanded eightfold in the past four years, e.g., Army Reserve Soldiers received 47,500 dental exams; 20,600 physical exams; 58,100 immunizations; 3,600 eye exams; and 4,000 dental treatments through FEDS-HEAL in fiscal year 2004, a tremendous boost to Army Reserve medical readiness.

Mobilized Soldier Pay

One of the difficulties that Reserve Soldiers have had to deal with while mobilized and deployed is pay discrepancies. The Army Reserve has worked hard to find effective short- and long-term solutions to these problems and to improve pay processing for our troops and their families. Pay support for tens of thousands of Army Reserve Soldiers deployed worldwide was significantly improved during the past year. Major actions to improve pay support include:

—*Reserve Pay Training.*—The USAR Pay Center has assumed a vital role in training mobilizing USAR and ARNG finance units. Since April 2003, the Army Reserve pay inquiry team has answered over 23,000 pay inquiries from mobilized Army Reserve Soldiers around the world.

—*Publications and Soldiers' Guides.*—The Army Reserve published the "Army Reserve Finance Guide for Mobilizing Soldiers" in October 2004, and officials at the U.S. Army Finance Command, in conjunction with the Defense Finance and Accounting Service (DFAS), the Army Reserve, and the Army National Guard, have recently published a finance mobilization/demobilization standard operating procedure manual that clearly defines the roles and responsibilities of the various pay offices involved throughout all phases of a Soldier's mobilization.

—*Automated Mob Pay Transactions.*—The Army Reserve has developed software applications to improve the timeliness and accuracy of mobilization pay. One application allows units to initiate mobilization pay and entitlements for Soldiers prior to their reporting to the mobilization station. Additionally, it reduces the amount of manual pay entitlement processing at the UPC and the mobilization station. We are also developing and testing software for the Forward Compatible Payroll system. DFAS is currently conducting software acceptance testing and an operational assessment. Once these tests are completed, three Army

Reserve units will be serviced in a field test. Current plans call for the rest of the Army to come on board by mid-summer 2005.

EQUIPPING THE FORCE

The Mother of Invention

The prolonged nature of the GWOT and the campaigns in Afghanistan and Iraq prompted our Army to adopt an expeditionary force structure that supports long-term military actions. Our Army's efforts to "modularize" its structure to achieve depth, flexibility, agility, and predictability testify to the necessity of such a change in strategies. Equipping the resultant expeditionary force requires no less effort or innovation.

One of the lessons learned in the first Gulf War, which has been strongly reinforced in the second, is that wars in the deserts of Southwest Asia are as hard on equipment as they are on Soldiers. Our ability to equip our forces adequately for a prolonged campaign has become a major factor in our ability to close that campaign successfully.

For the Army Reserve, this means profound and enduring change in the way we do business. Our previous equipping strategy no longer fits how we go to war. The Army Reserve faces several challenges in equipping—wartime losses, compatibility, modernization, and resources. To focus our attention on this critically important aspect of war fighting, we have designated 2005 as the "Year of Equipping" in the Army Reserve.

Everything is aimed at the units' in the expeditionary packages being able to deploy to support contingency operations. Such units must have priority of equipment fill when they deploy; however, as a result of the heavy equipment wear associated with desert operations, the use of stay-behind equipment, and other related issues, it is not possible for us to support full equipment issue for all of our units all of the time. Rather, we must intensively manage the equipping of our units not only in the theater of operations, but also during all of the stages of preparation and training leading to deployment to the theater. Using this staged process, we can ensure that each Soldier in each unit has the equipment he needs when he needs it.

We are losing equipment that has been destroyed in combat, and our aging inventory is wearing out under extremely heavy usage. The Army Materiel Command's projections from the theater indicate that battle losses and attrition will be as much as 12 percent of the equipment we sent to Iraq and Afghanistan. Additionally, to better equip incoming units, the Army has directed that a portion of Army Reserve equipment remain in theater as Stay-Behind Equipment (SBE). Wartime losses and SBE decrease equipment available for training for Army Reserve units preparing for deployment, homeland defense, or other contingency requirements.

Because the Army Reserve is 75 percent equipped to its authorized levels, and due to equipment losses, we must take extreme care of what we have available. Sustaining on-hand equipment is resource intensive and places great demand on Operations and Maintenance accounts. The Depot Maintenance Program is the Army Reserve's strategic sustainment base, and its only source to fully recondition, overhaul, and rebuild equipment to meet subsequent readiness requirements. Therefore, it is imperative that the Army Reserve maintain its current depot maintenance funding levels to meet mobilization equipment requirements, extend service life, reduce lifecycle costs, and improve safety for Army Reserve Soldiers.

The National Guard and Reserve Equipment Appropriation (NGREA) are essential to the Army Reserve equipping program and over the past five years has addressed a number of critical shortfalls. During that time, the Army Reserve has received an average of \$35 million annually to procure additional equipment that would have been impossible to procure from our base budget. Although the Army Reserve received \$40 million in NGREA funding for fiscal year 2005, an equipment shortfall totaling more than \$1 billion still remains. We are continuing to work with Army and OSD leadership to resolve our equipping shortfalls, but additional congressional support remains the most viable solution.

New Equipping Strategy

The Army Reserve is actively working to help itself with equipment readiness. We have adopted an equipping strategy that is synchronized with the five-year AREF rotation cycle. As units progress through each year of the five-year cycle, their state of readiness increases incrementally. Units ready to deploy, are at the highest level of readiness (Year One). Units reconstituting from a deployment, are at the base level of readiness (Year Five). Units that are between reconstitution and deployment (Years Two-Four), receive the full complement of modernized equipment compatible

with AC. This will allow Army Reserve units to train with their go-to-war systems prior to mobilization and deployment.

The equipping strategy goes one step further by identifying the equipment for the individual Soldier training that is done in Year Five and for collective training in Years Two through Four. The Army Reserve will rotate this equipment on the five-year AREF cycle through its five training readiness platforms in California, Texas, Wisconsin, New Jersey, and Arkansas. In Year Four, units will draw minimum-essential-equipment-for-training sets, which they will use through Year One for individual training at home station. Our goal is to fully equip units going into a theater of operations.

There are two important benefits that result from applying these equipping strategies. First, reduce the need to cross-level equipment upon receipt of mobilization orders. Second, the Army Reserve will provide transformed units that are fully interoperable and integrated into the Army's modular framework.

The Army Reserve is also investing aggressively in Depot Maintenance and Cascading of equipment. In the Depot Maintenance Program, operated by Army Material Command, the Army Reserve is overhauling and rebuilding hundreds of aging tractors into the newer configuration. In the area of recapitalization, the Army has provided the funding to rebuild hundreds of Army Reserve High Mobility Multi-Purpose Vehicles, Heavy Expanded Mobility Tactical Trucks, and Heavy Equipment Transporter Systems.

Cascading, is the transfer of Active Army equipment to the Reserve components and is an essential method of equipping the Army Reserve. By cascading, we have integrated hundreds of tactical wheeled vehicles and almost a thousand M16A2 rifles into our inventory. We expect that the continued cascading of the newer model M16A2 rifles, coupled with NGREA funding, to eliminate the over 10,000 older, non-deployable, model M16A1 rifles still on-hand. Finally, the Army Reserve has initiated equipment conversion programs, such as the gas-to-diesel conversions we perform on generators, air compressors, and decontamination equipment. The conversion program allows us to be more interoperable with the Active force.

We are continuing to work with the Active Army and OSD leadership to resolve our equipping shortfalls, and we appreciate continued congressional support of our transformation efforts.

TRAINING THE FORCE

Cyclic Training

The term "cyclic" suggests how the Army Reserve will train and develop a sustainable force capable of supporting the Joint Force and Army requirements. Tied directly to the rotational structure of the Army Reserve Expeditionary Force (AREF), cyclic readiness will simultaneously establish priorities for resources, synchronized readiness levels, and provide predictable training and deployment time frames for Army Reserve Soldiers, families, and employers. Cyclic readiness reflects a dramatic change in the Army resulting from the Global War on Terror and renders many of the manning, equipping, modernization, and training models and policies of the past simply irrelevant.

Train-Alert-Deploy.—In the past the Army Reserve used a "tiered" system of readiness. The assumption was that the Army Reserve would have the time after being alerted to resource, train and deploy units when they were ready.

The strategic environment today does not afford us this luxury. The Army Reserve is not a supplemental force, but a force complementary to the Active Army. Thus, we must be ready to deploy whenever and wherever military forces are needed. Further, our force must be ready to deploy to support the combatant commander and also to perform homeland defense missions in support of civil authorities. Our forces must be ready to conduct their missions with very little time for pre-deployment training. Therefore, our readiness paradigm has changed from alert-train-deploy to train-alert-deploy. This means that we must start with a firm individual readiness base and devote the resources we have to training the Army Reserve Expeditionary Packages (AREPs) to ever higher states of collective readiness as they progress through each year of their five-year cycle. Our strategy is based on having a full array of combat support (CS) and combat service support (CSS) capabilities ready and available to the nation.

Readiness Assessment.—The readiness and training expectations for Army Reserve forces are the same as those for the Active component. While the standards are the same, the conditions under which the Army Reserve prepares for its missions are significantly different. The limited "train, alert, and deploy" training time for our Citizen-Soldiers competes with numerous priorities and must be used effectively and efficiently.

Leadership.—The Army Reserve is strengthening its leaders by executing the Army Reserve Leadership Campaign Plan. The future Army Reserve demands leaders who are self-aware, adaptable and agile, and life-long learners. The quality of Army Reserve leadership is the foundation for achieving Army Reserve readiness and relevance for the 21st century. Institutional leader development consists of officer, warrant officer, noncommissioned officer, civilian, and MILTECH training. The operational aspects of leader development occur in company-team leader and pre-command courses (battalion and brigade), battle staff simulation exercises, combat training center (CTC) or “CTC-like” events, and culminate in mission-rehearsal exercises. The self-development aspects of revitalized leader development include improved mentorship programs, a leader development assessment program that includes command climate surveys (also part of operational experiences), and use of Battle Command Knowledge System (BCKS) products.

Training Support.—The integrated training divisions (ITD) provide support to AREF leaders. These ITDs will provide full-spectrum support for individual through collective training. All Army Reserve organizations are transforming. Separate divisional forces that support training (training support and institutional training divisions) are becoming integrated training divisions, with some current institutional training division capabilities migrating to the 84th Army Reserve Readiness Training Command (ARRTC). ITDs provide specialty reclassification training as a part of the NCO educational system throughout the five-year AREF cycle. In addition, these elements provide skill reinforcement and refresher training through the use of mobile training teams that partner with ITD collective training support organizations. Collective training support elements consist of training exercise developers, trained and certified observer/controllers, and simulations support elements. The ITDs are multi-component organizations composed of Active component, Army National Guard, and Army Reserve personnel. Thus, the ITD includes a combination of combat arms, combat support, combat service support, and simulations skills capable of simultaneously supporting both post-mobilization validation (if required) as well as pre-mobilization training support during years two and three of the AREF cycle.

Army Reserve Installations are a vital part of training and deployment activities we continue to upgrade and modernize our four major installations—Fort Dix, NJ, Fort McCoy, WI, Fort Hunter-Liggett/Parks Reserve Forces Training Area, CA, and Fort Buchanan, PR. We are also partnering with the Army National Guard to provide mutual and accessible training areas and ranges for Reserve component units.

SHELTERING THE FORCE

More than Bricks and Mortar

Today, the Army Reserve owns and operates buildings and facilities in a thousand communities across the nation. Our Reserve centers are frequently the most visible evidence of the presence of our Citizen-Warriors in their communities. These Reserve centers (many of them joint centers, operated with the Reserve components of other services) are representative of our Soldiers and the federal government to members of the community at large. They speak of us and of our commitment to the national defense and our national interests.

Our training, storage, and maintenance facilities stand as reminders of the nobility of service and the duty that all citizens owe to their country. They reflect upon our Soldiers’ commitment, dedication, and professionalism. We are judged to some degree at least on the public face that our facilities present to those who see them daily and who mark their fortunes by what they see. Citizens who see clean, well-maintained, and modern facilities judge their occupants by appearances and measure their occupants’ professional competence, in part, by the impression that these facilities present. Attractive, adequate facilities raise our fellow citizens’ trust and confidence in their Army and its Reserve components.

In a time when recruiting and retention are challenging our best efforts, these facilities can be a great advantage if they tell the right story and assure our Soldiers that their leaders are concerned about their surroundings and the facilities in which they work and train, daily, weekly, monthly, and often at their own expense. Good facilities reflect the nation’s esteem and priorities and encourage good Soldiers to stay with the program and to recruit others to the mission that they have themselves undertaken and that is symbolized by the facilities in which they train. Modern, uncrowded facilities speak eloquently of the investment that the federal government has made in the competence, well-being, morale, and dedication of its Citizen-Warriors. Investment in new Reserve facilities and maintenance and restoration of existing facilities are more than bricks and mortar, they are strong and indisputable

evidence of the nation's recognition and gratitude, and the belle-weather of our commitment to our Citizen-Warriors who train and work within their walls.

The fiscal year 2006 budget request includes four new Reserve training centers and second phases for two others, as well as the first phase of an NCO academy and six training ranges. When complete, the Reserve centers will support over 2,700 Army Reserve Soldiers, and the training ranges will support over 130,000 Soldiers from all Army components and other services. These projects are currently under design and will be ready for award in fiscal year 2006. We can do more if we can do more.

READYING THE FORCE

The Cost of Readiness

A trained and ready Army Reserve is essential to the Army's ability to execute the national military and security strategies. Currently the Army Reserve is fully engaged in the Global War on Terror, meeting the needs of the combatant commanders, transforming, and preparing for future mobilizations. Over the past 39 months, the Army Reserve mobilized and deployed units at much higher personnel and equipping levels than authorized and resourced. All of this has not been without cost in resources and readiness.

- Army Reserve readiness requires adequate resources—specifically in Reserve Personnel, Army (RPA), Operations and Maintenance, Army Reserve (OMAR), and Other Procurement, Army (OPA) funding—to be fully operational, properly maintained, and mission capable.
- A large number of the Army Reserve's units will be required in follow-on rotations. In order to meet future requirements, the Army Reserve is working with the Active Army and OSD leadership to develop balanced, responsive, and effective strength management policies and programs.
- The Army Reserve needs support to modernize and re-equip its force in support of a modular Army engaged in the GWOT.

CONCLUSION

The Army Reserve is changing daily as it advances in the Global War on Terror. We face a battle with two fronts, each one feeding and feeding on, the other. The Global War on Terror drives us to rethink, reform, regenerate, and optimize our force so we can carry out our mission with greater efficiency and more effectively support the nation and the troops who are themselves supporting the same mission. Simultaneously, realigned, reset, and re-oriented, our Citizen-Warriors cycle through a progression of serial stages of preparation, mobilization, deployment, engagement, and regeneration in support of the same global campaign that precipitates the cycle. The military and political world of the 21st century has changed dramatically and exponentially in the past few years and the changes show no hint of slowing down. Your Army Reserve continues to perform its vital mission under Title 10, USC, providing trained, equipped, and ready individuals and forces to meet the nation's military needs. With the help of the Congress and our fellow citizens, we will continue to serve as an increasingly essential element of our Army and our nation.

Senator STEVENS. Thank you very much, and we welcome you. Would you tell me again your names and where did you serve?

General HELMLY. Sir, Captain Damon Martin—I am sorry. Captain Damon Garner and Sergeant First Class James Martin. I would ask them to stand at this time.

Senator STEVENS. Captain, where did you serve?

Captain GARNER. Iraq, sir.

Senator STEVENS. Very good. How long were you over there?

Captain GARNER. One year, sir.

Senator STEVENS. Sergeant.

Sergeant MARTIN. I have been in Schofield Barracks, Hawaii, sir, with the infantry, 25th Infantry Division. Also, presently I am with the 99th Region Readiness Command (RRC).

Senator STEVENS. Very good. Thank you very much for joining us here today. We appreciate it. These hearings are sort of difficult

when we have the Senate in session, but we are glad to have you visit. Thank you very much.

General Helmlly, are you the first?

General HELMLY. Yes, sir.

Senator STEVENS. Admiral Cotton.

STATEMENT OF VICE ADMIRAL JOHN G. COTTON, CHIEF, NAVAL RESERVE, UNITED STATES NAVY

Admiral COTTON. Good morning, Mr. Chairman. Thanks for this opportunity to address everyone.

The Navy's Reserve component is more ready, responsive, and relevant than it has ever been. Last year when I appeared before this subcommittee I stressed Active-Reserve integration and especially alignment. I would like to say that has continued and I am very encouraged by the way that we have worked with Navy leadership. We have been blessed by two leaders who understand the total force and its importance, Secretary of the Navy Gordon England and of course our Chief of Naval Operations (CNO), Admiral Vern Clark.

We have over 23,000 reservists on orders right now providing operational support to the fleet, over 4,000 mobilized, with 3,000 in Central Command providing critical support to our operations there. We have worked together closely in the past year on all initiatives—BRAC, Quadrennial Defense Review, and our budgets. I am proud to say that we are acting as a team like never before.

I look forward to your questions, sir.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL JOHN G. COTTON

OPENING

Mr. Chairman and members of this subcommittee, thank you for the opportunity to speak with you today about some of the important changes that are happening in the Navy and its Reserve Force, and to give you a report on our accomplishments and current state of readiness.

Last year, Admiral Vern Clark challenged us with the statement, "Change to make us better is completely necessary—to make our Navy even better and to build the 21st century Navy, and the Reserve is a key part of our growth and our future." We have met this challenge and have attained dramatic improvements, changing our culture and the shape of the Force, moving away from an obsolete Cold War construct to one that provides the flexible capabilities needed to fight the unconventional threats of the 21st century.

You can't change culture with money; it takes leadership. I want to thank this distinguished panel for the leadership demonstrated in voting for the 2005 National Defense Authorization Act, which provided the legislative basis for the Secretary of the Navy to facilitate changing our name from the United States Naval Reserve to the United States Navy Reserve. We soon hope to have Presidential approval, and are in the process of complying with the provisions of the Act, including future submission of the required conforming legislation to Congress. Once we have become the U.S. Navy Reserve, the Chief of Naval Operations (CNO) intends to promulgate guidance to "drop the R," like the Marines did in 1997. Our great Sailors have always been in the Navy—they are the RE-serve component of the greatest Navy ever. The initials USNR, USNR-R, USNR TAR will no longer be used—we are all in the Navy. We will still have Reserve Component (RC) commissions and designators that put us in the right personnel categories, but we're in the Navy, ready and fully integrated. We might work just 2 or more days a month, but you cannot turn off the honor, courage and commitment that comes with being in the Navy 24/7/365, ready to serve.

Today's busy Navy Reservists have three missions. Their primary job revolves around increasing our Navy's warfighting capability. Periodic and predictable serv-

ice provided by our RC Sailors, in the right place, at the right time, with the right skill sets enhances the operational effectiveness of the supported command—affordably. Second, Reservists will be key players in homeland security and defense. By aligning our capabilities and shaping our force to support the missions of NORTHCOM, Reservists have the skills that will not only improve security at home, but will enable active forces to take the fight to the enemy and win the “away” game. Lastly, every Sailor acts as a service ambassador and recruiter in every town in America. The broad distribution of these Sailors provides a constant and visible reminder to citizens in every state, and especially in the Nation’s heartland, that the Navy is on watch, providing them with unmatched capability in the maritime domain, as well as educating and calling our young people to serve our Nation. This affiliation with “Main Street USA” and the fabric of our Nation is something else that money can’t buy, and is a mission that the Navy Reserve embraces.

MANPOWER

Our most important asset is, always has been, and forever will remain, our Sailors—our “Sea Warriors.” Admiral Clark stresses the importance of continuously enabling and developing every Sailor, and has challenged the Navy to deliver a Human Capital Strategy (HCS) in 2005. This HCS theme will repeat throughout my statement.

The Navy’s Total Force HCS will build upon last year’s successes:

- Continue development of Active-Reserve Integration.
- Execute elimination of Naval Reserve “titles” and foster Active Component (AC) ownership of the RC elements in one Navy.
- Continue analysis of the functions and roles of the RC in the future Total Force.
- Complete the consolidation of Active-Reserve recruiting.
- Continue to identify and develop RC skills training and professional military education requirements for incorporation into Sea Warrior.

The Navy will deliver a HCS that is both mission and cost effective, while remaining “capability focused.” Typically, when a 24/7/365 presence is required, the AC would provide the preponderance of the capability. When the requirement is periodic and predictable, the capability should be provided by an RC Sailor at about one-fifth the cost of their AC counterpart. When the requirement is best supported by specialized skills and long-term continuity, our civilian workforce provides the best fill. Finally, when time critical requirements are identified that fall beyond the scope of Navy skill sets, then contractors should be utilized to fill the need pending development of the capability or for the duration of a short-term requirement. Presence, predictability, periodicity and skill sets determine work division, not arbitrary lines drawn between components.

The Navy HCS is already demonstrating “value added” in that Navy requirements are met with RC capabilities, no longer simply a matter of “mobilization numbers.” Historically, effectiveness of the RC has been measured by the number of personnel mobilized and on active duty. More than 28,000 Navy Reservists have been mobilized since 9/11, and nearly 12,000 served on active duty during the peak of OIF in May 2003. However, the mobilization metric falls far short of measuring the work being done by Reservists each and every day. On any given day, over 20,000 Reservists are on some type of orders, providing fully integrated operational support to their AC and joint commands, both at home and overseas. This contribution is extremely valuable and represents a significant return on “sunk” training costs, enabling mature, seasoned and capable veterans to surge to Fleet requirements. The judicious use of operational support enables the Navy RC to meet surge requirements short of mobilization, while providing enhanced “volunteerism” options for our Sailors. Thus, operational support provides full spectrum access to RC capabilities, which are more relevant than ever.

The greater readiness provided by full spectrum access is evident by the effective and judicious use of our “high demand, low density” units and individual augmentee skill sets. A prime example is demonstrated daily by the Navy Reserve Intelligence Program, which is fully integrated into all Fleet operations. These highly skilled professionals face increased Global War on Terrorism (GWOT) demands not only from the Navy but also from every Combatant Commander (COCOM). Navy leadership is utilizing Intelligence Reservists daily with inactive duty drills and annual training, active duty for training, and active duty for special work, and mobilization to provide consistent, high quality support to joint operating forces. More than 1,700 Sailors have been mobilized since 9/11, representing over 40 percent of the Intelligence program’s nearly 4,000 Reservists, in support of 117 Navy and Joint Com-

mands in 150 different locations worldwide, providing real-time operational support to senior decision makers and commanders in the field.

The roles and missions of these professionals have been wide ranging. RC targeting officers have augmented every Carrier Air Wing deployed for Operations ENDURING FREEDOM and IRAQI FREEDOM since 9/11. Interrogators at Guantanamo Bay and elsewhere have obtained information leading to the breakup of global terror cells. They have deployed with Navy SEAL teams, augmented combat staffs aboard ships, stood counterterrorism watches, supported Joint Task Forces, and captured foreign materiel. Also, the effective use of Joint Reserve Intelligence Centers (JRICs) since 9/11 has added a new tool for deployed warfighters in all COCOMs.

While most mobilized Reserve Intelligence professionals have reported to their supported Joint and Navy Commands, over 13 percent have been mobilized to 27 JRICs located throughout the country. They are an example of an evolving reach-back capability that directly supports forward operations and represents one more step in the Navy's progress toward a net-centric future. Intelligence Reservists averaged over 80 days of active duty per person each year since 9/11. This high RC personnel tempo is an excellent example of the immense value added by these Sailors, largely through "volunteerism."

CURRENT READINESS

Global War On Terrorism

Navy Reservists are performing superbly in many important GWOT roles. To date, 19 of our RC Sailors have made the ultimate sacrifice while deployed in support of current operations, with many more suffering serious injuries. On July 11, 2004, I had the distinct privilege of presenting the Purple Heart Medal to 16 Seabees from Naval Mobile Construction Battalion (NMCB) 14, in Jacksonville, FL. A total of 7 Sailors were killed and 19 were wounded in attacks on April 30 and May 2, 2004 while mobilized in support of OIF. The loss of these brave Americans underscores the honor, courage and commitment that drive our Nation's Reservists, and the willingness of citizen Sailors to make tremendous sacrifices for not only our freedom, but also for our coalition partners.

Perhaps the biggest challenge involves the anticipated GWOT demand for Navy Reservists to support land-based missions in CENTCOM. The Secretary of Defense has directed Navy to take a close look at the combat service support missions, and we are leaning forward to aggressively plan our engagement strategies. The GWOT presents new and dynamic challenges to our Navy and our Nation, and will require a flexible Navy Reserve capable of supporting non-traditional missions.

One way we are meeting this challenge is to develop a customs inspection capability to support deployed forces. Over 450 SELRES and volunteers from the Individual Ready Reserve (IRR) were screened and selected for this new mission. Mobilized Sailors reported to the Naval Expeditionary Logistics Support Force HQ in Williamsburg, VA, in early December 2004 for outfitting and training, which included Customs Inspector certification and expeditionary warfighting skills. Subsequently, they deployed to Kuwait in late January 2005 for turnover with Air Force personnel.

Additionally, Navy has assumed the responsibility for managing the detainee program at Guantanamo Bay, Cuba. AC and RC have blended qualified personnel as needed to enhance the security force.

Mobilized Navy "Seabees" have continuously deployed in support of CENTCOM operations. Over 40 percent of the Seabee force has been mobilized since 9/11, providing critical combat construction support to forces in Iraq and Kuwait. Navy construction forces rely heavily upon RC Sailors, bringing critical civilian skill sets, maturity and experience to the mission.

In January 2004, Navy Expeditionary Logistics Support Force mobilized more than 525 Sailors from four of its Cargo Handling and Supply Support Battalions, who relieved and augmented a variety of Army and Marine Corps logistics units. These Navy Reserve cargo handlers (stevedores, fuels and mail) are working with the Army to provide critical combat support to Soldiers and Marines in Iraq and Kuwait in support of Operation IRAQI FREEDOM. Subsequently, additional Sailors have been mobilized and have relieved these forces in theater.

In March 2003, the Navy deployed Helicopter Combat Support Special Squadron Five (HCS 5) to Iraq to provide a key capability in support of active ground forces in OIF. Maintaining a high operational tempo, HCS 5 supported the Joint Special Operations Aviation Command, flying combat missions against the enemy. One year later, HCS 5 was relieved by her sister squadron, HCS 4, who remains in theater to date. These two RE-serve squadrons represent 50 percent of Navy's helicopter combat support capability.

The Navy Reserve will expand its role in combat service support. Our dedicated Reservists will be placed into training pipelines for up to 4 months to develop and hone special skill sets and combat capabilities needed to support the GWOT. These Sailors will then go forward, “boots on ground” with the Army. When they return, we will establish Joint Provisional Units to house these unique skill sets, where Reservists will remain on “hot standby” for consequence management in support of NORTHCOM Homeland Defense requirements.

Homeland Defense

“We the People” are all joined in a common interest, homeland defense. Only a few times in our history has the enemy brought the fight to our country. Declaring independence in 1776, we defeated the British twice in a span of nearly 40 years. No one can forget the “Day of Infamy” at Pearl Harbor on December 7, 1941, nor will anyone soon forget the events of 9/11, 3 short years ago, in New York City, at the Pentagon, and in a field in Pennsylvania. We are now engaged in the GWOT, another long war to preserve our way of life. We must win this “away” game to ensure that it never again becomes another “home” game.

While most Reserve Sailors are compensated for only a few days each month, they are in the Navy 24/7/365, selflessly serving their Nation with honor, courage and commitment. As the President instructed them 3 years ago, they stand fully ready—they are the new minutemen in the same tradition as those who stood on the Commons in Lexington and at the North Bridge in Concord, Massachusetts. As veterans, they provide military experience and capabilities as well as a myriad of civilian skill sets critical to the support of Sea Power 21, ready to quickly surge to any global crisis and respond to disasters at home. Reserve Sailors live in every state and will become more regionally aligned with NORTHCOM as the Nation develops its Homeland Defense strategy. We are ready to answer the call, as Americans have done for 229 years. The CNO recently stated, “I am convinced that responsibility for Maritime Domain Awareness (MDA) should rest first and foremost with the United States Coast Guard. I am also convinced that there is a role for the United States Navy to play in response and in support of the Coast Guard, bringing our resources to bear wherever they are required.”⁵

The Navy is partnering with the Coast Guard because we share a common interest in defending our Nation’s maritime approaches. When a ship comes near our coastlines, we need to know where it is going and what cargo it is carrying. MDA is the effective understanding of all elements of the global maritime environment that could impact the security, safety, economy or environment of the United States.

Significant roles will be played by several combatant commanders, NORTHCOM, SOUTHCOM, STRATCOM, and many other Federal and State Departments. PACOM, EUCOM and CENTCOM will also contribute to MDA if we are to be successful in countering threats far from our shores. Efforts by the Department of Defense and Department of Homeland Security to make MDA truly an interagency effort are just beginning, and the Navy Reserve has tremendous potential to join other major stakeholders in providing workable solutions to ensure a more cost effective MDA strategy.

In November 2004, Admiral Tim Keating assumed command of NORTHCOM. In developing MDA, his staff will be utilizing lessons learned from many years of successful North American Air Defense operations that have monitored all air traffic in U.S. airspace. Navy Reservists stand ready to augment the MDA staff with personnel from the Space Warfare Command, Intelligence, Naval Control and Guidance of Shipping, Tactical Support Center, Mobile Inshore Undersea Warfare (MIUW), Military Sealift Command, Naval Air Force Reserve, and Distributed Common Ground System-Navy (DCGS-N) units.

NORTHCOM is planning to stand up a Joint Reserve Unit with Intelligence community watch standers and analysts that will conduct port security surveys while working with the Coast Guard’s Joint Harbor Operation/Maritime Operations Centers. The Navy Reserve will fully support this new capability.

One capability central to Homeland Defense (HLD) is provided by Navy Coastal Warfare (NCW), whose mission is to provide surface and subsurface surveillance in littoral areas throughout the world. Secondary missions include command, control and communications functions. Navy Reserve MIUW units and Inshore Boat Units have, until recently, provided the sole capability for this mission within the Navy. Due to the “high-demand/low-density” mission and structure, the Navy has established eight AC NCW units, under the operational control of the newly established Maritime Force Protection Command to aid in force protection missions. This vital capability will now be provided by a mixture of AC and RC forces, once again aptly demonstrating the ability of the Navy Reserve Force to serve as a test bed for new

capabilities and as an enabler for transitioning validated capabilities to the AC when required.

The Navy has, in fact, already begun joint experimentation with the Coast Guard, exploring new situational awareness systems, and plans are being formulated to provide demonstrations later this year. One such system, a littoral version of DCGS-N, was provided to the Navy by the Congress over the past few years. DCGS-N merges intelligence, surveillance, reconnaissance, targeting, mission planning, and situational-awareness functions into a web-enabled, net-centric, Joint-interoperable architecture. This invaluable capability, long the province of Strike Groups and major ground combat units, will soon demonstrate its potential value in supporting MDA.

Another potential Homeland Defense capability is being demonstrated by Operation VIGILANT MARINER. Embarked Security Teams (EST) will provide security augmentation to Military Sealift Command/Ready Reserve Fleet/Contract Carrier ships to detect, deter and defend against waterborne and land-based terrorist attacks. The initial teams will be composed of AC Sailors, with RC EST's providing ready surge capability for global operations. These RC EST's will also be able to perform CONUS-based force protection missions either in civilian ports or as an augmentation force to Navy installations and shore facilities requiring extra protection.

To effectively support Homeland Defense initiatives, every state should have a Joint Headquarters, manned by personnel from each of the seven Reserve Components. While the National Guard will focus on states, the Navy will focus on regions as part of Commander, Navy Installations' ongoing alignment initiative. When we respond to a crisis, we will do so under a regional construct, surging both AC and RC Sailors to assist with threats. As we continue to develop this concept, we will work closely with the National Guard Bureau and other agencies. This structure further aligns our organizations to provide enhanced support and coordination by having citizen Sailors protect their home regions.

FUTURE READINESS

The Navy is taking ownership of its RC. Some specialized communities, such as Public Affairs, now direct the entire personnel selection and processing system, and are detailing Reservists to supported commands. This is exactly how all RC assignments will be done in the future, leveraging experience, demographics, special skill sets and desire to serve in operational units and perform operational mission support.

The future detailing of our Reservists will incorporate a Sea Warrior initiative known as the Career Management System. This self-service, web-based tool will provide every Sailor visibility into all available Navy billets. It will also provide the necessary details, including job description, required competencies, unit location and special requirements, so that our Sailors can apply for jobs that best fit their career plans while meeting the needs of the Navy.

In 2003, we began another very productive initiative to enable Navy leadership to view RC readiness information through the Type Commander Readiness Management System (TRMS). We created an innovative module called the Navy Reserve Readiness Module that links numerous databases, including the Medical Readiness Reporting System (MRRS), the Navy Reserve Order Writing System (NROWS), the Reserve Headquarters System (RHS), and the Navy Marine Corps Mobilization Processing System (NMCMPs).

Decision makers and force providers can use this system on any desktop computer to drill down through every region, every Reserve Activity, every unit, down to the individual Sailor. This easy-to-use system has greatly improved readiness and will allow the AC to better match resources to requirements, identify gaps, and provide focused training to close those gaps. AC ownership of, and responsibility for, the readiness of its assigned Reservists is the objective. This is a significant shift in culture that will greatly improve the readiness and effectiveness of the Total Force.

A major thrust over the past year has been the improvement of the Navy Reserve's enterprise efficiency while enhancing operational effectiveness. Knowledge Management (KM) methodology has been the driver of this effort, and the Navy Reserve is leading the way. KM has been applied across the enterprise, resulting in better organizational alignment with the AC, better understanding of Navy requirements for its RC, and development of quicker response mechanisms that will better support the Joint Force. KM focuses our efforts on readiness, and helps us get the most "bang for the buck" in terms of operational availability and speed of response.

QUALITY OF SERVICE

The Secretary of Defense instituted a force structure planning goal of limiting the involuntary mobilization of Reservists to 1 year out of every 6. When Reservists deploy to support the war, they want to know three things: "when, where, and for how long?" They are ready to serve, and while deployed deserve the same pay and benefits earned by AC personnel. The Department of Defense is working toward a common pay and benefits system for personnel from all components, Active, Guard and Reserve, which will support the Navy's efforts to properly support Sailors, whether mobilized or performing operational support.

Additionally, the Navy's HCS is validating the requirement for different levels of RC participation. Today, about one-third of our Force participates at the traditional level of 38 days per year of inactive duty drills and annual training. Another one-third operates at an increased level of participation between 38 and 100 days per year. The remaining one-third is able to serve in excess of 100 days per year, with some being able to recall for years. Given a continued demand signal for all of these levels of participation, innovative methods to predict and budget for requirements will have to be developed by resource sponsors. The result will be a much more integrated Total Force and greatly enhanced full spectrum RC operational support.

One of our efforts to improve the delivery of support across the "capability spectrum" is the consolidation of the RC MILPERS appropriation budget activity structure. The current "two budget activity" structure of RC MILPERS appropriations, as set up over 20 years ago, is outmoded, cumbersome and not adequately responsive for 21st century budget execution. It leads to inefficiencies in the Department's administration of funds, creates unnecessary budget execution uncertainties, and can result in the receipt of unexpended funds so late in the year that their effective use is minimized.

Combining the two RC MILPERS budget activities, BA1 and BA2, into a single budget activity within the RC appropriation is a sensible adjustment which enables more efficient use of resources, permits sufficient continued oversight of budget execution, and supports the Secretary's desire to transform and improve financial processes.

The Navy Reserve's fiscal year 2006 budget submission accounts for this consolidation and has been fully approved and supported by the Department of Defense. This initiative will have a dramatic impact on our ability to provide full spectrum operational support, as well as improve our Sailors' quality of service through the ability to tailor their orders to actual requirements. This also furthers our ability to leverage the 2005 National Defense Authorization Act authority to have up to 6200 Sailors performing full time operational support for up to three out of 4 years, a very welcome change in policy that enhances our ability to surge to GWOT requirements.

The timeliness and way that information flows to the Reserve Force is one of our biggest challenges in ensuring Quality of Service. The degree to which we effectively communicate significantly impacts our level of success. We have created several forums for communicating Navy priorities, key leadership messages, relevant news, and opportunities to and from the field, and they have proven to be very effective. We host a bi-weekly briefing by video teleconference to inform the Force and solicit input from every echelon. We established an e-mail communication protocol through the Public Affairs office to electronically distribute information to more than 5,000 key Navy Reservists and Department of Defense personnel. Our award-winning magazine, *The Navy Reservist*, is mailed monthly to every Navy Reservist's home (over 80,000 individuals and their families). The flow of information enables us to quickly identify issues and opportunities and to target the proper audiences for action. The speed of actionable information has greatly increased as we build the Navy of the future.

Most critical to our success remains the important roles of our families and employers in supporting our Sailors. Our families enable us to go forward with love and support, and our employers guarantee our jobs when we return, often with additional benefits as their much appreciated contributions to the cause. We all serve together and cannot win the GWOT without the many tremendous sacrifices Americans make for national defense.

In the past year, we have worked to strengthen the already very effective Employer Support of the Guard and Reserve (ESGR) program. For the first time since the 1994 Uniformed Services Employment and Reemployment Rights Act (USERRA) was passed, the Department of Labor has published regulations to enhance understanding and assist in the enforcement of this landmark legislation. Never before have our Nation's employers played such a critical role in our National Defense, with many providing benefits far beyond the USERRA requirements. We should

continue to look for opportunities to further incentivize and partner with employers who do so much to care for our Reservists.

ALIGNMENT

Through ongoing transformation, the Navy is accelerating the Nation's warfighting advantage. Admiral Clark has detailed the "state of the Navy" more fully in his testimony, but several initiatives will have a direct and positive impact on the Navy Reserve, the most significant being Active-Reserve Integration (ARI). ARI is more than a "bumper sticker" . . . it is a key component of the evolving HCS. The key step in achieving ARI is to determine what the AC requires its RC to do, as well as how and when to surge Reservists. Accordingly, Admiral Clark tasked Fleet Forces Command to conduct a review of all RC capabilities, and in August 2004 approved the results. This "Zero-Based Review" (ZBR) laid the groundwork for a more integrated and aligned Total Force in which RC capabilities directly support SEAPOW 21.

The ZBR systematically studied gaps in AC capabilities that could or should be filled by the RC. Cost and risk values were assigned to each validated RC capability relative to the AC mission to enable leadership to make informed decisions regarding appropriate levels of investment. The result was a blend of existing and new capabilities, while others were recommended for realignment or divestment. The review acknowledged two essential types of support the AC will receive from the RC: (1) units that stand up when required to provide a specific capability, and (2) individuals or portions of units that can augment existing active commands. Validated capabilities are designed to increase the warfighting wholeness of the Navy, and represent "what the AC needs to have," not just what is "nice to have."

We have changed the way we assess ourselves, as well as the way we train in support of the Fleet Response Plan (FRP). We are transitioning to a capabilities-based Force driven by Navy requirements. The ZBR inventoried the RC against sixty-one capabilities and "mapped" them to Navy mission areas. Every billet and every unit was examined for both surge and operational support value. We are synchronizing data to enable us to plan and act as "One Navy." The results of the assessment are included in the OPNAV programming, budgeting and execution system, partnering resources to provide better support to the warfighters.

One of the most significant outcomes of the initial ZBR is that in fiscal year 2006, the Navy Reserve will reduce end strength by 10,300 Sailors. To execute the FRP, Navy Active and Reserve Components have accelerated their alignment, synchronizing their efforts to become a more effective and efficient warfighting team. This is a "win-win" scenario for the Navy and the taxpayer, reflecting not a reduction in capabilities, but rather capabilities more effectively and much more efficiently delivered!

We are expending significant effort to ensure effective RC management as well. AC and RC manpower experts are partnering to conduct a Full Time Support program "Flag Pole Study" to determine the most effective and efficient manner to structure and allocate our RC management personnel across Navy Reserve Activities and in Fleet commands.

Another key element of our Full Time Support program is our civilian employees. Over 100 civilian employees assigned to Commander, Navy Reserve Forces Command and the Office of the Chief of Navy Reserve will be among the first Navy employees to be administered under the new National Security Personnel System (NSPS). July 2005 transition activities will be preceded by on-line and class room training for all affected civilian employees and their supervisors (both civilian and military). This initial group represents approximately one-quarter of the Navy Reserve's civilian employee population.

Another component of ARI is the alignment of RC infrastructure. Commander, Naval Installations (CNI), the Navy's landlord, now includes every Navy Reserve activity in its regions for better processing of service and support requests. There are no longer any Navy Reserve Bases, only Navy Bases with different human capital strategies, and we're all working together to support the Fleet.

We can no longer think of ourselves as separate Reserve activities in every state. We must integrate as part of Navy Regions. We hope to never build another Navy-Marine Corps Reserve Center, but will instead build only modern Armed Forces Reserve Centers or Joint Operational Support Centers that will promote joint operations, enhance interoperability and significantly reduce overhead costs. We will train jointly at home to deploy and fight jointly overseas.

One significant alignment success story that has resulted in achievement of major efficiencies is the Navy Recruiting mission. The former Navy Reserve Recruiting Command has merged with Navy Recruiting Command to provide a seamless re-

cruiting organization capable of providing all service options to potential Navy Sailors. Not a mere name change, RC recruiters and staff are serving alongside their AC counterparts. Some of our Navy Recruiting Districts are commanded by Full Time Support Officers. We also have senior enlisted FTS Career Recruiter Force personnel serving as NRD Chief Recruiters. Total Force recruiting epitomizes a truly customer-oriented focus, where a potential Sailor is exposed to every option for service in the Navy. Every career consideration and every possible enlistment incentive is now tailored to the needs of the individual. Our ultimate goal is to recruit 100 percent of the qualified applicants that “cross the brow” and retain 100 percent of the Sailors with viable career options in the Navy, whether AC or RC.

Our vision continues to be support to the Fleet, ready and fully integrated. The RC provides predictable and periodic surge support in the FRP, and has been very effectively integrated into all capabilities in the Navy’s operating forces. The Navy is getting slightly smaller, but much more effective, providing increased warfighting wholeness and a much better return on investment.

SUMMARY

Navy RE-servists provide worldwide operational support and we are proud of our many accomplishments since 9/11. We continue to push for further integration and alignment within the Navy, while surging with greater speed, flexibility and responsiveness than ever before. Our dedicated Sailors provide the key to future success. During Operation ENDURING FREEDOM, a deployed combatant ship Commanding Officer said, “People ask me if I’m worried about the youth of America today. I tell em not at all, because I see the very best of them every day.”

Navy Reserve leadership agrees. Our Sailors have never been so capable and committed. Their honor, courage and commitment make our profession the most highly respected profession in the United States today and our Navy the most admired around the world. We could not be more proud of the effort they put forth and the results they have achieved over the past year. We are looking forward to even greater success as our alignment efforts progress and many new initiatives mature and become adopted by the Fleet.

In closing, I would like to thank this committee for the support you have provided the Navy Reserve and all of the Guard and Reserve components. The 2005 National Defense Authorization Act provided several significant, positive benefits that will help us recruit and retain our talented Sailors to better support the Navy and Joint commands. As you can see, this is a very exciting period for the Navy and the Navy Reserve. The CNO has challenged every Sailor to review current ways of doing business and suggest solutions that will improve effectiveness and find efficiencies. The Navy Reserve has accepted that challenge and promises the members of this committee that we will continue to do just that—examine every facet of our operation, to support the fleet, and to accelerate our Navy’s advantages while providing the best value to the American taxpayer.

Senator STEVENS. General McCarthy.

STATEMENT OF LIEUTENANT GENERAL DENNIS M. McCARTHY, COMMANDER, MARINE FORCES RESERVE, UNITED STATES MARINE CORPS RESERVE

General McCARTHY. Mr. Chairman, good morning. Like my colleagues, it is an honor for me to appear. As you have noted, this will be the last time I appear, at least in uniform. I hope to remain engaged in these issues.

But I am here on behalf of the men and women of the Marine Corps Reserve and I am extraordinarily proud of what they have done. We have mobilized over 95 percent of the Marine Corps Reserve units; 98 percent of those we have mobilized have served in combat, either in Iraq or Afghanistan. We have sustained, unfortunately, a share of casualties, but, as you have heard, they, like their counterparts in the Army and the Navy and the Air Force, have served shoulder to shoulder with the active component and have done so with great distinction.

Our recruiting remains strong. Where our ranks are filled we are making our recruiting numbers. Our retention numbers are slight-

ly above the historic average. I believe that is because of, not in spite of, the service that they have been called upon to perform. The kind of men and women that we have recruited seek service and they seek an opportunity to serve in combat, and they have had that opportunity.

What I owe them as their commander is to continue to ensure that they can train and be appropriately equipped, so that when they are called upon the next time they can return to service. The only way we will retain the right kind of people, the only way we will recruit the right kind of people, is to provide them with an opportunity to serve in combat-ready units. So that is our effort and we are very appreciative of what the committee and the Senate, the Congress, have done to enable us, and we hope for your continued support.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL DENNIS M. MCCARTHY

INTRODUCTION

Chairman Stevens, Senator Inouye and distinguished members of the Committee, it is my honor to report to you on the state of your Marine Corps Reserve as a partner in the Navy-Marine Corps team. Your Marine Corps Reserve continues to be "Ready, Willing, and Able." We remain firmly committed to warfighting excellence. The support of Congress and the American people has been indispensable to our success in the Global War on Terrorism. Your sustained commitment to care for and improve our Nation's armed forces in order to meet today's challenges, as well as those of tomorrow, is vital to our battlefield success. On behalf of all Marines and their families, I would like to take this opportunity to thank Congress and this committee for your continued support.

YOUR MARINE CORPS RESERVE TODAY

The last 4 years have demonstrated the Marine Corps Reserve is truly a full partner of the Total Force Marine Corps. I have been the Commander of Marine Forces Reserve since June 2, 2001 and as I prepare for retirement this summer, I can assure you the Marine Corps Reserve still remains totally committed to continuing the rapid and efficient activation of combat-ready ground, air, and logistics units to augment and reinforce the active component in the Global War on Terrorism. Marine Corps Reserve units, Individual Ready Reserve (IRR) Marines, Individual Mobilization Augmentees (IMAs), and Retired Marines fill critical requirements in our Nation's defense and are deployed worldwide in Iraq, Afghanistan, Georgian Republic, Djibouti, Kuwait, and the U.S., supporting all aspects of the Global War on Terrorism.

"Train, Activate, Deploy" has always been a foundation of the Marine Corps Reserve. Following that foundation, your Reserve is maintained as a pre-trained, balanced and sustainable force capable of rapid deployment into a combat environment.

Reserve Marines continuously train to maintain high levels of combat readiness. Because we currently have the luxury of scheduled rotations, we utilize a 48-day activate to deploy schedule. A demanding Mobilization and Operational Readiness Deployment Test program eliminates the need for post activation certification upon activation. The 48-day schedule includes a 9-day Security and Stability Operations training package and completes the preparations for the Marine Reserve unit to deploy. The impact of the "Train, Activate, Deploy" foundation is the seamless integration with the Gaining Force Commander of a combat capable active duty Marine unit.

Your Marine Corps Reserve is pre-trained-able to activate, spin-up, deploy, redeploy, take leave and deactivate all within 12 months. Twelve-month activations with a 7-month deployment have helped sustain the Reserve force and contributed to the regeneration of our units. In so doing, the Reserves follow the same 7-month deployment policy as our active forces. This activation/deployment construct has allowed the Marine Corps to maximize management of the Reserve force, maintain unit in-

tegrity, and lessen the burden on Marine Corps families by maintaining predictable deployments while allowing adequate dwell time between unit deployments.

As of early March 2005, over 13,000 Reserve Marines were activated in support of Operation Enduring Freedom, Operation Iraqi Freedom and Horn of Africa operations. Of these Marines, approximately 11,500 were serving in combat-proven ground, aviation and service support units led by Reserve Marine officers and non-commissioned officers. The remaining 1,600 Reserve Marines were serving as individual augments in support of Combatant Commanders, the Joint Staff and the Marine Corps. Since September 11, 2001, the Marine Corps has activated over 36,000 Reserve Marines, and more than 95 percent of all Marine Forces Reserve units.

The Global War on Terrorism highlights our need to remain flexible and adaptive as a force. During the aftermath of 9/11 and the commencement of the Global War on Terrorism, the Marine Corps Reserve was the force the Marine Corps needed. As new war fighting requirements have emerged, we have adapted our units and personnel to meet them, such as with the rapid formation of security forces from existing units, or the creation of provisional Civil Affairs Groups. We reviewed our Total Force Structure during 2004, and laid the blueprint for refining the force from 2005 to 2006. In the coming years, the Marine Corps Reserve will be increasing intelligence, security, civil affairs, mortuary affairs and light armored reconnaissance capabilities, while we pare down some of our heavier, less required capabilities, such as tanks and artillery. However, we are adjusting less than 8 percent of Reserve end strength to support these new capabilities required for the war on terrorism. By reassessing and fine-tuning our Reserve Force, we are enhancing our ability to provide required war fighting capabilities. Although adjusted, the Reserve Force will continue to provide a strong Marine Corps presence in our communities.

Your Marine Corps Reserve continues to prove we are "Ready, Willing and Able" to accomplish our primary mission of augmenting and reinforcing the active component with fully trained, combat capable Marines.

RETURN ON INVESTMENT

The Marine Corps is committed to and confident in the Total Force Concept as evidenced by the overwhelming success of Marine Reserve units serving in support of the Global War on Terrorism. Activated Marine Reserve units and individuals are seamlessly integrating into forward deployed Marine Expeditionary Forces and regularly demonstrate their combat effectiveness. The recent efforts of your Reserve Marines are best illustrated in the following examples of a few of the many Reserve units supporting the war effort:

Force Units

Fourth Civil Affairs Group (4th CAG), commanded by Col. John R. Ballard USMCR, a professor at the Naval War College, and assisted by his senior enlisted advisor, Sgt. Maj. Joseph A. Staudt, a construction appraiser and project manager, was instrumental in rebuilding communities from the ground up in the Al Anbar Province of Iraq. They assisted in everything from recreating the infrastructure for a city or town, to clearing unexploded ordinance and equipment left by the Iraqi army from school buildings. Fourth CAG was instrumental in projects such as supporting local elections in Fallujah and assisting the Iraqis in reopening schools in Al Kut. Just last month, 4th CAG ended its tour of duty in Iraq and were replaced by 5th Civil Affairs Group (5th CAG), commanded by Col. Steve McKinley USMCR, a retired bonds salesman from Wachovia, with the assistance of Sgt. Maj. John A. Ellis, a Baltimore fireman.

Fourth Marine Division

First Battalion, 23d Marines (1/23), under the command of Lt. Col. Gregory D. Stevens USMCR, a building contractor in southern California, supported by his senior enlisted advisor, Sgt. Maj. David A. Miller, a military academy instructor, were the first to enter and assess the threat in Hit, Iraq last year and won decisive battles with insurgents in that city. Sgt. Herbert B. Hancock, a sniper from 1/23 was credited with the longest confirmed kill in Iraq during the battle for Fallujah, taking out insurgent mortar men from a distance of over 1,000 yards. From October 2004 to January 2005, the Mobile Assault Platoons of 1/23 patrolled the supply routes around the Haditha Dam area in Iraq. With the aid of long-range optics, night vision and thermal imaging scopes, they vigilantly watched day and night for insurgent activity, while remaining unobserved. During their last month in Iraq, the efforts of the Mobile Assault Platoons caused an 85 percent decrease in the total number of mines and IEDs utilized in the Haditha Dam area.

Second Battalion, 24th Marines, commanded by Lt. Col. Mark A. Smith USMCR, an Indiana state policeman, with Sgt. Maj. Garry L. Payne, a business owner, as

his senior enlisted advisor, supported the 24th Marine Expeditionary Unit (24th MEU) by bringing a measure of security to northern Babil Province. Marines with law-enforcement background were so common in the battalion that even the smallest units boasted of having a few police officers. Many law-enforcement strategies and tactics employed in the Chicago area were mimicked in Iraq such as executing raids, handling heavy traffic jams and conducting crime scene analysis. The battalion even used police procedures in its intelligence battle, comparing anti-Iraqi forces to criminals back home. As Chief Warrant Officer-5 Jim M. Roussell, an intelligence officer and 28-year veteran of the Chicago Police Department stated, "There are a lot of similarities between street gangs and the guys we're fighting out here." Working alongside Iraqi security forces, the Marines rounded up nearly 900 criminals, thugs and terrorists and seized more than 75,000 munitions to make the local area safer for the Iraqi residents.

Fourth Force Service Support Group

Throughout my tenure as Commander, Marine Forces Reserve, I have made repeated visits to Marines serving abroad. During a recent trip to Iraq with my senior enlisted advisor, Sgt. Maj. Robin W. Dixon, I visited our Marines from Fourth Force Service Support Group (4th FSSG) who were serving with 1st FSSG. I can confidently state that the Reserve Marines were fully integrated with 1st FSSG and were meeting all the challenges to ensure Marines throughout Iraq had everything from food and medicine to mail and ammunition. They willingly braved dangerous roads filled with IEDs to ensure supplies arrive at their destination. Our Marines on the front lines can execute their tasks superbly because their needs back at the base camp are all being met by the FSSG Marines. From refueling to performing major overhauls on vehicles, to moving the fuel and materials of war from the rear to the front, to distributing "beans, bullets, and bandages"—the FSSG takes care of all the needs of their fellow Marines.

The most sobering task that the Reserve Marines from 4th FSSG perform in Iraq is Mortuary Affairs, which is predominately a Reserve mission. Chief Warrant Officer-2 Anthony L. High, the Officer in Charge of Mortuary Affairs, ensures that the remains of the fallen in Iraq return home with the proper dignity and respect they deserve for the price they have paid for our country. Even enemies killed in Fallujah were given burials commensurate with the customs and procedures of their native country and religious beliefs, winning approval of Iraqi religious leaders.

Fourth Marine Aircraft Wing

The accomplishments of Marine Aerial Refueler Transport Squadron 452 (VMGR-452), of Marine Aircraft Group 49, 4th Marine Aircraft Wing, under the command of Lt. Col. Bradley S. James USMCR, a United Airlines pilot, supported by his senior enlisted advisor, Sgt. Maj. Leland H. Hilt Jr., an auditor for the IRS, show the overwhelming commitment we impose on our Reserve Marines. VMGR-452 has been activated twice since 9/11. A detachment from VMGR-452 was activated in January 2002 to support Operation Enduring Freedom (OEF). The remainder of the squadron was activated later in support of Operation Iraqi Freedom I (OIF-I). Upon deactivation, the squadron immediately reverted back into their normal high operational tempo, supporting reserve missions worldwide. The squadron supported the full spectrum of KC-130 missions that included aerial delivery in support of Special Operations Command, performing multiple aerial refueling missions in support of the Fleet Marine Force and the U.S. Army, logistics runs in support of Marine Forces Europe and deployed units in Djibouti, and support of a Hawaii Combined Arms Exercise. The entire squadron was reactivated in June 2004 and deployed in August to Al Asad Air Base, Al Anbar Province, Iraq. They quickly began combat operations in support of First Marine Expeditionary Force (I MEF). The squadron conducted numerous types of tactical missions, to include logistics support, Fixed Wing Aerial Refueling and radio relay throughout several countries to include Iraq, Kuwait, Qatar, Bahrain, Turkey and Italy. On November 7, when Operation Phantom Fury commenced in Fallujah, VMGR-452 found its versatile KC-130 platforms greatly needed for a variety of missions. The squadron flew 341 sorties, logged 864.9 flight hours, transported 1,273,150 pounds of cargo and 1,980 personnel, and offloaded 4,324,300 pounds of fuel to 502 receivers during the operation. After Operation Phantom Fury, the squadron conducted its most important mission of the deployment—the movement of Iraqi election officials during Operation Citadel II. During this operation, the squadron transported over 1,200 Iraqi election officials from An Najaf to Al Taqaddum and Mosul so that they would be in place before the election on January 30. Following the elections, the squadron transported the election officials back to An Najaf in less than six hours by running three fully loaded KC-

130's continuously. February saw the squadron surpass 3000 mishap-free flight hours for the deployment.

ACTIVATION PHILOSOPHY

Sustaining the force has been consistent with Total Force Marine Corps planning guidance. This guidance was based on a 12-month involuntary activation with a 7-month deployment, followed by a period of dwell time and, if required, a second 12-month involuntary reactivation and subsequent 7-month deployment. This force management practice was designed to enhance the warfighting and sustainment capability of the Marine Forces Reserve by providing trained, well-balanced and cohesive units ready for combat. We view this both an efficient and effective use of our Reserve Marines' 24-month cumulative activation as it serves to preserve Reserve Units to sustain the long-term nature of the GWOT that will require future Reserve force commitments.

ACTIVATION IMPACT

As of January 2005, the Marine Corps Reserve began activating approximately 3,000 Selected Marine Corps Reserve (SMCR) Unit Marines in support of the next Operation Iraqi Freedom rotation and 500 SMCR Unit Marines in support of Operation Enduring Freedom. Even with judicious use of our assets and coordinated planning, the personnel tempo has increased. As the members of this committee know, Reserve Marines are students or have civilian occupations that are also very demanding, and are their primary means of livelihood. In the past 2 years, 933 Reserve Marines exceeded 400 days deployed time. In total, approximately 3,900 Reserve Marines have been activated more than once; about 2,500 of whom are currently activated. Information from March 2005 indicates that approximately 65 percent of the current unit population and 47 percent of the current IMA population have been activated at least once. About 1 percent of our current Individual Ready Reserve (IRR) population deployed in support of OIF/OEF. If you include the number of Marines who deployed as an active component and have since transferred to the IRR, the number reaches 31 percent. This is worth particular note as the IRR provides us needed depth—an added dimension to our capability. Volunteers from the IRR and from other Military Occupational Specialties, such as artillery, have been cross-trained to reinforce identifiable critical specialties.

Although supporting the Global War on Terrorism is the primary focus of the Marine Corps Reserve, other functions, such as pre-deployment preparation and maintenance, recruiting, training, facilities management and long term planning continue. The wise use of the Active Duty Special Work (ADSW) Program allows the Marine Corps to fill these short-term, full-time requirements with Reserve Marines. In fiscal year 2004, the Marine Corps executed 947 work-years of ADSW at a cost of \$49.1 million. Continued support and funding for this critical program will enhance flexibility thereby ensuring our Total Force requirements are met.

EQUIPMENT

Our readiness priority is the support and sustainment of our forward deployed forces and, secondly, ensuring units slated to deploy in follow-on rotations possess adequate levels of equipment for training. Currently, the Marine Corps has approximately 30 percent of its ground equipment and 25 percent of its aviation equipment forward deployed. In certain critical, low-density items, this percentage is closer to 50 percent. This equipment has been sourced from the active component, Marine Forces Reserve, the Maritime Prepositioned Force as well as equipment from Marine Corps Logistics Command stores and war reserves. Primarily, our contributed major items of equipment remain in theater and rotating Marine forces fall in on the in-theater assets. In some cases where extraordinary use has resulted in the inordinate deterioration of equipment (such as the Corps' Light Armored Vehicles), equipment rotations have been performed as directed and managed by Headquarters, Marine Corps.

Maintaining current readiness levels will require continued support as our equipment continues to age at a pace exceeding replacement peace time rates. The Global War on Terrorism equipment usage rates average eight to one over normal peacetime usage due to continuous combat operations. This high usage rate in a harsh operating environment, coupled with the weight of added armor and unavoidable delays of scheduled maintenance due to combat, is degrading our equipment at an accelerated rate. If this equipment returns to CONUS, extensive service life extension and overhaul/rebuild programs will be required in order to bring this equipment back into satisfactory condition.

Even with these wartime demands, equipment readiness rates for Marine Forces Reserve deployed ground equipment in the CENTCOM AOR is averaging 93 percent. At home, as we continue to aggressively train and prepare our Marines, we have maintained ground equipment readiness rates of 91 percent. The types of equipment held by Home Training Centers are the same as those held within the Active Component. However, the “set” of ground equipment presently in garrison is not the full equipment combat allowance for Marine Forces Reserve. To reach the level of full equipment combat allowance for Marine Forces Reserve would require us to draw ground equipment from other allowances and inventory options across the Marine Corps. Additionally, due to the Marine Corps’ cross-leveling efforts of equipment inventories to support home station shortfalls resulting from equipment deployed in support of the Global War On Terrorism, Marine Forces Reserve will experience some equipment shortfalls of communication and electronic equipment. This specific equipment type shortfall will be approximately 10 percent across the Force in most areas, and somewhat greater for certain low density “big box” type equipment sets. Also, an infantry battalion’s worth of equipment originating from Marine Forces Reserve remains in support of deployed forces in the CENTCOM AOR. Although the equipment shortfalls will not preclude sustainment training within the Force, this equipment availability is not optimal.

Strategic Ground Equipment Working Group

For the past year, Headquarters, Marine Corps Installations and Logistics has chaired the Strategic Ground Equipment Working Group (SGEWG). The mission of this organization is to best position the Corps’ equipment to support the needs of the deployed Global War on Terrorism forces, the Corps’ strategic programs and training of non-deployed forces. My staff has been fully engaged in this process and the results have been encouraging for Marine Forces Reserve, leading to an increase in overall Supply Readiness of approximately 5 percent in most equipment categories. The efforts of the SGEWG, combined with the efforts of my staff to redistribute equipment to support non-deployed units, have resulted in continued training capability for the reserve forces back home.

Individual Combat Clothing and Equipment, Individual Protective Equipment

In order to continue seamless integration into the active component, my ground component priorities are the sustained improvement of Individual Combat Clothing and Equipment, Individual Protective Equipment and overall equipment readiness. I am pleased to report that every Reserve Marine deployed over the past year in support of Operation Iraqi Freedom and Operation Enduring Freedom, along with those currently deployed into harm’s way, were fully equipped with the most current Individual Clothing/Combat Equipment and Individual Protective Equipment. Your continued support of current budget initiatives will continue to properly equip our most precious assets—our individual Marines.

Critical Asset Rapid Distribution Facility

In order to ensure equipment is available to our deploying forces, I created the Marine Forces Reserve Materiel Prepositioning Program and designated my Special Training Allowance Pool (which traditionally held such items as cold weather gear) as the Critical Asset Rapid Distribution Facility (CARDF). The CARDF has been designated as the primary location for all newly fielded items of Individual Clothing and Combat Equipment for issue to Marine Forces Reserve. Equipment such as the Improved Load Bearing Equipment, Lightweight Helmet and Improved First Aid Kit has been sent to the CARDF for secondary distribution to deploying units.

Training Allowance

For Principle End Items (PEIs), Marine Forces Reserve units have established Training Allowances (on average approximately 80 percent of their established Table of Equipment). This equipment represents the minimum needed by the unit to maintain the training readiness necessary to deploy, while at the same time is still within their ability to maintain under routine conditions. Establishment of training allowances allows Marine Forces Reserve to better cross level equipment to support CONUS training requirements of all units of the Force with a minimal overall equipment requirement. Of course, this concept requires the support of the service to ensure that the “delta” between a unit’s Training Allowance and Table of Equipment (that gear necessary to fully conduct a combat mission) is available in the event of deployment. Current Headquarters Marine Corps policy of retaining needed equipment in theater for use by deploying forces ensures that mobilized Marine Forces Reserve units will have the PEIs necessary to conduct their mission.

Modernization

We are currently engaged in a two-pronged equipment programmatic strategy—resetting today's Force with operational equipment and determining the equipment requirements of your Future Force. I am extremely pleased to report to you that your Marine Reserve Component continues to evolve and adapt to best prepare and meet the spectrum of threats. Some of the most noteworthy accomplishments are those associated with the Marine Corps Force Structure Review Group (FSRG). As part of a Total Force effort, the Marine Corps Reserve is transforming underutilized legacy units into new units with higher threat-relevant capabilities while providing operational tempo relief in high-demand areas. These new units include an Intelligence Support Battalion, an Anti-Terrorist Battalion and two Light Armored Reconnaissance Companies.

The establishment of a Reserve Intelligence Support Battalion, presently underway, will enhance command and control while simultaneously establishing additional reserve component intelligence structure and capabilities. This initiative places Reserve Marine intelligence detachments at Joint Reserve Intelligence Centers (JRICs) throughout the continental United States, providing enhanced “reach back” through JRIC connectivity. Additionally, the ISB will enhance the capability to provide task-organized, all-source intelligence detachments to augment forward-deployed MAGTFs.

The 4th Marine Division's new Anti Terrorism Battalion will provide designated commanders with rapidly deployable, specially trained and sustainable forces that are capable of detecting terrorism, conducting activities to deter terrorism, defending designated facilities and conducting crisis response.

Finally, two new Light Armored Reconnaissance (LAR) Companies will increase the number of Reserve LAR Companies from four to six, thus supporting the equipping of units for future OIF rotations, adding much needed depth, and affording the combatant commander with enhanced maneuver capability. Light Armored Vehicles (LAV) from the four existing units will be redistributed among the six new LAR Companies to meet initial needs. However, internal LAV redistribution will not provide sufficient assets to maintain skill proficiency and deployment readiness, particularly for Marines just completing formal LAV training and joining their Reserve LAR units. Presently, both new LAR Companies are converting from two Tank Companies being divested as a result of FSRG, and personnel to man the new LAR Companies are available and have commenced formal LAV training.

National Guard and Reserve Equipment Appropriation

The Marine Corps Reserve appreciates past Congressional support provided under the National Guard and Reserve Equipment Appropriation (NGREA), an account that provides extraordinary leverage in fielding critical equipment to your Guard and Reserves. In fiscal year 2005, NGREA provided \$50 million (\$10 million for OIF/OEF requirements, and \$40 million for Title III procurement requirements), enabling us to robustly respond to the pressing needs of the individual Marine, Total Force and Combatant Commanders. This funding procures Counterintelligence HUMINT equipment suites, various communications gear (PRC-117F, PRC-150, Integrated Intra Squad Radios), laser target designators, night vision devices, Advanced Combat Optic Gunsight (ACOG) 4x32 scopes, simulators, AH-1W Aircraft Survivability Equipment, CH-46 lightweight seats, and many more war-fighting essential end items.

Highlighting selected items, NGREA enabled the procurement of the Virtual Combat Convoy Trainer—Marine (VCCT-M), a cognitive skills simulator that provides realistic convoy crew training and incidental driver training to your Marines. The first of these systems will be deployed to Naval Station Seal Beach, home site to 5th Battalion, 14th Marine Regiment, to assist in their preparation for deployment to Iraq. Another device procured through NGREA is the Medium Tactical Vehicle Replacement Training Simulator, a combined operator and maintenance training system that supports our new medium tactical vehicle. Additionally, NGREA afforded us the opportunity to purchase 1,175 TA-31F Advanced Combat Optic Gunsights (ACOG) 4x32 scopes. Marine Corps Program Managers have worked directly with the manufacturer in order for Marine Forces Reserve deploying units to receive the ACOG scopes before departing their home training center. I am also pleased to report that we have a combat capable F/A-18A+ squadron currently deployed as a direct result of previous years' NGREA funding for F/A-18A ECP-583 upgrades. Marine Fighter/Attack Squadron-142 has already seen action in Iraq. In summation, I can state without hesitation that NGREA is extremely vital to the Marine Corps reserve and that your Marines and Sailors are reaping the benefits both here and in theater.

My top modernization priorities looking forward and as described in the fiscal year 2006 National Guard and Reserve Equipment Report and other documents, include additional Light Armored Vehicles, PRC-117 radios, LAV Product Improvement Program, Initial Issue equipment (light weight helmets, outer tactical vests, Small Arm Protective Inserts (SAPI) plates), PRC-150 radios, CH-53 Integrated Mechanical Diagnostics System (IMDS), and Family of Mountain and Cold Weather Clothing and Equipment.

INFRASTRUCTURE

Marine Forces Reserve is and will continue to be a community-based force. This is a fundamental strength of Marine Forces Reserve. Our long-range strategy is to retain that strength by maintaining our connection with communities in the most cost effective way. We are not, nor do we want to be, limited exclusively to large metropolitan areas nor consolidated into a few isolated enclaves, but rather we intend to divest Marine Corps-owned infrastructure and locate our units in Joint Reserve Training Centers throughout the country. Marine Forces Reserve units are currently located at 185 sites in 48 states, the District of Columbia, and Puerto Rico; 35 sites are owned or leased by the Marine Corps Reserve, 150 are either tenant or joint sites. Fifty-four percent of the Reserve centers we occupy are more than 30 years old, and of these, 41 are over 50 years old. The fiscal year 2006 budget fully funds sustainment of these facilities and we are working through a backlog of restoration and modernization projects at centers in several states.

The age of our infrastructure means that much of it was built before Anti-Terrorism/Force Protection (AT/FP) was a major consideration in design and construction. These facilities require AT/FP resolution through structural improvements, relocation, replacement or the acquisition of additional stand-off distance. We appreciate the Congressional support provided for our Military construction program in fiscal year 2005 as it enables us to construct modern Amphibious Assault Vehicle maintenance facilities in Gulfport, Mississippi; Norfolk, Virginia and Jacksonville, Florida, and to replace the Reserve Center in Wilmington, North Carolina, a wood frame structure constructed in 1939. The fiscal year 2006 budget includes the replacement of the Reserve Centers in Charleston, South Carolina, a complex of buildings dating to 1942, and Mobile, Alabama. Other older Reserve Centers programmed for replacement include Dayton, Ohio; Memphis, Tennessee; Newport News, Virginia and Fresno, California.

Maintaining adequate facilities is critical to training that supports our readiness and sends a strong message to our Marines and Sailors about the importance of their service. With the changes in Force structure mentioned earlier, extensive facilities upgrades are required at a few locations. Our top priority sites are San Diego, California; Windy Hill (Marietta), Georgia; and Camp Upshur (Quantico), Virginia.

BRAC 2005

We look at BRAC 2005 as an opportunity to realize our long-range strategic infrastructure goals through efficient joint ventures and increased training center utilization without jeopardizing our community presence. We have integrated our force structure changes into our BRAC efforts to the greatest extent possible. In cooperation with other reserve components, notably the Army Reserve and the Army National Guard, we are working toward Reserve basing solutions that further reduce restoration and modernization backlogs and AT/FP vulnerability.

RECRUITING AND RETENTION

Like the active component, Marine Corps Reserve units primarily rely upon a first term force. Currently, the Marine Corps Reserve continues to recruit and retain quality men and women willing to manage commitments to their families, their communities, their civilian careers and the Corps. Recruiting and retention goals were met in fiscal year 2004, but the long-term impact of recent activations is not yet known. Despite the high operational tempo, the morale and patriotic spirit of Reserve Marines, their families and employers remains extraordinarily high.

At the end of fiscal year 2004, the Selected Marine Corps Reserve was over 39,600 strong. Part of this population is comprised of Active Reserve Marines, Individual Mobilization Augmentees and Reserve Marines in the training pipeline. An additional 60,000 Marines serve as part of the Individual Ready Reserve, representing a significant pool of trained and experienced prior service manpower. Reserve Marines bring to the table not only their Marine Corps skills but also their civilian training and experience as well. The presence of police officers, engineers, lawyers, skilled craftsmen, business executives and the college students who fill our Reserve

ranks serves to enrich the Total Force. The Marine Corps appreciates the recognition given by Congress to employer relations, insurance benefits and family support. Such programs should not be seen as “rewards” or “bonuses,” but as tools that will sustain the Force in the years ahead.

Support to the Global War on Terrorism has reached the point where 80 percent of the current Marine Corps Reserve leadership has deployed at least once. Nevertheless, the Marine Corps Reserve is currently achieving higher retention rates than the benchmark average from the last three fiscal years. As of January, fiscal year 2005, the OSD attrition statistics for Marine Corps Reserve unit officers is 10.9 percent compared to the current benchmark average of 15.8 percent. For the same time period, Reserve unit enlisted attrition is 6.4 percent compared to 8.5 percent average.

Good retention goes hand-in-hand with the successes of our recruiters. In fiscal year 2004, the Marine Corps Reserve achieved 100 percent of its recruiting goal for non-prior service recruiting (6,165) and exceeded its goal for prior service recruiting (2,083). For our reserve component, junior officer recruiting remains the most challenging area. We are successfully expanding reserve commissioning opportunities for our prior-enlisted Marines in order to grow some of our own officers from Marine Forces Reserve units and are exploring other methods to increase the participation of company grade officers in the Selective Marine Corps Reserve through increased recruiting efforts and increased active duty command emphasis on Reserve opportunities and participation. We thank Congress for the continued support of legislation to allow bonuses for officers in the Selective Marine Corps Reserve who fill a critical skill or shortage. We are aggressively implementing the Selected Reserve Officer Affiliation Bonus program and expect it to fill fifty vacant billets this year, with plans to expand the program in the coming years. We appreciate your continued support and funding of incentives such as this, which offset the cost that officers must often incur in traveling to billets at Marine Corps Reserve locations nationwide.

QUALITY OF LIFE

Our future success will rely on the Marine Corps' most valuable asset—our Marines and their families. We, Marine Forces Reserve, believe it is our obligation to arm our Marines and their families with as much information as possible on the programs and resources available to them. Arming our Marines and their families with information on their education benefits, available childcare programs, family readiness resources and the health care benefits available to them, provides them with unlimited potential for their quality of life.

Education

Last year I testified that there were no laws offering academic and financial protections for Reserve military members who are college students. I was glad to see that there is movement in Congress to protect our college students and offer greater incentives for all service members to attend colleges. I appreciate recent 2005 legislation protecting a military member's college education investments and status when called to duty.

More than 1,000 Marine Forces Reserve Marines chose to use Tuition Assistance in fiscal year 2004 in order to help finance their education. This Tuition Assistance came to more than \$1.9 million in fiscal year 2004 for more than 3,700 courses. Many of these Marines were deployed to Afghanistan and Iraq, and took their courses via distance learning courses. In this way Tuition Assistance helped to mitigate the financial burden of education and maintained progress in the Marine's planned education schedule. We support continued funding of Tuition Assistance as currently authorized for activated Reserves. I fully support initiatives that will increase G.I. Bill benefits for Reserve and National Guard service members, as it is a key retention and recruiting tool and an important part of our Commandant's guidance to enhance the education of all Marines. House Resolution 4200, passed by both the House and Senate in October 2004 authorized Montgomery G.I. Bill benefits for certain Reserve and National Guard service members and increased the benefits for others. I heartily thank you for this initiative and look forward to it's anticipated implementation by the Department of Veterans Affairs in September 2005.

Child Care Programs

Marines and their families are often forced to make difficult choices in selecting childcare, before, during and after a Marine's deployment in support of the Global War on Terror. We are deeply grateful for the joint initiative funded by the Department of Defense and announced on March 3, 2005 by the Boys and Girls Clubs of America and the National Association of Child Care Resource and Referral Agen-

cies. Without the fiscal authorization provided by the Senate and House, these programs could not have been initiated or funded. These combined resources have immeasurably contributed to the quality of life of our Marines' and their families. I thank you all for your support in the past and the future in providing sufficient funds for these key initiatives.

Family Readiness

Everyone in Marine Forces Reserve recognizes the strategic role our families have in our mission readiness, particularly in our mobilization preparedness. We help our families to prepare for day-to-day military life and the deployment cycle (Pre-Deployment, Deployment, Post-Deployment, and Follow-On) by providing educational opportunities at unit Family Days, Pre-Deployment Briefs, Return and Reunion, Post-Deployment Briefs and through programs such as the Key Volunteer Network (KVN) and Lifestyle Insights, Networking, Knowledge and Skills (L.I.N.K.S.). We also envision the creation of Regional Quality of Life Coordinators, similar to the Marine Corps Recruiting Command program, for our Reserve Marines and their families.

At each of our Reserve Training Centers, the KVN program serves as the link between the command and the family members, providing them with official communication, information and referrals. The Key Volunteers, many of whom are parents of young, un-married Marines, provide a means of proactively educating families on the military lifestyle and benefits, provide answers for individual questions and areas of concerns and, perhaps most importantly, enhance the sense of community within the unit. The L.I.N.K.S. program is a spouse-to-spouse orientation service offered to family members to acquaint them with the military lifestyle and the Marine Corps, including the challenges brought about by deployments. Online and CD-ROM versions of L.I.N.K.S. makes this valuable tool more readily accessible to families of Reserve Marines not located near Marine Corps installations.

MCCS One Source is another important tool that provides Marines and their families with around-the-clock information and referral service for subjects such as parenting, childcare, education, finances, legal issues, elder care, health, wellness, deployment, crisis support and relocation via toll-free telephone and Internet access.

The Peacetime/Wartime Support Team and the support structure within the Inspector and Instructor staff uses all these tools to provide families of activated or deployed Marines with assistance in developing proactive, prevention-oriented steps such as family care plans, powers of attorney, family financial planning, and enrollment in the Dependent Eligibility and Enrollment Reporting System.

All of these programs depend on adequate funding of our manpower and O&M accounts.

Managed Health Network

Managed Health Network, through a contract with the Department of Defense, is providing specialized mental health support services to military personnel and their families. This unique program is designed to bring counselors on-site at Reserve Training Centers to support all phases of the deployment cycle. Marine Forces Reserve is incorporating this resource into Family Days, Pre-Deployment Briefs and Return & Reunion Briefs to ensure a team approach. Follow-up services are then scheduled after Marines return from combat at various intervals to facilitate on-site individual and group counseling.

TRICARE

Since 9/11, Congress has gone to great lengths to improve TRICARE benefits available to the Guard and Reserve and we are very appreciative to Congress for all the recent changes to the program. Beginning April 2005, TRICARE Reserve Select will be implemented, providing eligible Guard and Reserve members with comprehensive health care. This new option, similar to TRICARE Standard, is designed specifically for reserve members activated on or after September 11, 2001 who enter into an agreement to serve continuously in the Selected Reserve for a period of 1 or more years. Other key provisions include coverage for Selected Reserves after an activation, which provides a year of coverage while in non-active duty status for every 90 days of consecutive active duty. The member must agree to remain in the Selected Reserve for one or more whole years. Also, a permanent earlier eligibility date for coverage due to activation has been established at up to 90 days before an active duty reporting date for members and their families.

The new legislation also waives certain deductibles for activated members' families. This reduces the potential double payment of health care deductibles by members' civilian coverage. Another provision allows DOD to protect the beneficiary by paying the providers for charges above the maximum allowable charge. Transitional health care benefits have been established, regulating the requirements and benefits

for members separating. We are thankful for these permanent changes that extend healthcare benefits to family members and extend benefits up to 90 days prior to their activation date and up to 180 days after de-activation.

Reserve members are also eligible for dental care under the Tri-Service Remote Dental Plan for a moderate monthly fee. In an effort to increase awareness of the new benefits, Reserve members are now receiving more information regarding the changes through an aggressive education and marketing plan. I would like to also ask Congress and this committee for their support of the new fiscal year 2005 legislation that includes improvements. These initiatives will further improve the healthcare benefits for our reserves and National Guard members and families.

Casualty Assistance

One of the most significant responsibilities of the site support staff is that of casualty assistance. It is at the darkest hour for our Marine families that our support is most invaluable. By virtue of our dispersed posture, Marine Forces Reserve site support staffs are uniquely qualified to accomplish the majority of all Marine Corps casualty notifications and provide the associated family assistance. Currently, Marine Forces Reserve conducts approximately 92 percent of all notifications and follow-on assistance for the families of our fallen Marine Corps brethren. In recognition of this greatest of sacrifices, there is no duty to our families that we treat with more importance. However, the duties of our casualty assistance officers go well beyond notification. We ensure that they are adequately trained, equipped and supported by all levels of command. Once an officer or staff noncommissioned officer is designated as a casualty assistance officer, he or she assists the family members in every possible way, from planning the return and final rest of their Marine, counseling them on benefits and entitlements, to providing a strong shoulder when needed. The casualty officer is the family's central point of contact, serving as a representative or liaison with the media, funeral home, government agencies or any other agency that may be involved. Every available asset is directed to our Marine families to ensure they receive the utmost support. The Marine Corps Reserve also provides support for military funerals for our veterans. The Marines at our reserve sites performed 7,621 funerals in calendar year.

The Marine Corps is also committed to supporting the wishes of seriously injured Marines, allowing them to remain on active duty if they desire or making their transition home as smooth as possible. Leveraging the organizational network and strengths of the Marine for Life program, we are currently implementing an Injured Support program to assist injured Marines, Sailors serving with Marines, and their families. The goal is to bridge the gap between military medical care and the Department of Veterans Affairs—providing continuity of support through transition and assistance for several years afterwards. Planned features of the program include: advocacy for Marines, Sailors and their families within the Marine Corps and with external agencies; pre and post-Service separation case management; assistance in working with physical evaluation boards; an interactive web site for disability/benefit information; an enhanced Marine Corps Community Services "One Source" capability for 24/7/365 information; facilitation assistance with Federal hiring preferences; coordination via an assigned Marine liaison with veterans, public, and private organizations providing support to our seriously injured; improved Department of Veterans Affairs handling of Marine cases; and development of any required proposals for legislative changes to better support our Marines and Sailors. This program began limited operations in early January 2005. We are able to support these vitally important programs because of the wide geographic dispersion of our units.

Marine For Life

Our commitment to take care of our own includes a Marine's transition from honorable military service back to civilian life. Initiated in fiscal year 2002, the Marine For Life program continues to provide support for 27,000 Marines transitioning from active service back to civilian life each year. Built on the philosophy, "Once a Marine, Always a Marine," Reserve Marines in over eighty cities help transitioning Marines and their families to get settled in their new communities. Sponsorship includes assistance with employment, education, housing, childcare, veterans' benefits and other support services needed to make a smooth transition. To provide this support, the Marine For Life program taps into a network of former Marines and Marine-friendly businesses, organizations and individuals willing to lend a hand to a Marine who has served honorably. Approximately 2,000 Marines are logging onto the web-based electronic network for assistance each month. Assistance from career retention specialists and transitional recruiters helps transitioning Marines tremendously by getting the word out about the program.

Employer Support

Members of the Guard and Reserve who choose to make a career must expect to be subject to multiple activations. Employer support of this fact is essential to a successful activation and directly effects retention and recruiting. With continuous rotation of Reserve Marines, we recognize that a the rapid deactivation process is a high priority to reintegrate Marines back into their civilian lives quickly and properly in order to preserve the Reserve force for the future. We support incentives for employers who support their activated Guard and Reserve employees such as the Small Business Military Reservist Tax Credit Act, which allows small business employers a credit against income tax for employees who participate in the military reserve component and are called to active duty.

CONCLUSION

As I have stated in the beginning of my testimony, your consistent and steadfast support of our Marines and their families has directly contributed to our successes, both past and present, and I thank you for that support. As we push on into the future, your continued concern and efforts will play a vital role in the success of Marine Forces Reserve. Due to the dynamics of the era we live in, there is still much to be done.

The Marine Corps Reserve continues to be a vital part of the Marine Corps Total Force Concept. Supporting your Reserve Marines at the 185 sites throughout the United States, by ensuring they have the proper facilities, equipment and training areas, enables their selfless dedication to our country. Since 9/11, your Marine Corps Reserve has met every challenge and has fought side by side with our active counterparts. No one can tell the difference between the active and reserve—we are all Marines.

The consistent support from Congress for upgrades to our war fighting equipment has directly affected the American lives saved on the battlefield. However, as I stated earlier, much of the same fighting equipment throughout the force has deteriorated rapidly due to our current operational tempo. In this regard, I fully support the fiscal year 2005 Supplemental request.

Although we currently maintain a high level of readiness, we will need significant financial assistance to refresh and/or replace our war fighting equipment in the very near future. Also, as the Marine Forces Reserve adjusts its force structure over the next 2 years, several facilities will need conversions to create proper training environments for the new units. Funding for these conversions would greatly assist our war fighting capabilities.

As I have stated earlier, NGREA continues to be extremely vital to the health of the Marine Corps Reserve, assisting us in staying on par with our active component. We would not have been able to attain our current level of deployed readiness while providing in-theater operational capabilities without your support of this key program.

My final concerns are for Reserve and Guard members, their families and employers who are sacrificing so much in support of our Nation. Despite strong morale and good planning, activations and deployments place great stress on these honorable Americans. Your continued support for “quality of life” initiatives will help sustain Reserve Marines in areas such as employer incentives, educational benefits, medical care and family care.

My time as Commander, Marine Forces Reserve has been tremendously rewarding. Testifying before congressional committees and subcommittees has always been a great pleasure, as it has afforded me the opportunity to let the American people know what an outstanding patriotic group of citizens we have in the Marine Corps Reserve. Thank you for your continued support.

Senator STEVENS. General Bradley.

STATEMENT OF LIEUTENANT GENERAL JOHN A. BRADLEY, CHIEF, AIR FORCE RESERVE, UNITED STATES AIR FORCE

General BRADLEY. Senator Stevens, sir, it is an honor to be here, a privilege to represent the men and women of the Air Force Reserve Command before you today. I want to thank you. I have provided a written statement, but orally I want to thank you for the generous support that you have given us over the years, and solicit your continued support for us.

We have so many thousands of very hard-working young men and women serving our Air Force, serving our Nation, helping it do its job around the world. I am very proud of them. Representing our enlisted force, I have with me today my Command Chief Master Sergeant, Chief Master Sergeant Jack Winsett with me here today in the hearing room. He gives me great advice and counsel about taking care of our enlisted force, the force who really help us get our job done.

Again, we thank you for the great support you have given us and we look forward to your questions, sir. Thank you.

Senator STEVENS. Thank you.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JOHN A. BRADLEY

Mr. Chairman, and distinguished members of the Committee, I appreciate the opportunity to appear before you today. I want to thank you for your continued support, which has helped your Air Force Reserve address vital recruiting, retention, modernization, and infrastructure needs. Your passage of last year's pay and quality of life initiatives sent a clear message to our citizen Airmen that their efforts are appreciated and supported by the American people, and also by those of you in the highest positions of government. Wherever you find the United States Air Force, at home or abroad, you will find the active and Reserve members working side-by-side, trained to one tier of readiness, seamlessly integrated into a military force that is READY NOW!

TOTAL FORCE

The Air Force Reserve (AFR) continues to address new challenges in 2005. Although Partial Mobilization persists, demobilizations have increased significantly. In spite of the strains that mobilization has placed on the personal and professional lives of our Reserve members, volunteerism continues to be a significant means of contribution. Volunteerism is the preferred method of fulfilling requirements for future Global War On Terror (GWOT) actions. While dedicated members of the Air Force Reserve continue to meet validated operational requirements, the AFR, in cooperation with the Air Force Personnel Requirements division is exploring ways to enhance volunteerism, including use of volunteer Individual Ready Reserve (IRR) members. Recruiting and retention of quality service members are a top priority for the Air Force Reserve and competition for these members among other services, as well as within the civilian community has reached an all-time high.

Recruiting

In fiscal year 2004, and for the last 4 consecutive years, Air Force Reserve Command (AFRC) exceeded its recruiting goal. This remarkable feat is achieved through the outstanding efforts of our recruiters and with the superb assistance of our Reserve members who help tell our story of public service to the American people. Despite the long-term effects of high Operations and Personnel (OPS/PERS) Tempo, AFRC only fell short of its fiscal year 2004 end-strength by .7 percent, reaching 99.37 percent, or merely 578 assigned short of congressionally funded requirements.

Recruiting continues to face significant challenges. The pool of active duty separatees continues to shrink due to force reductions over the last decade, and the competition for these members has become even keener. The active duty is intensifying its efforts in retention and the National Guard is competing for these assets as well. Additionally, the current high OPS/PERS Tempo and a perceived likelihood of activation and deployment are being routinely cited as significant reasons why separating members are declining to choose continuing military service in the Reserve. These issues further contribute to the civilian sector's ability to attract these members away from military service. One consequence of the reduced success in attracting separating members from active duty is the need to make up this difference through attracting non-prior service (NPS) members. Historically, Reserve Recruiting accesses close to 25 percent of eligible separating active duty Air Force members (i.e. no break in service), which accounts for a significant portion of annual accessions. While having enough Basic Military Training and Technical Training School quotas has long been an issue, the increased dependence on NPS accessions strains these requirements even further. To meet training requirements, 4,000 training slots per year are now allocated and funded for the Air Force Reserve.

A new forecasting tool developed by our training division allows everyone, from unit level to wing training managers, to Numbered Air Force (NAF) and AFRC Air Force Specialty Code (AFSC) functional managers, to participate in the forecasting with the Chief of Recruiting Services providing final approval.

Finally, with overall end-strength of the Air Force Reserve dipping below 100 percent, some career-fields are undermanned. In order to avoid possible readiness concerns, recruiters will continue to meet the challenge of guiding applicants to critical job specialties.

The Reserve is taking advantage of an active duty Force Shaping initiative. Beginning in fiscal year 2004 and ending in fiscal year 2005, the Air Force will offer active duty members the opportunity to use the Palace Chase program to change components. The Air Force Reserve is using this opportunity to access prior service members with critical career skills. In fiscal year 2004, 1,200 active duty members utilized Palace Chase to join the Air Reserve Component, with over half selecting the Air Force Reserve. This number may grow in fiscal year 2005.

For recruits who have not served in a military component, the development of the "Split Training Option" which began in October 2003, provides a flexible tool for recruiters to use in scheduling Basic Military Training classes and Technical School classes at non-consecutive times.

Retention

Retention in both officer and enlisted categories has remained strong. Fiscal year 2004 ended with officer retention at 92.3 percent and overall enlisted retention at 88.4 percent. These retention rates are in line with averages over the last 5 years.

As the Reserve Component (RC) continues to surge to meet operational requirements necessary for the successful prosecution of the GWOT, we continue to examine existing laws and policies that govern enlisted incentives and related compensation issues. The reserve enlisted bonus program is a major contributor to attract and retain both unit and individual mobilization augmentee members in those critical unit type code tasked career fields. To enhance retention of our reservists, we work to ensure relevant compensation statutes reflect the growing reliance on the RC to accomplish active duty missions and provide compensatory equity between members of both components. The reenlistment bonus authority of the active and reserve components is one area we are working to change. We continue to explore the feasibility of expanding the bonus program to our Air Reserve Technician (ART) members. In addition, the Aviation Continuation Pay (ACP), the Career Enlisted Flyers Incentive Pay (CEFIP) and Aircrew Incentive Pay (ACIP) continue to be offered to retain our rated assets, both officer and enlisted.

The Reserve has made many strides in increasing education benefits for our members, offering 100 percent tuition assistance for those individuals pursuing an undergraduate degree and continuing to pay 75 percent for graduate degrees. We also employ the services of the Defense Activity for Non-Traditional Education Support (DANTES) for College Level Examination Program (CLEP) testing for all reservists and their spouses.

We will continue to seek innovative ways to enhance retention.

Quality of Life Initiatives

We expanded the AFR Special Duty Assignment Pay (SDAP) program by including an additional six Air Force Specialty Codes to enhance recruitment and retention, improve program alignment, and provide parity to Reserve members. Where there is Reserve strength, the expansion authorizes the payment of SDAP to a reservist qualifying in the same skill and location as their active duty counterpart. The AFR SDAP program has continued to evolve and improve since Secretarial authority removed the tour length requirement for the Air Reserve Component in July 2000.

We appreciate the support provided in the fiscal year 2005 National Defense Authorization Act that expanded the Reserve health benefits. At your direction, the Department is implementing the new TRICARE Reserve benefits that will ensure the individual medical readiness of members of the Guard and Reserve, and contribute to the maintenance of an effective Air Force Reserve force. The Department has made permanent their early access to TRICARE upon notification of call-up and their continued access to TRICARE for 6 months following active duty service for both individuals and their families. We are implementing the TRICARE Reserve Select (TRS) coverage for Air Force Reserve personnel and their families who meet the requirements established in law. TRS is a premium-based healthcare plan available for purchase by certain eligible members of the National Guard and Reserves who have been activated for a contingency operation since September 11, 2001. This program will serve as an important bridge for all Reserve and Guard members as they

move back to other employment and the utilization of the private health care market. We believe that the design of TRS in a manner that supports retention and expands health benefits is creative and should be studied before any further adjustments are contemplated.

A change in the Joint Federal Regulation Travel policy authorized expenses for retained lodging for a member who takes leave during a TDY contingency deployment to be paid as a reimbursable expense. This change became effective February 24, 2004, and has since alleviated the personal and financial hardship deployed reservists experience with regard to retaining lodging and losing per diem while taking leave.

FLEET MODERNIZATION

F-16 Fighting Falcon

Air Combat Command and AFRC are upgrading the F-16 Block 25/30/32 in all core combat areas by installing Global Positioning System (GPS) navigation system, Night Vision Imaging System (NVIS) and NVIS compatible aircraft lighting, Situational Awareness Data Link (SADL), Target Pod integration, GPS steered "smart weapons", an integrated Electronics Suite, Pylon Integrated Dispenser System (PIDS), Digital Terrain System (DTS), and the ALE-50 (towed decoy system). The acquisition of the Litening Advanced targeting pod (ATP) marked the greatest jump in combat capability for AFRC F-16s in years. At the conclusion of the Persian Gulf War, it became apparent that the ability to employ precision-guided munitions, specifically laser-guided bombs, would be a requirement for involvement in future conflicts. Litening affords the capability to employ precisely targeted Laser Guided Bombs (LGBs) effectively in both day and night operations, any time at any place. This capability allows AFRC F-16s to fulfill any mission tasking requiring a self-designating, targeting-pod platform, providing needed relief for heavily tasked active-duty units. These improvements, and recent funding to upgrade all Litening pods to the latest version (Litening AT), have put AFRC F-16s at the leading edge of combat capability. The combination of these upgrades are unavailable in any other combat aircraft and make the Block 25/30/32 F-16 the most versatile combat asset available to a theater commander.

Tremendous work has been done to keep the Block 25/30/32 F-16 employable in today's complex and demanding combat environment. This success has been the result of far-sighted planning that has capitalized on emerging commercial and military technology to provide specific capabilities that were projected to be critical. That planning and vision must continue if the F-16 is to remain useable as the largest single community of aircraft in America's fighter force. Older model Block 25/30/32 F-16 aircraft require structural improvements to guarantee that they will last as long as they are needed. They also require data processor and wiring system upgrades in order to support employment of more sophisticated precision attack weapons. These models must have improved pilot displays to integrate and present the large volumes of data now provided to the cockpit. Additional capabilities are needed to eliminate fratricide and allow weapons employment at increased range, day or night and in all weather conditions. They must also be equipped with significantly improved threat detection, threat identification, and threat engagement systems in order to meet the challenges of combat survival and employment for the next 20 years.

A/OA-10 Thunderbolt

There are five major programs over the next 5 years to ensure the A/OA-10 remains a viable part of the total Air Force. The first is increasing its precision engagement capabilities. The A-10 was designed for the Cold War and is the most effective Close Air Support (CAS) anti-armor platform in the USAF, as demonstrated during the Persian Gulf War. Unfortunately, its systems have not kept pace with modern tactics as was proven during Operation Allied Force. Until the Litening II Advanced Targeting Pod (ATP) was integrated, the AGM-65 (Maverick) was the only precision-guided weapon carried on the A-10. The integration method used to employ the targeting, however, was an interim measure and the A-10 still lacks a permanent, sustainable means of integrating the Litening pod into its avionics. Additionally, there has been a critical need for a datalink to help identify friendly troops and vehicles, which will reduce fratricide. There has been a datalink solution available for the A-10 since 1996 and is currently employed on the F-16. Newer weapons are being added to the Air Force inventory regularly, but the current avionics and computer structure limits the deployment of these weapons on the A-10. The Precision Engagement (PE) and Suite 3 programs will help correct this limitation, but the AFR does not expect to see PE installed until fiscal year 2008 and it

still does not include a datalink. Next, critical systems on the engines are causing lost sorties and increased maintenance activity. Several design changes to the Accessory Gearbox will extend its useful life and reduce the existing maintenance expense associated with the high removal rate. The other two programs increase the navigation accuracy and the overall capability of the fire control computer, both increasing the weapons system's overall effectiveness.

Looking to the future, there is a requirement for a training package of 30 PRC-112B/C survival radios for 10th Air Force fighter, rescue, and special operations units. While more capable, these radios are also more demanding to operate and additional units are needed to ensure the aircrews are fully proficient in their operation.

One of the A-10 challenges is money for upgrade in the area of high threat survivability. Previous efforts focused on an accurate missile warning system and effective, modern flares; however, a new preemptive covert flare system may satisfy the requirement. The A-10 can leverage the work done on the F-16 Radar Warning Receiver and C-130 towed decoy development programs to achieve a cost-effective capability. The A/OA-10 has a thrust deficiency in its operational environment. As taskings evolved, commanders have had to reduce fuel loads, limit take-off times to early morning hours and refuse taskings that increase gross weights to unsupported limits. Forty-five AFRC A/OA-10s need upgraded structures and engines (two engines per aircraft plus five spares for a total of 95 engines).

B-52 Stratofortress

In the next 5 years, several major programs will be introduced to increase the capabilities of the B-52 aircraft. Included here are programs such as a Crash Survivable Flight Data Recorder and a Standard Flight Data Recorder, upgrades to the current Electro-Optical Viewing System, Chaff and Flare Improvements, and improvements to cockpit lighting and crew escape systems to allow use of Night Vision Goggles.

Enhancements to the AFRC B-52 fleet currently under consideration are:

- Visual clearance of the target area in support of other conventional munitions employment
- Self-designation of targets, eliminating the current need for support aircraft to accomplish this role
- Target coordinate updates to JDAM and WCMD, improving accuracy
- Bomb Damage Assessment of targets

In order to continue the viability of the B-52, several improvements and modifications are necessary. Although the aircraft has been extensively modified since its entry into the fleet, the advent of precision guided munitions and the increased use of the B-52 in conventional and Operations Other Than War (OOTW) operation require additional avionics modernization and changes to the weapons capabilities such as the Avionics Midlife Improvement, Conventional Enhancement Modification (CEM), and the Integrated Conventional Stores Management System (ICSMS). Changes in the threat environment are also driving modifications to the defensive suite including Situational Awareness Defense Improvement and the Electronic Counter Measures Improvement (ECMI).

Recently, the B-52 began using the Litening Advanced Targeting Pod to locate targets and employ precision weapons. The targeting pod interface has adapted equipment from an obsolete system. The system works but requires an updated system to take full advantage of the targeting pod capability.

Like the A-10, it also requires a datalink to help reduce fratricide as its mission changes to employ ordinance closer and closer to friendly forces. The Litening pod continues to see incremental improvements but needs emphasis on higher resolution sensors and a more powerful, yet eye-safe laser, to accommodate the extremely high employment altitudes (over 40,000 feet) of the B-52.

The B-52 was originally designed to strike targets across the globe from launch in the United States. This capability is being repeatedly demonstrated, but the need for real time targeting information and immediate reaction to strike location changes is needed. Multiple modifications are addressing these needs. These integrated advanced communications systems will enhance the B-52 capability to launch and modify target locations while airborne. Other communications improvements are the Global Air Traffic Management (GATM) Phase 1, an improved ARC-210, the KY-100 Secure Voice, and a GPS-TACAN Replacement System (TRS).

As can be expected with an airframe of the age of the B-52, much must be done to enhance its reliability and replace older, less reliable or failing hardware. These include a Fuel Enrichment Valve Modification, Engine Oil System Package, and an Engine Accessories Upgrade, all to increase the longevity of the airframe.

MC-130H Talon

In 2006, AFRC and Air Force Special Operations Command will face a significant decision point on whether or not to retire the Talon I. This largely depends on the determination of the upcoming SOF Tanker Requirement Study. Additionally, the MC-130H Talon II aircraft will be modified to air refuel helicopters. The Air Force CV-22 is being developed to replace the entire MH-53J Pave Low fleet, and the MC-130E Combat Talon I. The CV-22 program has been plagued with problems and delays and has an uncertain future. Ultimately, supply and demand will impact willingness and ability to pay for costly upgrades along with unforeseeable expenses required to sustain an aging weapons system.

HC-130P/N Hercules

Over the next 5 years, there will be primarily sustainability modifications to the weapons systems to allow it to maintain compatibility with the remainder of the C-130 fleet. In order to maintain currency with the active duty fleet, AFRC will accelerate the installation of the APN-241 as a replacement for the APN-59. Additionally, AFRC will receive two aircraft modified from the 'E' configuration to the Search and Rescue configuration. All AFRC assets will be upgraded to provide Night Vision Imaging System (NVIS) mission capability for C-130 combat rescue aircraft.

HH-60G Pave Hawk

Combat Search and Rescue (CSAR) Mission Area modernization strategy currently focuses on resolving critical weapon system capability shortfalls and deficiencies that pertain to the Combat Air Force's Combat Identification, Data Links, Night/All-Weather Capability, Threat Countermeasures, Sustainability, Expeditionary Operations, and Para rescue modernization efforts. Since the CAF's CSAR forces have several critical capability shortfalls that impact their ability to effectively accomplish their primary mission tasks today, most CSAR modernization programs/initiatives are concentrated in the near-term (fiscal year 2000-2006). These are programs that:

- Improve capability to pinpoint location and authenticate identity of downed aircrew members/isolated personnel
- Provide line-of-sight and over-the-horizon high speed LPI/D data link capabilities for improving battle space/situational awareness
- Improve Command and Control capability to rapidly respond to "isolating" incidents and efficiently/effectively task limited assets
- Improve capability to conduct rescue/recovery operations at night, in other low illumination conditions, and in all but the most severe weather conditions
- Provide warning and countermeasure capabilities against RF/IR/EO/DE threats
- Enhance availability, reliability, maintainability, and sustainability of aircraft weapon systems

WC/C-130J Hercules

The current fleet is being replaced with new WC-130J models. This replacement allows for longer range and ensures weather reconnaissance capability well into the next decade. Once conversion is complete, the 53rd Weather Reconnaissance Squadron will consist of 10 WC-130J's. Presently, there are ten WC-130J models at Keesler AFB, MS undergoing Qualification Test and Evaluation (QT&E). Deliveries were based on the resolution of deficiencies identified in test and will impact the start of operational testing and the achievement of Interim Operational Capability (IOC). Major deficiencies include: propellers (durability/supportability) and radar tilt and start up attenuation errors. AFRC continues to work with the manufacturer to resolve the QT&E documented deficiencies.

C-5 Galaxy

Over the next 4 years, there will be primarily sustainability modifications to the weapons systems to allow the C-5 to continue as the backbone of the airlift community. Several major modifications will be performed on the engines to increase reliability and maintainability. Additionally, the remainder of the fleet will receive the avionics modernization that replaces cockpit displays while upgrading critical navigational and communications equipment. Also, consideration is being made to install Aircraft Defensive Systems on C-5A aircraft. Installation of Aircraft Defensive Systems will increase the survivability of the C-5A in hostile situations.

C-17 Globemaster

In the summer of fiscal year 2005, the first AFRC Unit Equipped C-17 squadron will stand up at March AFB. This new squadron will enhance the mobility capabilities for the United States military in peacetime and in conflict by rapid strategic

delivery of troops and all type of cargo while improving the ability of the total airlift system to fulfill the worldwide air mobility requirements.

C-141 Starlifter

For the past 31 years, the C-141 has been the backbone of mobility for the United States military in peacetime and in conflict. In September 2004 the C-141 retired from the active-duty Air Force; however, Air Force Reserve Command will continue the proud heritage of this mobility workhorse and will fly the C-141 through the third quarter of fiscal year 2006. AFRC remains focused in flying the mission of the C-141 and looks to the future in transitioning to a new mission aircraft.

C-130 Hercules

AFRC has 127 C-130s including the E, H, J and N/P models. The Mobility Air Forces (MAF) currently operate the world's best theater airlift aircraft, the C-130, and it will continue in service through 2020. In order to continue to meet the Air Force's combat delivery requirements through the next 17 years, aircraft not being replaced by the C-130J will become part of the C-130X Program. Phase 1, Avionics Modernization Program (AMP) program includes a comprehensive cockpit modernization by replacing aging, unreliable equipment and adding additional equipment necessary to meet Nav/Safety and GATM requirements. Together, C-130J and C-130X modernization initiatives reduce the number of aircraft variants from 20 to two core variants, which will significantly reduce the support footprint and increase the capability of the C-130 fleet. The modernization of our C-130 forces strengthens our ability to ensure the success of our war fighting commanders and lays the foundation for tomorrow's readiness.

KC-135E/R Stratotanker

One of Air Force Reserve Command's most challenging modernization issues concerns our unit-equipped KC-135s. Eight of the nine air refueling squadrons are equipped with the KC-135R, while the remaining one squadron is equipped with KC-135Es. The KC-135E, commonly referred to as the E-model, has engines that were recovered from retiring airliners. This conversion, which was accomplished in the early- to mid-1980s, was intended as an interim solution to provide improvement in capability while awaiting conversion to the R-model with its new, high-bypass, turbofan engines and other modifications. The final KC-135E squadron is currently transitioning to the KC-135R/T Model aircraft which is scheduled to be completed in fiscal year 2005.

The ability to conduct the air-refueling mission has been stressed in recent years. Although Total Force contributions have enabled success in previous air campaigns, shortfalls exist to meet the requirements of our National Military Strategy. Air Mobility Command's (AMC) Tanker Requirements Study-2005 (TRS-05) identifies a shortfall in the number of tanker aircraft and aircrews needed to meet global refueling requirements in the year 2005. There is currently a shortage of KC-135 crews and maintenance personnel. Additionally, the number of KC-135 aircraft available to perform the mission has decreased in recent years due to an increase in depot-possessed aircraft with a decrease in mission capable (MC) rates.

I would like to close by offering my sincere thanks to each member of this Committee for your continued support and interest in the quality of life of each Air Force Reservist. The pay increases and added benefits of the last few years have helped us through a significant and unprecedented time of higher operations tempo. This is my first opportunity to represent these fine young men and women as the Chief of Air Force Reserve, and I know that we are on the right path in establishing a stronger, more focused, force. It is a force no longer in Reserve, but integrated into every mission of the Air Force.

Senator STEVENS. Do you have anything further, General Helmlly?

General HELMLY. No, sir.

Senator STEVENS. Gentlemen, you heard the discussion, I believe, about the bonuses and incentives for reenlistment. Could each of you tell me, what do you think is the most important incentive we have from your point of view for your service? General?

General HELMLY. Sir, let me say first that I am very conscious of the fact that there are two factors that play into a decision to enlist, as well as reenlist. The first one is of course the monetary

factor. The second one is a service ethic. We have recently really started to emphasize the service ethic.

I found when I assumed this position it was my judgment we had strayed too far in the direction of monetary only, so we have changed our recruiting ads, we have changed our retention focus. As I personally participated in reenlisting about 105 soldiers in January between Afghanistan and Iraq, there were two factors they cited when I signed their reenlistment papers after the ceremony.

The first one was that the \$5,000 to \$15,000 bump in the fiscal year 2005 authorization act for first term reenlistment was a deciding factor for them and their families. The second one, though, was—General McCarthy noted this—that the soldiers said, to a person: I am finally getting an opportunity to perform the skill for which I enlisted in the Army Reserve. That says to us that use of Reserve components, while not an anomaly in our Nation's history, has a decided effect on reenlisting the soldier.

Thus, I caution against those who would say that the stress on the Reserve components is such we should not use them. It is my judgment we will be more unready if we return to that kind of usage factor.

With regard to added incentives, I am conscious of the cost, and therefore it is my judgment that addressing the age at which the soldier becomes eligible to receive non-regular retired pay is a decided issue. I would also add that, while there is a decided monetary factor, our increase in money, I believe that we can create that money by looking at how we pay our soldiers on a daily basis.

Largely, we pay our soldiers through 27 different forms of orders, each of which carries different entitlements for different periods. The type I and II BAH, which has been examined, we should move to a simpler pay formula that largely pays the Reserve component member a day's pay for a day's duty with a single BAH and the same kinds of entitlements that the active member receives—flight pay, parachute duty, hazardous duty, language proficiency, medical proficiency, et cetera, a much simpler formula that would put them on a scale roughly equivalent to their active counterparts.

Last, I am not certain—in fact, I will tell you straight out, I share your concerns with regard to this pay comparability between my civilian employment level and the military pay. It is the lot of the American service member, all services, that all sacrifice. We have tremendous people in our Active components. To deny that some of them could achieve higher levels of pay in civilian life is a denial of the obvious. Many of them could.

I will turn it over to my colleagues, sir.

Senator STEVENS. I appreciate that.

Anyone else? Admiral.

Admiral COTTON. Sir, I would echo every one of the General's comments, and I would add three thoughts. I would say that recruiting for the Reserve component starts while still in the Active component. This is a culture piece that we are attacking in the Navy, to educate everyone in the Active component about the importance of the total force. We believe in this so much that we think that when you are in the Active component you should no longer fill out a resignation letter. We think instead you should fill

out a transition letter, because everyone does go to the Reserve component. We create expectations then.

When they go into the Reserve component, they either go full-time support, they become a selected reservist, or, as many of them do, they go into the IRR, the individual ready reserve, which I think that we have not paid much attention to in the past. There are a lot of skill sets out there. We need to devise the systems whereas we track people and incentivize them to update, probably web-based, the things that they are doing in their civilian lives that we could reach out and get them while under contract in the IRR. We call that Sea Warrior. We are using a five-vector model. We measure the civilian skill sets which sometimes are used in the global war on terror.

There is one other thought. There is a transition period, too. Our best recruit is someone who wants to re-serve. They are already trained. We recruit non-prior service, but the best people come with taxpayer money invested in them already as prior service. There is a transition period. For some people it is 3 months, 6 months; once they get steady, then they want to return to the force.

We need to open up the aperture going after those folks when they leave and incentivize them and our leadership to look at those folks. If people return within an amount of time, then the Active component should not be hurt on retention or attrition because they stay in the force.

Then last, about the parity, pay parity. We have to be careful of unintended consequences, because once you get in that foxhole, once you get out on the flight line, once you get aboard ship, when someone is earning more money than someone else because of some decision they made in prior life, you start to take apart good order and discipline. So I think we better watch that closely, sir.

Senator STEVENS. General McCarthy.

General MCCARTHY. Mr. Chairman, I have not heard anything from either General Helmly or Admiral Cotton that I disagree with. I think, quite frankly, that from my own service perspective that the bonuses that are in place right now seem in terms of recruiting and reenlistment, seem to be sufficient.

I will go back to what I said in my opening statement. Providing the funds and the equipment to enable first class training, first class preparation for combat of everybody in my force is the most important thing that I can do to recruit and retain the right people.

We have been asked and have made some transformations of the force. We have shifted, not a great deal, but we have made some shifts in force structure in line with what we have learned in the war. We have got to equip these new units with the things that they need. We have got the people now and we can call them newly transformed units, but if they are not equipped with the right gear we are going to lose those folks.

So those are very important issues, issues for us.

Senator STEVENS. Thank you.

General Bradley.

AIR FORCE RESERVE RETENTION AND EQUIPMENT

General BRADLEY. Senator Stevens, briefly—I will not elaborate at all. I agree completely with my colleagues. On the issue of bo-

nuses, they work certainly, but I do believe that there is an element of service that is keeping our people in, as General Helmly said earlier. They are very proud of what they are doing and the reason Air Force Reserve retention is higher than ever I believe is because people are very proud of what they do. They enjoy their jobs and their units and they believe they are contributing to something that is very good.

On the pay parity, it is a tough issue, but I believe the best quality of life is keeping people alive and the generosity that you all have shown, your subcommittee has shown, in helping fund our equipment items through the equipment accounts have had a dramatic impact on keeping people alive and giving us a much greater combat capability.

There is no free money anywhere, so making pay parity for the Federal Government, even though certainly employees would enjoy that, I think the inequities that it brings on between folks who are mobilized and Active component folks is not helpful. I would rather spend money that we could get for the continued equipment improvements that you have given us in the past, continuing to do those unfunded items that give us much greater combat capability. We have demonstrably improved our capabilities and are a much more effective force because of that, and I think that is where we ought to put the money, to give us the better equipment and properly equip our people so that they can stay alive and do that job.

Senator STEVENS. I have been called to the floor, but I do have one last question I would like to have your views on. We have been told that we have another amendment that is involved in our bills this year. We have been told that if the tempo of operations is such that people in the Guard and Reserve are being called up too often, one of the amendments says if they are called up for a period of time and serve more than 6 months they cannot be called up again for 1 year.

What would that do to your operations if we agreed to an amendment like that?

General HELMLY. Sir, as you know, the partial mobilization law under which we are operating carries with it a legal limit of 2 years, and I believe I am correct that the language in that law specifies that 2 years is computed as consecutive, 24 consecutive months. After the President declared partial mobilization in a national emergency on September 14, 2001, the Department of Defense issued guidance that limited us to a 12-month limit and that was to be counted as not consecutive but cumulative. We are still operating under that, except that frequently it is 18 months.

We have heard from Reserve component members in our force that they can stomach a deployment of about 12 to 14 months every 4 to 5 years. Thus, we have built a model that would routinely plan to call them to active duty for 6 to 9 months every 4 to 5 years, understanding it could be more frequently.

It is my judgment if we went to 6 months out of 18, that period of time we call dwell time in the Army, between the mobilization or call to active duty, is in fact too short and too frequent. I believe that we need to make the dwell time for the Reserve component member a minimum of 3 years, and that is why we are using the

4-to 5-year model, with 6 to 9 months' active duty during that time every 4 to 5 years.

Some people will wish to exceed that. I believe that our authorities, given increased flexibility, can accommodate that.

Senator STEVENS. Admiral Cotton.

Admiral COTTON. I would agree with the General and add a couple of thoughts. We tend to try to make it clean and simple, one rule fits all. In this case it does not. We have HD/LD—high demand, low density—capabilities and units that we seem to have an appetite for as we do phase four war. There also is an intensity factor as well as a refinement of deployment. Deployment to Guantanamo Bay is far different than it is to the Sunni Triangle, as it is to the highlands of Afghanistan or to other installations around the world that we use to prosecute the global war on terror. So there is a fatigue factor for people going to different theaters.

We like to use a 6- to 7-month deployment model, with training en route as well as a decompression time, to limit to about 1 year. Then, using the Secretary of Defense's (SECDEF's) planning factor of 1 year out of 6, or 6 months every 3 years or however you want to do this, best use the skill set, keeping in mind that certain HD/LD assets are being used inside that planning factor just like the general set.

With that said, I would echo all the Generals that the response by our people is fantastic. Everywhere I go there are hands in the air for people to go for the first time as well as to go for the second and third time. Keeping in mind that some people cannot, we have other volunteers. So unit integrity is important, but I tell everyone that they are individually mobilizable, that they can train en route and fill the holes, the requirements we need.

Thank you, sir.

Senator STEVENS. General McCarthy.

General MCCARTHY. Sir, I would think that the provision that you talked about would be very destructive. One size does not fit all. My force is a different size and shape than Ron's and it needs a metric that fits the Marine Corps model, not something that is cast over everybody. So I think that 6 months and 1 year would be a bad and an adverse provision for the Marine Corps Reserve.

Senator STEVENS. Thank you very much.

General Bradley.

AIR FORCE RESERVE RECRUITMENT

General BRADLEY. Senator Stevens, sir, I would agree entirely with General McCarthy. The Air Force has a different model. We do as much as we can through volunteerism. In fact, we do a very large percentage of Air Force missions every day with volunteers.

That being said, we have mobilized nearly 40 percent of the Air Force Reserve since September 11, 2001. We have had thousands of people who have been mobilized, demobilized, and remobilized, sometimes three mobilizations. It certainly is a little bit disruptive. But I would be very opposed to tying the hands of our service in being able to get access to the people it needs.

We are allowed, as senior leaders in the Air National Guard and Air Force Reserve, to work inside the service many times to use

volunteers to fill those slots. So it is not someone who is disrupted badly or opposed to it. So we would be opposed to those strictures.

Senator STEVENS. Well, thank you all very much. When Senator Hollings and I came back from that trip that I talked about, we recommended to Senator Stennis that he recommend to the Department that we use Guard and Reserve forces selectively in Europe. At that time there were none there at all. That interjected into the draftee regular services the volunteers who were in the Guard and Reserve for a short period of time at that time.

ADDITIONAL COMMITTEE QUESTIONS

But I do think that we have come a long way now with the total force, and you all make a terrific case for this. I have advocated that the Chief of the Guard and Reserve Bureau, and that it be that, have a place in the Joint Chiefs of Staff. That has never occurred, but I do think total force now calls for a permanent presence on the Joint Chiefs of Staff of a representative of all of these people who do fill in so often and so well into the total force. We are going to continue with that. I hope some day we will win.

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

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JAMES R. HELMLY

QUESTION SUBMITTED BY SENATOR TED STEVENS

RECRUITING AND RETENTION

Question. What recruiting and retention incentives are working well for your services and are there any additional authorities that you believe would be more helpful than what you currently have?

Answer. The Army Reserve is making every effort to improve recruiting and retention by utilizing the current incentives authorized and by recommending possible changes in laws and policies that are outdated for the current Global War on Terror missions. Prior to the implementation of the new bonuses (Oct–Dec), the average monthly reenlistment production was 1,241 reenlistments. The following are working well:

- The increase in the reenlistment bonus amount to \$15,000; payable in lump sum and in conjunction with the expanded eligible years of service from 14 years to 16 years to qualify for a reenlistment bonus.

- The Selective Reenlistment Bonus (SRB) for Army Reserve, Active Guard Reserve (AGR). The total number of reenlistments for AGR Soldiers can be attributed to the SRB and expanding the eligible years of service from 14 years to 16 years to qualify for a reenlistment bonus. The number of Soldiers on their initial AGR tours increased along with the number of indefinite reenlistments.

After the implementation of the bonuses (Jan–May), the average monthly production rose to 1,511 reenlistments per month. That equates to a 22 percent increase in reenlistments after the introduction of the new bonuses. For AGR Soldiers, in fiscal year 2003, we had a total of 1,040 reenlistments, fiscal year 2004 1,527, and fiscal year 2005, as of June 30, a total of 1,515.

The Officer Affiliation Bonus implemented, January 25, 2005, has not had the anticipated effect of attracting Active Component officers to the Army Reserve as troop program unit members. The law that defines this incentive prohibits officers who have service in the Selected Reserve previously from being eligible for the incentive. The removal of this restriction along with an increase in the bonus amount from \$6,000 to \$20,000 will assist in reducing the Army Reserve company grade shortage. Other improvements we believe will assist us in recruiting and retention include establishing a stabilization policy for active duty Soldiers who have deployed and subsequently opt to join the Selected Reserve, increasing the Non-Prior Service Enlistment Bonus cap to \$40,000, increasing the eligible years of service for a reenlistment bonus to 20 years, raising the SRB for AGR cap to \$30,000, the TPU reenlist-

ment bonus cap to \$45,000, the Officer Accession and Affiliation Bonus cap to \$20,000, and increasing the Prior Service Enlistment Bonus cap to \$25,000.

QUESTION SUBMITTED BY SENATOR RICHARD C. SHELBY

FISCAL YEAR 2006 ARMY RESERVE TRANSFORMATION

Question. What are the plans to transform the Army Reserve and why do you believe that during this time of war it is so important to radically change how the Army Reserve does business? Do you have the resources to accomplish this transformation, both equipment and personnel, and what can Congress do to assist?

Answer. ARFORGEN, the Army Force Generation Model, is a centerpiece of Army transformation. It is a managed force readiness framework through which all units flow. The Army Reserve organizes into expeditionary force packages of skill-rich combat support and combat service support units that complement other Army and Joint capabilities in support of Combatant Commanders. Unit manning strategies bring enhanced stability, facilitating training for Army Reserve Soldiers and units and growth and development of Army Reserve leaders. Advancing through “Reset/Train”, “Ready”, and “Available” force pools, these modular packages progress through individual training and increasingly complex collective training and achieve readiness levels heretofore unattainable. Additionally, this cyclic pattern eases one of the biggest concerns of our Soldiers, their families, and their employers—a lack of predictability, a major factor in recruiting and retention.

In order to fully support ARFORGEN, we are restructuring and modularizing our units in order to maximize operational capabilities. One element of that initiative is the establishment of a Trainees, Transients, Holdees, and Students (TTHS) account, similar to that used by the Active Army, which will allow commanders to focus on their primary mission—training Army Reserve Soldiers and units and growing and developing Army Reserve leaders. Active and intensive management of the TTHS ensures that Soldiers return to their units as quickly as possible. Another element is the divestiture of unnecessary command and control (C²) structure. Specifically, reducing non-deployable overhead by inactivating 10 Regional Readiness Commands (RRC) creates an opportunity to establish four Regional Readiness Sustainment Commands (RRSC) and new modular operational and deployable C² structures. While the manning, training, equipping, and sustaining strategies continue to be developed, Army Reserve transformation is generally resourced through investment and re-investment of available and programmed resources.

These changes are all taking place as the Department of Defense Base Realignment and Closure (BRAC) recommendations are being studied by the BRAC Commission. BRAC is a good news story for the Army Reserve, and, as an active participant in the process, the expectation is that the outcome will be very beneficial. Strategically placed, new and efficient Armed Forces Reserve Centers not only create efficiencies, but also encourage “Joint-ness” and honor our Soldiers and civilian employees by providing facilities commensurate with the quality of their service.

Finally, efforts are underway to reengineer the process by which Soldiers are mobilized and brought to active duty. They capitalize on all the initiatives mentioned above to move from an “alert-train-deploy” construct to a “train-alert-deploy” model. Central to those efforts are investments and reinvestments in all areas of Soldier readiness (medical, dental, training, and education) before mobilization to ensure that required capabilities are available to the Combatant Commanders as quickly and efficiently as possible.

QUESTIONS SUBMITTED TO VICE ADMIRAL JOHN G. COTTON

QUESTION SUBMITTED BY SENATOR TED STEVENS

Question. What recruiting and retention incentives are working well for your services and are there any additional authorities that you believe would be more helpful than what you currently have?

Answer. The Fiscal Year 2005 National Defense Authorization Act made significant changes to our existing Reserve Component bonus structure, in many cases tripling the amount of bonuses as well as permitting lump sum payments. These changes have significantly enhanced our ability to compete for talent in a very challenging recruiting environment, as well as in our ability to retain quality Sailors.

The Department of Defense has submitted two legislative proposals for fiscal year 2006 that will provide additional authorities to further enhance our Reserve Component incentivization ability.

The first proposal would modify 37 U.S.C. 316 regarding payment of Foreign Language Proficiency Pay (FLPP) to permit payment of FLPP either in an annual lump sum or in installments.

This proposal would also permit both Active and Reserve Component members to receive the maximum of \$12,000 in one year period, further enabling our ability to acquire and retain these GWOT-critical skill sets. This would increase the Reserve Component benefit to match the Active Component benefit.

The second proposal to 37 U.S.C. 308c would revise the existing Selected Reserve enlistment and affiliation bonuses to provide the Reserve components with a more flexible and enhanced incentive for members separating from active duty to affiliate with a unit or in a position in the Selected Reserve facing a critical shortage.

Section 618 of the 2005 National Defense Authorization Act increased the Selected Reserve enlistment bonus to \$10,000, which will help the Reserve components meet their non-prior service recruiting objectives. This new proposal would extend the enhanced enlistment bonus to members who are separating from active duty and agree to affiliate with the Selected Reserve. The current prior service enlistment bonus is only available to individuals who have completed their military service obligation and been discharged. The current affiliation bonus for members with a remaining military service obligation is inadequate; it only pays members \$50 for each month of remaining service obligation. This section would increase the maximum bonus amount paid to members with a remaining service obligation who agree to continue their military career by joining the Selected Reserve. Because of their military training and experience, the military departments place great emphasis on retaining these members in the Selected Reserve after they separate from active duty. It is more cost-effective and provides a more ready force than only recruiting individuals who never have served in the armed forces. Having the authority to provide a richer incentive to members who agree to serve in the Selected Reserve following release from active duty is increasingly more important in light of the recruiting challenges experienced by some Reserve components in fiscal year 2005.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

Question. Admiral Cotton, I have been informed that the Navy's Distributed Common Ground System has arrived at Naval Station Pascagoula. The potential Homeland Defense capabilities it can provide are impressive and we are glad to have it at the Naval Station. Admiral Clark stated that the Navy plays a critical role in supporting the Coast Guard with the Maritime Domain Awareness program. Your statement indicates that the Navy Reserve plans to fully support this initiative.

How will the Distributed Common Ground System support the Maritime Domain Awareness requirements?

Answer. The system associated with Pascagoula is the Littoral Surveillance System (LSS), which is a Navy System under the resource sponsorship of OPNAV N71 (Net-Centric Warfare Division). LSS is a legacy precursor of the Distributed Common Ground System (DCGS), which is designed to support deliberate strike and time sensitive targeting missions. There is no Navy requirement to utilize LSS or DCGS in support the Maritime Domain Awareness (MDA) mission.

The Navy plays an integrated role in supporting the Coast Guard in MDA. Ongoing efforts are focused in the areas of data fusion and a blue water broad area surveillance capability. A congressionally-directed Coast Guard demonstration of LSS will be conducted at the Joint Harbor Operations Center (JHOC) in Pascagoula.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL DENNIS M. MCCARTHY

QUESTION SUBMITTED BY SENATOR TED STEVENS

Question. What recruiting and retention incentives are working well for your services and are there any additional authorities that you believe would be more helpful than what you currently have?

Answer. Incentives are an integral tool used in the proper manning of our Reserve Force. Currently, the recruiting and retention incentives working well for the Marine Corps include the enlistment and reenlistment bonus (Title 37, sec. 308b/c), the affiliation bonus (Title 37, sec. 308e), and the Montgomery GI Bill-SR Kicker. The authorized increases in the bonus amount for these bonuses in fiscal year 2005 will assist us in keeping our best and brightest Marines. The Marine Corps Reserve is in the process of implementing the Conversion Bonus (Title 37, sec. 326) in order to facilitate changes for Reserve Marines impacted by the recent changes approved by the 2004 Force Structure Review Group.

The funding increases and flexibility provided in the Fiscal Year 2005 National Defense Authorization Act are an invaluable asset to our continued recruitment and retention mission. The approved legislation allowing payment of an affiliation bonus for officers to serve in the Selected Marine Corps Reserve will greatly assist in increasing officer participation and meeting our current junior officer requirements. The ability to pay lump sum payments for enlistments and reenlistments is expected to increase the present value of the incentive and continue to positively influence highly qualified personnel. The Critical Skills Retention Bonus under consideration for fiscal year 2006 will provide us greater flexibility to meet the emerging requirements of the Global War on Terrorism and will allow us to better target bonuses where they are needed most.

The Marine Corps takes pride in prudent stewardship of the resources allocated to the Selective Reserve Incentive Program. Reserve Affairs has recently conducted a thorough review of its incentive programs and is in the process of improving the implementation of these programs. Many of the programs are in the initial stages of change and will be constantly monitored to improve their effectiveness.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JOHN A. BRADLEY

QUESTION SUBMITTED BY SENATOR TED STEVENS

RECRUITING AND RETENTION

Question. What recruiting and retention incentives are working well for your services and are there any additional authorities that you believe would be more helpful than what you currently have?

Answer. Enlistment bonuses continue to work well, however, we are at a competitive disadvantage as other Services and Components have opted to fund these programs due to their current recruiting and retention problems.

Recruits routinely consider all the different Services and are aware of the bonus amounts available. When job counseling, applicants routinely ask, "What career fields are paying bonuses and how much?" Additional benefits of high interest are health benefits that bridge periods of non-active participation as well as expanded education benefits.

The Student Loan Repayment Program (SLRP) is an often-requested incentive. The Air National Guard offers enlists the SLRP as do most other Services in the Department of Defense. A recent study by the National Center for Education Statistics shows that about 50 percent of recent college graduates have student loans with an average debt of about \$10,000. In fiscal year 2004 almost 29 percent of all Air Force Reserve Component accession had some college and 17 percent of all enlisted accessions had some college.

Basic Allowance for Housing (BAH) rate II is a barrier to volunteerism. Eliminating BAH II will create parity with Active Duty members performing the same types of duty.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

FUTURE TOTAL FORCE

Question. General Bradley, with the intense pace of military operations around the world, all the Services must face tough decisions when it comes to providing enough experienced personnel to serve back home as instructors. I have been informed that the Air Force Reserve augments the active Air Force with experienced instructor pilots; ensuring flight training units like the one at Columbus Air Force Base have the personnel they need to train future forces. Does this budget request provide the necessary resources for the reserves to perform this additional mission?

Answer. The Air Force Reserve submitted a budget for fiscal year 2006 that attempted to provide adequate resources for all competing requirements. An aggregate of all unit-submitted requirements amounts to a significantly larger set of needs than the available resources. In the specific instance of the training being accomplished at Columbus AFB, full-time Active Guard/Reserve personnel provide much of the instructor workload. We also have a smaller population of Traditional Reserve personnel who also provide instruction. Both sets of personnel are resourced within the Reserve Personnel, Air Force and Air Force Reserve Operations and Management appropriations. In the broader context of providing both training and trained personnel in support of the Active Air Force, the Air Force Reserve also has three unit-equipped, Flight Training Units (FTUs), has Individual Mobilization

Augmentees (IMAs) assigned at most Air Force training venues, and provides a host of training resources at the many installations on which we are co-located or associated with active duty units. In all of these instances, there is recognition that additional resources would improve the quantity and quality of the support the Reserve would be able to provide. In terms of buying power, the re-allocation of resources from traditional Reserve training activities to supporting the Global War On Terrorism has significantly diminished school and qualification/certification training opportunities throughout the Air Force Reserve.

C-130E

Question. General Bradley, I am aware of the proposal to terminate the C-130J program, and the recent grounding of part of the C-130E fleet. I understand that the C-130 is being heavily used in on-going operations, and that its use in Iraq has reduced the number of truck convoys, and therefore reduced the exposure of our ground troops to threats like improvised explosive devices. If the C-130J program is terminated, what will be the impact on the reserve forces?

Answer. If the C-130J program is terminated, the short-term effect (five years) to Air Force Reserve Command (AFRC) is minimal, and the long-term impact (ten plus years) would be moderate. However, the indirect impact is yet to be determined as the program termination may result in the transfer of newer AFRC C-130H-models to active duty units to fill the C-130J gap.

No impacts to 815 AS, Keesler, MS. Unit will receive full complement of 8 x C-130J aircraft by end fiscal year 2007 under the pre-termination procurement plan.

Willow Grove will not receive 8 x C-130J in fiscal year 2014 and fiscal year 2015 as planned.

Current C-130E's at Willow Grove have no restrictions on the Center Wing Box (First restricted plane estimated fiscal year 2017).

Minneapolis-St Paul will not receive 8 x C-130J in fiscal year 2014 and fiscal year 2015 as previously planned.

C-130E aircraft were replaced with newer H models, therefore, no impact on mission.

Eight recently assigned C-130Hs to be modernized under the Aircraft Modernization Program in fiscal year 2010 and fiscal year 2011.

SUBCOMMITTEE RECESS

Senator STEVENS. Thank you all for your service. We are going to reconvene this subcommittee to hear testimony from Secretary Rumsfeld and General Myers on Wednesday, April 27. Thank you very much.

[Whereupon, at 11:42 a.m., Wednesday, April 20, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, April 27.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

WEDNESDAY, APRIL 27, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:47 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens, Cochran, Specter, Bond, Shelby, Gregg, Burns, Inouye, Byrd, and Feinstein.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY

STATEMENT OF HON. DONALD H. RUMSFELD, SECRETARY OF DEFENSE

ACCOMPANIED BY:

GENERAL RICHARD B. MYERS, U.S. AIR FORCE, CHAIRMAN, JOINT CHIEFS OF STAFF

HON. TINA JONAS, UNDER SECRETARY OF DEFENSE—COMPTROLLER

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Secretary Rumsfeld, General Myers, we welcome you back before the subcommittee at this important time for our Nation and the Department of Defense (DOD) and we welcome the Comptroller, Tina Jonas. The focus of our hearing today is on the fiscal year 2006 defense budget. This is our normally scheduled hearing where we ask the Secretary of Defense and the Chairman of the Joint Chiefs to testify near the end of our hearing cycle to provide their important perspectives on the budget.

General Myers, I understand this may be your last hearing with us as you plan to retire this year after 40 years of service. We hope we will see you again, but in any event we congratulate you and commend you for your service to our Nation and your appearances before our subcommittee and for your personal friendship.

General MYERS. Thank you, Mr. Chairman.

Senator STEVENS. We have enjoyed that very much.

General MYERS. Thank you.

Senator STEVENS. The budget request for defense reflects a shift in priorities for the Defense Department, spending more on personnel, the defense health programs, special operations forces, chemical and biological defense, and restructuring Army and ma-

rine ground forces and less on aircraft and ships designed for conventional war.

The subcommittee continues to review this request and we look forward to this hearing today and the discussion with you of your priorities in the budget regarding investments for the future of our military. We would also welcome any operational update you may wish to provide.

Your full statements will be part of our subcommittee record. We would ask each member to be limited to 5 minutes in an opening round of questions. Time permitting, we will proceed to a second round of questioning.

I would like to ask our chairman if he has any remarks. Chairman Cochran, do you wish to make a comment?

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, no. I just join you in welcoming our distinguished witnesses and commend them for the tremendous leadership that they are providing to our country in this very important time in our history.

Senator STEVENS. Thank you very much, Mr. Chairman. Our co-chairman, Senator Inouye.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Mr. Chairman, thank you. I want to echo your comments in thanking General Myers for his long service to our Nation and for the stellar job he has done. I can tell you that we sincerely appreciate all you have done for us.

General MYERS. Thank you very much.

Senator INOUE. Gentlemen, the Defense Department has received unprecedented funding levels during the past few years. Even in inflation-adjusted dollars, the levels surpass anything we have seen since World War II. One would think that with the funding that has been provided we would not be facing any budgetary issues. Unfortunately, that is not the case.

We understand the services are having problems with recruiting and retaining military personnel. We know that some have raised concern about the proposed cuts in the F-22, C-130, and shipbuilding. We recognize that there is a great demand to expand pay and benefits for men and women who serve. So too, there are difficult policy questions being considered.

So how does the military adapt to improve intelligence capability without violating policies on the conduct of covert activity? Will we require a permanent increase in our forces to meet the challenges that the Nation faces today? Is the Nation prepared to implement changes in defense policy regarding space control? Does the new conventional global strike concept create challenges for arms control treaties?

Today we have more than 150,000 men and women deployed in harm's way in Iraq and Afghanistan, and their willingness to serve and the heroism they have displayed every day is an inspiration to all of us. We know you share our goal to ensure that they are taken care of. Together we have a responsibility to provide them with the equipment they need to fight, to offer support for their families

back home, and to guarantee fair policies which ensure equitable treatment for each service member across all departments.

I am certain I speak for all when I say we appreciate all that you have done on our behalf.

So, Mr. Chairman, General Myers, we are most pleased you could be with us to share with us your views, and I look forward to the testimony.

Thank you very much.

Senator STEVENS. May I ask if any member has a problem and must leave before we have a chance to hear the Secretary and General through? Senator Bond.

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Thank you very much, Mr. Chairman. My apologies to my colleagues, but we are trying to get the long-delayed highway bill to the floor at 11 o'clock and there is some interest, as I gather from talking to my colleagues, about trying to pass the highway bill. If it is all right, I would like to make a very brief statement to our distinguished panel, leave some questions for the record, because I will not be able to participate.

Senator STEVENS. Each member is going to be recognized for 5 minutes. We would recognize you at this time, Senator.

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

Mr. Secretary, General Myers, Under Secretary Jonas: We thank you for being here, the great work you do, the positions and responsibility you hold. Several items that are very important to me and to the people I serve. As founding co-chair of the National Guard Caucus, we do not have to tell you that 50 percent of the combat force in Iraq and approximately 40 percent of the entire force is composed of the National Guard. Anybody who knows the Guard, as I have known from working as their commander in chief in Missouri for many years, knows that it comes at a price.

Lieutenant General Blum has expressed concern about equipment shortfalls for Guard forces here at home, and I would ask most respectfully that you focus your attention on the readiness needs of the CONUS-based forces. Additionally, I would ask that you review the future total force (FTF) strategy of the Air Force, which has many Guard leaders and several of my colleagues and me concerned that the future total force may turn into a futile total force if the Air Guard is not provided a substantive role.

I have two letters that I recently received copies of from senior representatives of the National Guard. I will provide those for the record and copies for you, sir. A letter from Major General Rataczak, the President of the Adjutants General Association, to General Jumper expressing concerns about the FTF, stating that "Issues exist that could be very detrimental to the National Guard, to the point of irreversible deterioration. In particular, we fear the initiative as we understand it will cause serious gaps in the capability to defend the homeland."

The second letter, from Brigadier General Stephan Koper, President of the National Guard Association, to Congressmen on the House Armed Services Committee (HASC), says: "Our membership is expressing grave concern about the direction of the FTF plan and its immediate negative impact on the Air Guard force struc-

ture. Concerns include continuation of the air sovereignty mission, funding transition mission personnel from current missions to future missions, and the limited role adjutants general have played in the developing the FTF plan and its impact on the Air Guard in anticipate of base realignment and closure (BRAC).”

[The information follows:]

MARCH 17, 2005.

The Honorable DUNCAN L. HUNTER,
Chairman, House Committee on Armed Services, 2120 Rayburn House Office Building, Washington, DC 20515-6035.

The Honorable IKE SKELTON,
Ranking Minority Member, House Committee on Armed Services, 2120 Rayburn House Office Building, Washington, DC 20515-6035.

DEAR CHAIRMAN HUNTER AND CONGRESSMAN SKELTON: This decade our military forces have faced some of the greatest challenges in our nation's history. By supporting successful missions in Operation Enduring Freedom, Noble Eagle and Operation Iraqi Freedom, while at the same time transforming to face the threats of the future, our Air National Guard has played a critical role in supporting U.S. strategic interests at home and abroad.

Currently, the Department of the Air Force is developing its transformation plan, called Future Total Force (FTF). Over the years, the ANG has proven its willingness to transform and evolve. However, our membership is expressing grave concerns about the direction of the FTF plan and its immediate negative impact on Air Guard force structure. Such concerns include: continuation of the Air Sovereignty missions; funding to transition personnel from current missions to “future missions;” the limited role that The Adjutants General have played in developing the FTF plan; and the impact these force structure reductions will have on Air Guard basing in anticipation of BRAC.

As you and your staff continue holding hearings, NGAUS respectfully requests that the House Armed Services Committee conduct a hearing on Future Total Force. Should any hearing be scheduled, we respectfully request that the National Guard Association of the United States (NGAUS) be invited to testify on behalf of the National Guard and its membership to outline the Guard perspective in relation to FTF. In addition, we offer to coordinate with you and your staff the selection of appropriate Adjutants General that could also offer relevant and critical testimony.

The NGAUS recognizes a need for the Air National Guard to remain a ready, reliable and relevant component of our total air force capability. We also believe it is imperative that any future force modernization discussions that impact the Air National Guard involve a cooperative and collaborative interaction with the Adjutants General.

Respectfully,

STEPHEN M. KOPER,
Brigadier General, USAF (ret), President.

ADJUTANTS GENERAL ASSOCIATION OF THE UNITED STATES,
Washington, DC, March 9, 2005.

General JOHN P. JUMPER,
Chief of Staff, United States Air Force, HQ USAF/CC, 1670 Air Force Pentagon, Washington, D.C. 20330-1670.

DEAR GENERAL JUMPER: The Adjutants General of the 54 states see the USAF transformation strategy known as Future Total Force (FTF) having a profound effect on the Air National Guard (ANG). We want to help the Air Force shape a strategy and force structure that uses the ANG to its full potential. Homeland defense is a critical issue for us as we are responsible to our Governors for homeland security matters.

Adjutant General involvement with the FTF initiative only began recently with three Adjutants General being invited to participate on the AF/XP sponsored General Officer Steering Committee (GOSC). Lieutenant General Steve Wood has actively engaged us since coming on board late last year. His focus on open exchange of information is refreshing and is setting a course that will benefit all.

From our initial perspective the FTF initiative seems to focus on accelerated reductions of current weapon systems located predominately in the Air National Guard and the relocation of ANG units to active duty bases. The loss of flying units

will be compensated by rolling ANG force structure into new missions to sustain its end strength. Issues exist that could be very detrimental to the National Guard to the point of irreversible deterioration. In particular, we fear the initiative as we understand it will cause serious gaps in our capability to defend the homeland.

Our concern compels us to ask you to undertake actions to refine and improve the FTF initiative. These proposals are necessary to preserve the Air National Guard, ensure defense in depth of the homeland, and provide the most lethal and cost effective force in the future.

The Adjutants General can add significant value to Air Force modernization initiatives. First, we feel we should be involved with developing and vetting options, and be given the opportunity to contribute data and analysis to various studies. Through our Adjutants General Association of the United States (AGAUS) we can offer valuable ideas and critiques in a timely manner that will enhance the FTF initiative by making it more palatable to a broader range of interested parties.

Second, the Air Force should thoroughly evaluate the air sovereignty mission after receiving USNORTHCOM requirements from which to develop a realistic force structure plan for homeland defense. The evaluation should consider weapon system dispersion as well as lethality and determine more precisely the extent other services will support this vital mission.

Third, we want to work with the Air Force to develop a roadmap to 2025 that uses proportionality as a key principle for determining roles and missions for the Air National Guard. This is not to say that current proportionality must be strictly adhered to. But rather, it is a starting point for determining the best mix of active and reserve component forces for future operations. We believe increasing full time strength for key weapon systems in the ANG deserves evaluation. The ANG may more effectively support critical Air Expedition Force rotations and other vital missions with a different mix of full time and traditional Guard personnel in units.

Fourth, the community basing plan should be expanded immediately to include additional sites and different weapon systems for a more comprehensive evaluation. The Adjutants General believe very strongly that community basing is a key to sustaining the relevant and ready Air National Guard which has performed so magnificently in homeland defense and contingency missions.

Fifth, to sustain an effective ANG end strength of approximately 107,000 the FTF schedule must be adjusted to slow aircraft retirements while accelerating the assumption of new missions by the ANG to avoid a lengthy gap between mission changes during the transitory period. A gap will cause the loss of experienced personnel while impeding our transition to the Air Force of the Twenty-first Century.

Sixth, the ANG should field new Air Force aircraft weapon systems in ratios consistent with our contribution to the war fight and interspersed throughout each system's fielding plan. The nation will be well served by involving the Air National Guard early on during the fielding F/A-22, C-17, and F-35 weapon systems. This would also apply to the new tanker and other flying systems (such as intra-theater lift) as they emerge from development. The Adjutants General can provide the Air Force valuable support if given a clear picture showing ANG participation throughout weapon system fielding.

The Adjutants General have an obligation to nurture the rich heritage of the Air National Guard and ensure its readiness and relevance. We have defined several principles that will guide our actions in influencing the make up of the future of the Air Force.

1. Retain the militia basing concept which connects the Air Force to communities dispersed throughout the nation and provides for agile and quick responses to dispersed threats;
2. Leverage the cost efficiencies, capabilities, and community support generated by ANG units in the several states by including them as an integral part of the Future Total Force structure;
3. Each state needs a baseline force for homeland defense which includes civil engineering, medical, and security forces;
4. The Air National Guard maintains essential proportions of flying missions to nurture and sustain direct connectivity with America's communities while supporting the expeditionary Air Force cost effectively, captures the extensive aircrew and maintenance experience of the Air National Guard;
5. The nation is well served by a continuing dialog involving the Air Force, National Guard Bureau, and the Adjutants General as new missions emerge and threats change.

Our desire is to work with the National Guard Bureau in developing, vetting, and implementing initiatives. We provide perspectives from the field that when aligned with the programmatic expertise of NGB will result in sound courses of action with solid support from the several states.

Sir, we truly understand and appreciate your Herculean efforts to transform the greatest Air Force in the World into something even better. We only ask that we are allowed to help in the process.

Respectfully,

DAVID P. RATACZAK,

Major General, AZ ARNG, President, Adjutants General Association.

Senator BOND. Finally, the third major item, I would ask you to look closely at the Air Force decision not to leverage its \$68 million investment in the V-3 AESA radar, which upon completion of development within the next year will be the most advanced weapon system in the world for tactical fighters. The V-3 not only increases the expeditionary capability of our air forces, it also makes CONUS-based aircraft the most capable homeland defense platform in the world, second to none.

I am mystified why the Air Force elected not to acquire this system. If this is the Pentagon's idea of a sound business plan, I need to go back to school and take a refresher course on good Government.

I would just—the one question I would ask you, Mr. Secretary: Have you been briefed on why the Air Force elected to shelve the—

Senator STEVENS. Senator, you may submit the questions.

Senator BOND. I will submit that.

Senator STEVENS. Thank you.

Senator BOND. All right, thank you, sir.

Senator STEVENS. Yes, sir.

Senator BOND. Thank you very much.

Senator STEVENS. Mr. Secretary, we want to recognize you and General Myers and then we will proceed with questions from the subcommittee.

Secretary RUMSFELD. Thank you very much, Mr. Chairman, members of the subcommittee.

Sixty years ago, allied forces fought in some of the fiercest battles of World War II. The outcome of that difficult struggle certainly helped to transform much of the world, bringing freedom to distant shores, turning dictatorships into democracies, and long-standing enemies into friends. Today another generation of Americans, along with our coalition allies, have come to freedom's defense and thank you are helping millions of liberated people transform their countries from terrorist states into democracies.

Two weeks ago I met again with coalition forces in Iraq and Afghanistan and with officials of those countries on the front lines of the struggle. Everywhere we traveled I saw first-hand the point you made, Mr. Chairman: the men and women in uniform, volunteers all, undertaking difficult duties with confidence and with courage. The debt we owe them is a great one.

Members of this subcommittee who have visited with them and the wounded here in the hospitals, I thank you for it. You cannot help but come away, as I do, inspired by their courage and their skill.

I certainly thank the Congress for providing the resources necessary to support them as they complete their missions. It is becoming increasingly clear that the sacrifices they are making have made a difference in bringing about a world that is freer and more peaceful and that rejects terrorism and extremism.

If you think of what has been accomplished in the past 3 years, we have—Afghans and Iraqis have held historic elections and selected moderate Muslim leadership. Extremists are under pressure. Americans' national security apparatus is seeing historic changes. The North Atlantic Treaty Organization (NATO) is undergoing reforms in organization and missions, deploying forces outside of the NATO treaty area for the first time, outside of Europe. And some 60 nations are engaged freshly in an unprecedented multinational effort to address the proliferation of dangerous weapons.

We are here today to discuss the President's fiscal year 2006 request for the Department, as well as funding for the ongoing operations in the global war on terror. Before discussing dollars and programs and weapons, let me just offer some context for the tasks ahead. When President Bush took office 4 years ago, he recognized the need to transform our defense establishment to meet the unconventional and somewhat unpredictable threats of the 21st century. The attacks on September 11 gave urgency and impetus to the efforts then underway to make the armed forces more agile, more expeditionary, and more lethal.

The national security apparatus of the United States has undergone and continues to undergo historic changes on a number of fronts. We are addressing the urgency of moving military forces rapidly across the globe, the necessity of functioning as a truly joint force, the need to recognize that we are engaged in a war and yet still bound by peacetime behavior and practices and constraints and regulations and requirements. But we are up against an enemy that is unconstrained by laws or bureaucracies. We are adjusting to a world where the threat is not from a single superpower, as it was, that we could become quite familiar with over a sustained period of time, but rather from various regimes and extremist cells that can work together and proliferate lethal capabilities.

After more than 3 years of conflict, two central realities of this struggle are clear. First is that the struggle will not be won by military means alone. That is clear. Second is the reality that in this new era the United States cannot win the global struggle alone. No one nation can. It will take cooperation among a great many countries to stop weapons proliferation, for example. It takes nations working together to locate and dismantle extremist cells and to stop future attacks.

One thing we have learned since September 11 and in operations in Afghanistan and Iraq and elsewhere is that in most cases the capacities of our partners and our allies can be critical to the success of our own military forces, as is the ability and proclivity of our partners to curb the spread and appeal of that poisonous ideology in their education systems, news media, religious and political institutions.

Mr. Chairman, for all the progress that has been made, and it is substantial, the armed forces are still largely equipped, understandably, to confront conventional armies, navies, and air forces. We have made major commitments to modernize and expand the Army, adding some \$35 billion over the next 7 years in addition to the \$13 billion the Army has in the baseline budget.

We are increasing deployable combat power from 33 active duty brigades to 43 more powerful modular brigade combat teams. These teams are designed to be able to deploy quickly abroad, but will have firepower, armor, and logistics support to be sustained over a period of time.

In addition to increasing overall combat capability, the Army's modularity initiative plus an increase of 30,000 troops in the size of the operational Army is to reduce stress on the force by increasing by 50 percent the amount of time that active duty soldiers will be able to spend at home between overseas deployments.

As a result of a series of reforms, we are making the Reserve components, those individual reservists and guardsmen in high demand specialties, will be in the future be deployed less often, for shorter periods of time, and with more notice and predictability for themselves and for their families.

The Department continues to reevaluate our contingency plans, our operations, force structure, in light of the technological advances of the past decades. These advances, plus improved force organization and deployment, have allowed the Department to generate considerably more combat capability with the same or in some cases fewer numbers of weapon platforms.

For example, in Operation Desert Storm one aircraft carrier could engage about 175 targets per day. During Operation Iraqi Freedom in 2004, one aircraft carrier, instead of engaging 175 targets per day, could engage 650 targets per day, more than a three-fold increase. Today one B-2 bomber can be configured to attack as many as 80 different targets with 80 precision weapons during one sortie.

In the past the Navy maintained a rigid deployment schedule. Ships would deploy for 6 months, overlapping with the ships they relieved, and upon arriving home they would become relatively useless. Training and equipment readiness plummeted into what became known in the Navy as "the bathtub," with many battle groups unavailable for missions. The Navy's new fleet response plan has the capability to surge five or six carrier strike groups in 30 days, with the ability to deploy an additional two in 90 days.

In consultation with Congress and our allies, the Department is making some long overdue changes in global basing. We are moving away from the cold war garrisons toward an ability to surge quickly to wherever capability is needed. When the President took office, the cold war had been over for a decade, but the United States (U.S.) forces overseas continued to be stationed as if we expected a Soviet tank attack in Germany and as though South Korea was still an impoverished country devastated by the Korean War.

We advanced the commonsense notion that U.S. troops should be where they are needed, they should be where they are wanted, a hospitable environment, and they should be where they can be used effectively in the 21st century. Those changes are bringing home some 70,000 troops and up to 100,000 family members. Military personnel and their families as a result will experience fewer changes of station, less disruption in their lives, which of course is an important factor in reducing stress on the force.

The new global security environment drives the approach to our domestic force posture as well.

Some thoughts about the future. To the seeming surprise of some, our enemies have brains. They are constantly adapting and adjusting to what we are doing. They combine medieval sensibilities with modern technology and with media savvy to find new ways to exploit perceived weaknesses and to weaken the civilized world.

We have to employ the lessons of the past 3½ years of war to be able to anticipate, adjust, and act and react with greater agility. These necessary reforms have encountered and will continue to encounter resistance. It is always difficult to depart from the known and the comfortable. Abraham Lincoln once compared his efforts to reorganize the Union army during the Civil War to bailing out the Potomac River with a teaspoon. We are finding it tough, but it is not going to be that tough.

If you consider the challenge our country faces to not only reorganize the military, but also to try to transform an enormous defense bureaucracy and to fight two wars at the same time—and if that were not enough, we are doing it, all of this, for the first time in history in an era with 24-hour worldwide satellite news coverage, live coverage of terrorist attacks, cell phones, digital cameras, global Internet, e-mail, embedded reporters, and increasingly casual regard for protection of classified documents and information, and a United States Government that is essentially still organized for the industrial age as opposed to the information age.

Mr. Chairman, the President's 2006 budget request proposes some tough choices and it proposes to fund a balanced combination of programs to develop and field the capabilities most needed by the American military. It continues to use Navy and Marine Corps shift toward a new generation of ships and related capabilities. It continues the acquisition of Air Force, Navy, and other aircraft to sustain U.S. air dominance and provide strong airlift and logistics support. It continues to strengthen U.S. missile defenses. It advances new intelligence and communication capabilities with many times the capacity of existing systems.

The budget would maintain the President's commitment to our military men and women and their families as well. It includes a 3.1 percent increase in military base pay. The budget keeps us on track to eliminate all inadequate military family housing units in the next 3 years.

As to the current budget process, I appreciate your efforts to move the President's supplemental request quickly. It is critical that the military services receive these funds soon. I know that the Members of Congress understand that. The Army's basic readiness and operating accounts will be exhausted in early May. Now it is just a matter of days. And it has already taken to stretching existing funds to make up the shortfalls.

So I urge the Congress to achieve final passage of the supplemental before the recess later this week.

Afghan and Iraqi security forces. Transferring resources away from the training and equipping of Iraqi and Afghan security forces of course would seriously impede their ability to assume responsibilities that are now borne by U.S. troops, and I would add at

vastly greater cost to our country in both dollars and lives. We need the flexibility to channel this funding to where it is needed most. The House's reductions in funding for sustaining other coalition forces as well as the underfunding of the President's request to reimburse cooperating nations would make it vastly more difficult for allies and partners to support military and stability operations in Iraq and Afghanistan, further increasing the strain on U.S. forces.

Failure to fund projects that Central Command requested could impede our ability to support ongoing operations in the theater with respect to military construction.

We believe that restriction on acquisition of the DD(X) destroyer would drive up costs and would restrict options while the Navy and the Department conduct a detailed evaluation of the program. The pending Senate restrictions on the U.S.S. *John F. Kennedy* would prevent the Navy from freeing up resources to counter current threats while preparing for future challenges.

Finally, underfunding known costs, such as higher fuel expenditures, or including new unfunded death and injury benefits in the final bill will of necessity force us to divert resources from other troop needs.

So I respectfully ask this subcommittee to take these considerations into account.

Mr. Chairman, across the world brave men and women wearing America's uniform are doing the truly hard work of history. I know you share my desire to see that they have all the support they need. Bringing the hope of freedom to some of the darkest corners of the Earth will render a powerful blow to the forces of extremism, who have killed thousands of innocent people in our country and across the globe.

PREPARED STATEMENT

I thank you all for what you have done on behalf of our troops and we look forward to responding to questions. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF DONALD H. RUMSFELD

Mr. Chairman, Members of the Committee, good afternoon.

Sixty years ago this month, Allied forces fought in some of the fiercest battles of World War II. Many young men lost their lives and were grievously wounded in those battles, and I would be remiss if I did not recognize the service and heroism of at least two of the members of this distinguished committee.

The outcome of that long, difficult struggle helped to transform much of the world—bringing freedom to distant shores, turning menacing dictatorships into peaceful democracies, and longstanding enemies into friends.

Today, another generation of Americans, along with our Coalition allies, have come to freedom's defense. They are helping millions of liberated people transform their countries from terrorist states into peaceful democracies.

Two weeks ago, I met again with our Coalition forces in Iraq and Afghanistan and with officials in countries that are on the front lines of this global struggle. Everywhere we traveled, I saw firsthand our men and women in uniform—volunteers all—undertaking difficult duties with confidence and courage. The debt we owe them and their families is immeasurable. Members of this Committee have visited with the wounded and their families. You, as I, cannot help but come away inspired by their courage, and their skill.

I thank the American people and their Congress for providing the resources and support our forces need to complete their missions. It is becoming increasingly clear that the sacrifices they are making have made a difference in bringing about a

world that is freer, more peaceful and that rejects the viciousness of terrorism and extremism.

Consider what has been accomplished in three years plus:

- Newly free Afghans and Iraqis have held historic elections that selected moderate Muslim leadership;
- Extremists are under pressure, their false promises being exposed as cruel lies;
- America's national security apparatus is seeing historic changes;
- NATO is undergoing reforms in both organization and mission deploying forces outside of its traditional boundaries; and
- Some 60 nations are freshly engaged in an unprecedented multinational effort to address the proliferation of the world's most dangerous weapons.

We are here today to discuss the President's fiscal year 2006 request for the Department as well as funding for ongoing operations in the Global War on Terror. Before discussing dollars, programs and weapons, let me offer some context for the tasks ahead.

When President Bush took office over four years ago, he recognized the need to transform America's defense establishment to meet the unconventional and unpredictable threats of the 21st Century. The attacks of September 11th gave new urgency and impetus to efforts then underway to make our Armed Forces a more agile, expeditionary and lethal force.

The national security apparatus of the United States has undergone, and continues to undergo, historic changes on a number of fronts.

We have confronted and are meeting a variety of challenges:

- The urgency of moving military forces rapidly across the globe;
- The necessity of functioning as a truly joint force—as opposed to simply de-conflicting the Services;
- The need to recognize we are engaged in a war and yet still bound by a number of peacetime constraints, regulations and requirements, against an enemy unconstrained by laws; and
- Adjusting to a world where the threat is not from a single superpower, but from various regimes and extremist cells that can work together and proliferate lethal capabilities.

After more than three years of conflict, two central realities of this struggle are clear.

First is that this struggle cannot be won by military means alone. The Defense Department must continue to work with other government agencies to successfully employ all instruments of national power. We can no longer think in terms of neat, clear walls between departments and agencies, or even committees of jurisdiction in Congress. The tasks ahead are far too complex to remain wedded to old divisions.

A second central reality of this new era is that the United States cannot win a global struggle alone. It will take cooperation among a great many nations to stop weapons proliferation. It will take a great many nations working together to locate and dismantle global extremist cells and stop future attacks.

One thing we have learned since September 11th and in the operations in Afghanistan, Iraq and elsewhere, is that in most cases the capacities of our partners and allies can be critical to the success of our own military forces. As is the ability—and proclivity—of our partners to curb the spread and appeal of that poisonous ideology in their education systems, news media and religious and political institutions.

Mr. Chairman, for all the progress that has been made in recent years, the Armed Forces are still largely organized, trained and equipped to confront other conventional armies, navies and air forces—and less to deal with the terrorists and extremists that represent the most recent lethal threats.

We have made a major commitment to modernize and expand the Army, adding some \$35 billion over the next seven years, in addition to the \$13 billion in the Army's baseline budget. We are increasing deployable combat power from 33 active duty combat brigades to 43 more powerful "modular" brigade combat teams. These teams are designed to be able to deploy quickly abroad, but will have the firepower, armor and logistical support to sustain operations over time.

In addition to increasing overall combat capability, the Army's modularity initiative, accompanied by an increase of 30,000 in the size of the operational Army, is designed to reduce stress on the force by increasing by 50 percent the amount of time active duty soldiers will be able to spend at home between overseas deployments.

And, as a result of a series of reforms we are making in the Reserve Components, those individual Reservists and Guard personnel in high demand specialties will in the future be deployed less often, for shorter periods of time and with more notice and predictability for themselves and their families.

The Department continues to reevaluate our contingency plans, operations, and force structure in light of the technological advances of the past decade. These advances, plus improved force organization and deployment, have allowed the Department to generate considerably more combat capability with the same, or in some cases, fewer numbers of weapons platforms.

For example, in Operation Desert Storm, one aircraft carrier could engage about 175 targets per day. During Operation Iraqi Freedom in 2004, one aircraft carrier could engage 650 targets per day—more than a three fold increase. And today, one B-2 bomber can be configured to attack as many as 80 different targets with 80 precision weapons during one sortie.

In the past, the Navy maintained a rigid deployment schedule. Ships would deploy for six months, overlapping with the ships they relieved, and upon arriving home, become relatively useless. Training and equipment readiness plummeted into what became known as the “bathtub,” with many battle groups unavailable for missions. The Navy’s new Fleet Response Plan has the capability to surge five or six carrier strike groups in 30 days, with the ability to deploy an additional two in 90 days.

In consultation with Congress and our allies, the Department is making long overdue changes in U.S. global basing, moving away from fixed Cold War garrisons and towards an ability to surge quickly to wherever capability is needed.

When President Bush took office the Cold War had been over for a decade, but U.S. forces overseas continued to be stationed as if Soviet tank divisions threatened Germany and South Korea was still an impoverished country devastated by war. We advanced the common sense notions that U.S. troops should be where they’re needed, where they’re wanted, and where they can be used.

Those changes will bring home some 70,000 troops and up to 100,000 of their family members. Military personnel and their families will experience fewer changes of station and less disruption in their lives—an important factor in reducing stress on the force.

The new global security environment drives the approach to our domestic force posture as well. The Department continues to maintain more military bases and facilities than are needed—consuming and diverting valuable personnel and resources. Base Realignment and Closure, or BRAC, will allow the Department to reconfigure its current infrastructure to one that maximizes warfighting capability and efficiency. And it will provide substantial savings over time—money that is needed to improve the quality of life for the men and women in uniform, for force protection, and for investments in needed weapons systems.

Another challenge the Department faces is attracting and retaining high-caliber people to serve in key positions. For decades, the Department has lived with personnel practices that would be unacceptable to any successful business. With the support of Congress, the Department is now instituting a new National Security Personnel System, designed to provide greater flexibility in hiring, assignments and promotions—allowing managers to put the right people in the right positions when and where they are needed. About 60,000 Department of Defense employees, the first spiral in a wave of over 300,000, will transition into this new system as early as this summer.

The Pentagon also began to change the way it does business.

We have adopted an evolutionary approach to acquisition. Instead of waiting for an entire system to be ready before fielding it, this approach has made it possible, for example, to more rapidly field new robots to detonate roadside bombs in Iraq.

Some thoughts about the future.

To the seeming surprise of some, our enemies have brains. They are constantly adapting and adjusting to what we’re doing. They combine medieval sensibilities with modern technology and media savvy to find new ways to exploit perceived weaknesses and to weaken the civilized world.

We must employ the lessons of the past three and half years of war to be able to anticipate, adjust, act and react with greater agility. These necessary reforms have encountered, and will continue to encounter, resistance. It is always difficult to depart from the known and the comfortable. Abraham Lincoln once compared his efforts to reorganize the Union Army during the Civil War to bailing out the Potomac River with a teaspoon.

But, consider the challenge our country faces to not only reorganize the military, but to also transform the enormous Defense bureaucracy and fight two wars at the same time. And, if that were not enough, to do all this for the first time in an era with:

- 24 hour worldwide satellite news coverage, with live coverage of terrorist attacks, disasters and combat operations;
- Cell phones;

- Digital cameras;
- Global internet;
- E-mail;
- Embedded reporters;
- An increasingly casual regard for the protection of classified documents and information; and
- A U.S. government still organized for the Industrial Age, not the Information Age.

FISCAL YEAR 2006 REQUEST

Mr. Chairman, the President's fiscal year 2006 Budget request makes some tough choices and proposes to fund a balanced combination of programs to develop and field the capabilities most needed by America's military.

- It continues the Navy and Marine Corps shift towards a new generation of ships and related capabilities;
- It continues the acquisition of Air Force, Navy and other aircraft to sustain U.S. air dominance and provide strong airlift and logistics support;
- It continues to strengthen U.S. missile defenses; and
- It advances new intelligence and communications capabilities with many times the capacity of existing systems.

The Budget would maintain the President's commitment to our military men and women and their families. It includes a 3.1 percent increase in military base pay. The Budget also keeps us on track to eliminate all inadequate military family housing units over the next three years.

FISCAL YEAR 2005 SUPPLEMENTAL REQUEST

As to the current budget process, I appreciate your efforts to move the President's supplemental request quickly. It is critical that the Military Services receive these funds very soon. The Army's basic readiness and operating account will be exhausted in early May—a matter of days—and it has already taken to stretching existing funds, such as restraining supply orders, to make up the shortfalls.

I urge Congress to achieve final passage of the supplemental before the Senate recesses later this week.

Afghan and Iraqi Security Forces.—Transferring resources away from the training and equipping of Afghan and Iraqi security forces would seriously impede their ability to assume responsibilities now borne by U.S. troops—at vastly greater cost to our nation in both dollars and lives. We need the flexibility to channel this funding to where it is needed most.

Coalition Partners.—The House's reduction in funding for sustaining other Coalition forces, as well as the underfunding of the President's request to reimburse co-operating nations, will make it vastly more difficult for allies and partners to support military and stability operations in Iraq and Afghanistan—further increasing the strain and stress on U.S. forces.

Military Construction.—Failure to fund projects that Central Command requested impedes our ability to support ongoing operations in the theater. Of special concern are the projects at Ali Al Salem Airfield and Al Dhafra Air Base to provide needed upgrades to logistics, intelligence and surveillance support.

Unrequested Provisions.—The President's fiscal year 2006 Budget reflects the Department of Defense's commitment to meeting the threats and challenges of the 21st Century. However, the Senate-passed bill limits the Department of Defense's flexibility for its transformation agenda by affecting the planned acquisition strategy for several major programs. The Department of Defense is examining strategies to control costs in its modernization effort and should be allowed to balance cost, schedule, and performance in an optimum manner.

The Administration is also concerned that the Senate bill includes a provision that would prevent the Navy from retiring the U.S.S. *John F. Kennedy*. Any requirement to obligate funds for the maintenance and repair of a ship the Navy believes is no longer essential is not a good use of resources. Further, the Administration opposes a requirement to maintain at least 12 active aircraft carriers as the Department is currently engaged in a Quadrennial Defense Review that will examine options for the Navy shipbuilding program and make recommendations to ensure force structure addresses future needs.

Finally, new or expanded benefits, such as for payments to survivors of fallen servicemembers, must be fully funded in the bill. Otherwise, the effect will be to divert resources from other troop needs.

I respectfully ask this Committee to take these considerations into account.

CONCLUSION

Mr. Chairman, across the world, brave men and women wearing America's uniform are doing the hard work of history. I know you share my desire to see that they have the support they need. Bringing the hope of freedom to some of the darkest corners of the Earth will render a powerful blow to the forces of extremism who have killed thousands of innocent people in our country and across the globe.

I thank you for all you have done on behalf of our troops, and I look forward to responding to your questions.

Senator STEVENS. General Myers, do you have a statement, sir?

STATEMENT OF GENERAL RICHARD B. MYERS

General MYERS. Thank you, Mr. Chairman, and thank you, Senator Inouye and members of the subcommittee. Once again, thank you for your unwavering support of our armed forces and, more specifically, the men and women in uniform, particularly as they fight this all-important global war on terrorism and violent extremism.

We remember the brave service men and women and Government civilians who have been wounded or given their lives for this noble cause and we grieve with their friends and with their families.

We are now in the fourth year of sustained combat operations and our soldiers, sailors, airmen, marines, Coast Guardsmen, and U.S. Government civilians continue to perform superbly under extremely challenging conditions. I am tremendously proud of them, as I know you are.

Our forces are fully prepared to support our national defense strategy and to assure our allies, while we dissuade, deter, and defeat any adversary. The fiscal year 2006 defense budget request provides critical funding for winning the global war on terrorism, securing peace in Iraq and Afghanistan, combatting weapons of mass destruction, enhancing our joint warfighting capabilities, and transforming the armed forces to meet the challenges of the 21st century.

Our forces are the world's most capable, in large part because they are the best trained and equipped. The 2006 defense budget and the funds you supported in the fiscal year 2005 supplemental request are vital to ensuring our troops are trained and resources for the missions they are assigned and to sustain their readiness while they are deployed.

In my opinion this is a pivotal moment in our Nation's history and in world history. We must stay committed in this global war on terrorism and violent extremism if justice, tolerance, and freedom are to triumph over violence, fear, and oppression. Make no mistake, we have undertaken a long and hard task to help people long brutalized by repressive regimes build a future based on freedom and tolerance.

Our significant progress in Iraq and Afghanistan and other places around the world is a tribute to the hard work and sacrifice of our dedicated American service members and our coalition partners and to the continuing dedication of the American people and the Congress.

In Iraq, the United States remains committed to helping the Iraqis build a secure and peaceful future with a representative government based upon the rule of law. Over the last year, the Iraqi

people have become more and more self-reliant. The transfer of sovereignty last June, the successful election, followed by the Transitional National Assembly selection of the Presidency Council and the Prime Minister, showed their courage and determination to support a free and democratic country and also to continue to represent a moral defeat for the insurgents.

Despite the many challenges, the Iraqis have shown a strong pride of ownership in their new government and in their future. Forming a new government is not easy, but continued progress is essential to sustaining the positive momentum seen since the January elections.

In Afghanistan, the coalition continues to make great progress. Congress' firm commitment is leading the international effort to fund and equip Afghan reconstruction. NATO and the coalition will continue to help build and train the commands and institutions the Afghans need to sustain and manage their security apparatus.

One of the great challenges in Afghanistan is the illegal drug trade. The Afghan government and the international community must continue to combat these challenges.

All these operations at home and overseas, they all come at a cost, especially for our people, both our Active and Reserve component. They are so tremendously dedicated. They understand their mission very, very well and they understand what a huge difference they are making, and their morale is good.

In the face of continued demands on our forces, we are analyzing all our policies and making changes to mitigate readiness challenges. I am concerned with the wear and tear on our equipment and I thank this subcommittee for its continued support of our request to help repair and replace our rapidly aging resources. Congressional support, both in the annual budget and supplemental funding, has been exceptional and essential for funding our continued operations and for funding Army modularization, recapitalization, and transformation.

I am proud of our transformational efforts and successes and we must continue to invest heavily in transformation both intellectually and materially so we can meet the challenges facing our country today and in the future.

This year we are working through three major processes that will have a far-reaching impact on the future force posture. The first of course is the 2005 Quadrennial Defense Review (QDR) and it will provide a comprehensive strategic plan for transforming the armed forces.

Second, the base realignment and closure process provides an excellent opportunity to further transform our warfighting capability and eliminate excess capacity.

Third, our global basing strategy transforms the cold war footprint into one that is focused on combining the capabilities of U.S.-based rotational forces that are lean and agile with strategically placed overseas-based forces.

The important transformational decisions we make today will have a lasting impact on our Nation's defense capabilities and the capabilities of our allies and coalition partners.

As I know all of you know, we must stay committed if we are to win this global war on terrorism and extremism and defend the

United States and our national interests. As the Secretary said, the U.S. military cannot do this alone. Success in this 21st security environment requires cooperating with our multinational partners and integrating military capabilities across the U.S. interagency. In my view, our way of life remains at stake, so failure is not an option. With Congress' continued strong support, our military will continue to be unwavering in our focus, our resolve, and our dedication to peace and freedom.

PREPARED STATEMENT

Thank you, Mr. Chairman and committee, and we look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF RICHARD B. MYERS

In my fourth and final Posture Statement, I look forward to reporting to you on the state of the United States Armed Forces, our successes over the last year, our continuing challenges, and our priorities for the coming year. I also would like to thank you for your unwavering support of our armed forces and our servicemen and women.

Our Nation is entering the fourth year of sustained combat operations. Our successes in the past year are clearly due to the dedicated and courageous service of our Nation's Soldiers, Sailors, Airmen, Marines, Coastguardsmen, and civilians who are serving within our borders and around the globe. Their service as warriors, diplomats, peacekeepers and peacemakers has been exceptional. They are truly our Nation's most precious and important assets. Serving alongside our Coalition partners and allies, they have accomplished very demanding, and many times, very dangerous missions.

Building democracy and hope in areas long ruled by terror and oppression is a long, hard task. Our success in both Iraq and Afghanistan is a tribute to the hard work and sacrifice of our Coalition partners and our dedicated American servicemembers. The U.S. Soldiers, Sailors, Airmen, Marines, Coastguardsmen and U.S. Government civilians who have been killed or wounded sacrificed to make the world safer and provide hope to millions. We grieve with their families, and with the families of all the Coalition forces and civilians who made the ultimate sacrifice in these noble endeavors.

While overall results are positive, significant challenges affect our forces engaged in demanding combat operations. These operations create many readiness challenges, including Combat Service and Combat Service Support capability limitations, Reserve Component mobilization challenges, equipment challenges, and manning a growing number of Combined and Joint Force headquarters. The past 3 years have been demanding, and while there are no "silver bullets" to make our problems go away, I will outline our way ahead to address our long-term challenges.

We remain resolved, dedicated, and committed to winning the Global War on Terrorism (GWOT), securing the peace in Iraq and Afghanistan, combating Weapons of Mass Destruction (WMD), enhancing joint warfighting capabilities and transforming the Armed Forces to meet the challenges of the 21st Century.

We are making steady progress in these areas. Our homeland is safer and we are committed to winning the Global War on Terrorism. Afghanistan has a democratically elected president and three quarters of al-Qaida's leadership has been killed or captured. In January, the Iraqi people democratically elected a Transitional National Assembly, a crucial step toward a permanent government and their first legitimate election in generations. We continue to improve our world-class joint warfighting capability, and we are making good progress in transforming our Armed Forces.

Despite the current operational demands on our forces, we remain ready to support the President's National Security Strategy to make the world not just safer, but better. We are fully prepared to support our strategy to assure our allies while we dissuade, deter and defeat any adversary. Our revised National Military Strategy links this strategic guidance to operational warfighting, defining three interrelated National Military Objectives—protect the United States, prevent conflict and surprise attack, and prevail against adversaries—along with supporting additional military tasks and missions. Success in meeting these objectives necessitates cooper-

ating with multinational partners and integrating military capabilities across the Interagency to harness all elements of National power.

Executing our strategy requires a force fully prepared to simultaneously conduct campaigns to prevail against adversaries, protect the United States from direct attack, and undertake activities to reduce the potential for future conflict. Success requires an array of capabilities, from combat capabilities to defeat the forces that threaten stability and security, to capabilities integrated with the Interagency for stability and security operations. We must continue to invest in activities such as International Military Education and Training and Theater Security Cooperation that serve to expand and strengthen alliances and coalitions. These alliances and activities contribute to security and stability and foster international conditions that make conflict less likely.

We expect this year will be no less challenging than last year, as we fight the Global War on Terrorism, continue to excel in joint operations, and transform our Armed Forces. With the continued strong support of Congress and the dedicated service of the men and women of our Armed Forces, we will succeed.

WINNING THE GLOBAL WAR ON TERRORISM

The Global War on Terrorism will continue to be a long and difficult war affecting the entire global community. It will require our firm commitment and the cooperation of our allies and coalition partners as well as international organizations, domestic state governments, and the private sector.

The United States is fighting a new kind of war against a new kind of enemy. This enemy is motivated by extremist ideologies that threaten such principles as freedom, tolerance, and moderation. These ideologies have given rise to an enemy network of extremist organizations that deliberately target innocent civilians to spread fear. Extremists use terrorism to undermine political progress, economic prosperity, the security and stability of the international state system, and the future of civil society. We are fighting to bring freedom to societies that have suffered under terrorism and extremism and to protect all societies' right to participate in and benefit from the international community.

The United States cannot defeat terrorism alone, and the world cannot defeat terrorism without U.S. leadership. We must ally ourselves with others who reject extremism. Success in this war depends on close cooperation among agencies in our government and the integration of all instruments of national power, as well as the combined efforts of the international community.

The U.S. Government strategy for winning the Global War on Terrorism has three elements: protect the homeland, disrupt and attack terrorist networks, and counter ideological support for terrorism. We continued to make progress in the Global War on Terrorism during 2004 and the beginning of 2005. Democratic forms of government now represent people who were controlled by brutal dictatorships. Lawless territories have now been reclaimed. Terrorist networks have been disrupted and their safe havens have been denied. The United States and its allies have captured or killed numerous terrorist leaders in Iraq and around the world. Freedom has replaced tyranny in parts of the world.

Despite this success, the United States continues to face a variety of threats from extremist networks, criminal organizations, weapon proliferators, and rogue states that cooperate with extremists. To combat these threats, we continue to refine the role of the Armed Forces in homeland defense by combining actions overseas and at home to protect the United States. Critical to this role are U.S. Northern Command's (NORTHCOM) mission of homeland defense and DOD's contributions to consequence management. NORTHCOM can deploy rapid reaction forces to support time-sensitive missions such as defense of critical infrastructures or consequence management in support of the Department of Homeland Security or other lead federal agencies. NORTHCOM's Joint Task Force Civil Support coordinates closely with interagency partners and conducts numerous exercises to integrate command and control of DOD forces with federal and state agencies to mitigate chemical, biological, radiological, nuclear and high-yield explosive incidents. The National Guard now has thirty-two certified Weapons of Mass Destruction (WMD) Civil Support Teams. Twelve additional teams are undergoing the final 6 months of certification training. Congress established 11 more teams in fiscal year 2005. Those teams will conduct individual and unit training over the next 18-24 months. I thank Congress for your continued support of these important WMD Civil Support Teams. Additionally, last October the National Guard reorganized their state headquarters into 54 provisional joint force headquarters, allowing them to interact more efficiently with other military organizations.

The North American Air Defense Command (NORAD) is providing robust air defense of the continental United States, Alaska, Puerto Rico, and the Virgin Islands through Operation NOBLE EAGLE. We are developing plans that build on the success of NORAD to improve maritime warning, maritime control, information operations, and enhanced planning. Although the effort expended on defending our country may be transparent to some, the operations and exercises being led by federal agencies, including the Department of Homeland Security, NORTHCOM and NORAD, are robust, successful, and extremely important. The Total Force is doing a superb job in defense of our country, and I thank Congress for its continued funding of homeland defense initiatives.

Forces overseas, led by our Combatant Commanders, are conducting offensive counterterrorism operations along with interagency and international partners to defeat these threats closest to their source. In addition to attacking and disrupting terrorist extremist networks, Combatant Commanders assist in building counterinsurgency, counterterrorism, internal defense and intelligence capabilities of partner nations. Strengthening partner capacity improves internal security, and ultimately contributes to regional stability and the creation of global environment inhospitable to terrorism. The Special Operations Command is designated as the combatant command responsible for planning and directing global operations against terrorist networks.

The offensive efforts of our Global War on Terrorism strategy are designed to deter, disrupt, and defeat terrorist operations, affecting terrorists' ability to effectively execute their attacks or sustain their ideology. DOD efforts include information operations that impede our enemy's ability to perform critical functions. Ultimately, continuous and successive attacks against the enemy cause their operations to fail.

These offensive actions overseas constitute the first line of homeland defense. In the land, air, space, maritime, and cyber domains, DOD will continue to coordinate closely with allies and partner nations and other U.S. agencies to interdict terrorists and their resources before they enter the United States. The United States goal is to disrupt their efforts to access targets, and defeat attacks against our homeland. This requires effective information sharing, persistent intelligence, surveillance, reconnaissance, more and better human intelligence, and improved interoperability between the Armed Forces and other U.S. Government agencies.

The third and most important element of this strategy to defeat terrorism includes de-legitimizing terrorism so that it is viewed around the world in the same light as the slave trade, piracy, or genocide. Terrorism needs to be viewed as an activity that no respectable society can condone or support and all must oppose. Key to this effort are actions to promote the free flow of information and ideas that give hope to those who seek freedom and democracy. DOD contributes to this important effort with security assistance, information operations, assisting humanitarian support efforts, and influencing others through our military-to-military contacts.

The Global War on Terrorism will be a long war, and while the military plays an important role, we cannot win this war alone. We need the continued support of the American people and the continued support of the entire U.S. Government. The United States will have won the Global War on Terrorism when the United States, along with the international community, creates a global environment uniformly opposed to terrorists and their supporters. We will have won when young people choose hope, security, economic opportunity and religious tolerance, over violence. We will have won when disenfranchised young people stop signing up for Jihad and start signing up to lead their communities and countries toward a more prosperous and peaceful future—a future based on a democratically-elected government and a free, open, and tolerant society.

OPERATION IRAQI FREEDOM (OIF)

The United States is committed to helping the Iraqis build a secure and peaceful future with a representative government based upon the rule of law. The list of important accomplishments in Iraq in every sector—education, medical care, business, agriculture, energy, and government, to name a few—is long and growing. Most importantly, Iraq has reached several important milestones on the road to representative self-government: transfer of sovereignty, parliamentary and provincial elections leading to a Transitional National Assembly, selection of a Presidency Council, a new Prime Minister and Cabinet. The key to success in Iraq is for Iraqis to become self-reliant. A timetable for leaving Iraq would be counterproductive, leading the terrorists to think they can wait us out. We are in Iraq to achieve a result, and when that result is achieved, our men and women will come home.

With the help of the Coalition, the Iraqi people are creating a country that is democratic, representative of its entire people, at peace with its neighbors, and able to defend itself. The Iraqi people continue to assume greater roles in providing for their own security. The recent Iraqi elections showed their courage and determination to support a free and democratic country, and represented a moral defeat for the insurgents. The Iraqi people have a renewed pride of ownership in their government, and their future. Voters paraded down the street holding up their fingers marked with purple ink from the polls. They carried their children to the polls as a clear symbol that they were courageously voting to improve the Iraq their children would inherit.

This very successful election is just one milestone on a very long road. Together with our Coalition partners, the international community, Interagency partners, and Non-Governmental Organizations, we are fully committed to helping the Iraqi people provide for their own security and supporting their dream of a free, democratic, and prosperous future. I thank Congress for its continued support of our budget submissions and supplemental requests to help fund our operations and sustain our readiness posture. Your support and the support of the American people are key and have been exceptional.

Many Americans have paid with their lives to ensure that terrorism and extremism are defeated in Iraq, but the morale of our servicemembers remains very high, and they are dedicated to helping achieve peace and stability. There are approximately 140,000 U.S. servicemembers in Iraq and approximately 22,000 coalition forces. Commanders in the field will continue to evaluate our force structure and recommend changes as security conditions and Iraqi Security Forces capabilities warrant.

The insurgency in Iraq is primarily Sunni extremist-based and focused on getting Coalition forces out of Iraq and regaining illegitimate power in Iraq. Its leadership is predominantly former regime elements drawn from the Ba'ath Party, former security and intelligence services, and tribal and religious organizations. Other groups contribute to the instability, including militant Shia, Jihadists groups, foreign fighters, and extensive criminal networks and activity. They are generally well resourced with weapons, munitions, finances and recruits.

The greatest threat to stability in Iraq comes from former regime elements and their supporters. In the near-term, however, a group of Sunni extremists comprising the al-Qaida Associated Movement adds to the security challenge. This al-Qaida Associated Movement is part of a global network of terrorists. Other elements of this movement were responsible for some of the deadliest terrorist attacks in 2004, including the March 11 train bombings in Madrid, and the September 9 bombing of the Australian Embassy in Jakarta, Indonesia. In Iraq, the al-Qaida group led by al-Zarqawi claimed responsibility for the tragic suicide bombing of the mess tent at Forward Operating Base Marez in Mosul in 2004. He has claimed responsibility for additional deadly attacks against Coalition forces and innocent Iraqi civilians this year.

We expect insurgents to persist in their attacks, particularly as the Coalition continues to help Iraqis rebuild their country and form their new government. The Coalition will stand firmly beside the Iraqi people to sustain momentum and progress in helping the Iraqi Security Forces defeat these insurgents and terrorists.

Reconstruction and economic stabilization efforts are expanding steadily. In 14 of the 18 provinces in Iraq. In the other 4 provinces, the insurgents are sustaining a hostile environment that undermines reconstruction and economic stabilization. The use of Improvised Explosive Devices (IED), car bombs, and stand-off attacks continue at elevated levels.

The insurgents are tough enemies, but they offer no alternative positive vision for Iraq. Instead, they offer the old vision of Iraq: extremism, tyranny, violence and oppression. Insurgents are conducting an intimidation campaign to undermine popular support for the Iraqi Government, Iraqi Security Forces and emerging institutions. They use barbaric and cowardly attacks to target Iraqi government officials, their families and others who are trying to improve conditions in the country. We will continue to help the Iraqis hunt down extremists and their accomplices and capture or kill them.

Elements in neighboring countries are interfering with democratic efforts in Iraq. In Syria, displaced Iraqi Sunnis and Ba'athists are also influencing events in Iraq. These efforts include aiding and funding insurgents, extremists, and terrorists, to plan attacks inside Iraq and transit from Syria to Iraq. The Syrian military and government have made some attempts to halt this influence and the illegal flow of terrorists into Iraq, but they need to do much more.

Establishing Iraqi stability and security is a complex process but an important one, because it is the path to peace. There are several key components to this com-

plex issue, including physical, social, economic, and political security. Coalition forces play a direct role in many of these key components, but we must address all of these components simultaneously. The U.S. military cannot do it alone. This is an Interagency as well as an international effort. We must balance all components to avoid making the Coalition military presence a unifying element for insurgents. The objective must be to shift from providing security through Coalition counterinsurgency operations, to building Iraqi capacity to operate independently.

Currently, the Coalition is helping to provide physical security by protecting Iraq against both internal and external threats and training Iraqi military and police forces to provide their own physical security. Coalition military, NATO, and interagency cooperation has been very good. Currently, 31 (including the United States) countries and NATO are serving in Iraq. Based on the request of the Interim Iraq Government at the July 2004 Istanbul Summit, NATO representatives agreed to help train Iraqi Security Forces. In February 2005, NATO opened their Training Center for mid-grade to senior officers in the International Zone, and continues to work toward launching an expanded program at Ar Rustamiyah later this year to include training for senior non-commissioned officers. NATO will employ a "train-the-trainer" approach to capitalize on existing Iraqi capabilities and grow their cadre of trainers. NATO has established a Training and Equipment Coordination Group located in Brussels. The Iraqi-chaired Training and Equipment Coordination Committee in Baghdad is helping to coordinate donated equipment and training opportunities for Iraqi Security Forces outside of Iraq. In order to maximize our efforts, NATO countries and the international community must fully support and contribute forces to the mission.

The Iraqi Government has over 155,000 security forces trained and equipped at varying levels of combat readiness. The growing Iraqi Army now comprises over 80 combat battalions. Not all of these battalions are combat ready; readiness capability is a function of numbers, training, equipment, leadership and experience. We continue to work with the Iraqi government on raising, training, and equipping even more security forces. Just as importantly as increasing forces, the Coalition is helping improve the capability and readiness of the security forces. Iraqi division commanders have recently been appointed and are receiving training and mentoring. Coalition forces are working with them to build their headquarters and forces capable of independent operations. These leaders will be critical to conducting independent counter-insurgency efforts as they gather intelligence, shape plans, and direct operations.

Iraqi servicemembers have fought valiantly alongside their Coalition partners in combat, and have had to face the constant threat of insurgent attack. Over 1,600 members of the Iraqi Security Forces have been killed in service to their country. Immediately on the heels of many effective combat operations, Iraqi and coalition partners have restored effective local governments that are responsive to the national government.

Training Iraqi police forces is a longer-term project, but good progress is being made, especially with the special police battalions. The Iraqis now have nine public order battalions, a special police brigade, nine police commando battalions and seven regional SWAT teams actively engaged in the fight against insurgents and terrorists on a day-to-day basis.

During the liberation of Fallujah, the Coalition that included Iraqi Security Forces made great progress in eliminating the insurgents' safe havens. Urban counter-insurgency operations are among the most difficult combat missions, but the Coalition courageously and successfully liberated the city, block by block and building by building. We continue to conduct effective offensive operations and help the Iraqi forces eliminate other safe havens.

The social aspect of security includes ensuring educational opportunities, adequate wages, health care, and other safety-net programs are available to ensure the population has basic human services. Economic security requires helping to promote the Iraqi economy and industrial base to create jobs and sources of income sufficient to support local and state government services, individuals and families. Although neither social nor economic security are primary U.S. military responsibilities, Coalition forces are actively involved in these efforts to bolster the legitimacy and effectiveness of local Iraqi governments. As much as possible, we are turning over responsibility for administering these projects to Iraqi leadership.

In June of 2004, there were 230 projects from the Iraq Relief and Reconstruction Fund on the ground "turning dirt." By January 2005, more than 1,500 projects were underway, accounting for more than \$3 billion in reconstruction funding and the progress continues. The U.S. military, Interagency, Coalition and non-governmental organizations are helping the Iraqis build sewers, electrical and water distribution systems, health centers, roads, bridges, schools, and other infrastructure. I cannot

overemphasize the importance of these activities to help the Iraqis rebuild their infrastructure, after decades of decay under Saddam Hussein's oppressive regime.

The Commander's Emergency Response Program (CERP) is a high-impact program that has been instrumental in our efforts to help secure peace and help stabilize Iraq and Afghanistan. Allowing commanders to respond immediately to urgent humanitarian relief and reconstruction requirements, this program proved to be an immediate success story. In fiscal year 2005, the Consolidated Appropriations Act provided a total of \$500 million of budget authority for CERP. Through the supplemental budget request, DOD has requested a total of \$854 million for this program in fiscal year 2005, \$718 million for Iraq and \$136 million for Afghanistan. I support the request for an increase in authorizations for CERP in fiscal year 2005 and thank Congress for your continued support of the Commander's Emergency Response Program.

Political security means the Iraqis must be able to participate in the government processes without fear of intimidation. Last summer, Iraq began its transition to sovereignty. In August, military commanders shaped a plan that helped bring Iraq through the January elections and on to the constitutional elections in December 2005. The plan is on track. On January 30th, Iraqis elected a 275-person transitional national assembly, who will write a new Iraqi constitution. This was a very important step on the road to peace and security in Iraq.

The Coalition goal is for the Iraqis to have a safe and secure country. The political process is moving forward. The country needs to be rebuilt after 30 years of decay, and we need to continue to help build Iraqi military and security forces and encourage good governance. We are making excellent progress in so many areas in Iraq, even though this progress does not always get the attention it deserves. Daily reports alone cannot define our successes or failures. From a broad perspective, the Coalition has successfully reached the first of many important milestones. Less than 2 years ago, Coalition forces defeated a brutal dictator and his regime. We established a provisional authority to get Iraq back on its feet, and transferred sovereignty to an interim government. The Iraqis have elected their Transitional National Assembly, which has elected their Presidency Council. The National Assembly will write a new constitution that will lead to another round of nation-wide elections and a permanent government. The Iraqis have many challenges ahead and many more milestones to meet, and the Coalition forces are supporting their efforts to ensure democracy and freedom will prevail.

Although the stresses on our Armed Forces remain considerable, I am confident that we will achieve the goals set forth by the President. Our Coalition forces are dedicated, and the Iraqis are dedicated, as they proved on January 30th. As long as America keeps its resolve, we will succeed. Resolute Congressional leadership will be as important to our success in the future as it has been to date.

OPERATION ENDURING FREEDOM (OEF)

2004 was a historic year for Afghanistan. The entire region is a much better place due to the commitment of the United States, our Armed Forces and our Coalition partners. Currently in Afghanistan, 42 countries and NATO are working to protect and promote a democratic government, with NATO assuming an increasing role in stability and reconstruction efforts. We currently have approximately 20,000 United States servicemembers in Afghanistan.

The October 9, 2004 presidential election in Afghanistan was a historic moment for that country. Over 8 million people, 40 percent of whom were women, braved threats of violence and overcame poor weather to cast their ballots. The elections were conducted under the protection of their own National Army and Police Forces with the assistance of the Coalition and the International Security Assistance Force. The election of President Hamid Karzai is providing new momentum for reform efforts such as the demobilization of private militias, increased governmental accountability, and counter-narcotics planning and operations. Taking advantage of his electoral mandate, Karzai assembled a cabinet of well-educated and reform-minded ministers who reflect Afghanistan's diverse ethnic and political environment. National Assembly elections, currently scheduled for this spring, will provide additional leadership opportunities. The Presidential election represented a serious real and moral defeat to the insurgency. The Taliban's failure to disrupt the election further divided an already splintered insurgency. Nonetheless, some radical factions remain committed to the insurgency. Frustrated by their lack of success, these factions may seek to launch high profile attacks against the upcoming National Assembly elections, necessitating continued robust security.

Congress's firm commitment to Afghanistan is leading the international effort to fund and equip reconstruction in Afghanistan. In fiscal year 2005, \$290 million of

the authority enacted by Congress to train and equip security forces will be used to accelerate the growth of the Afghan National Army (ANA). Now numbering approximately 22,000 personnel—three times greater than last year—the Afghan National Army is a multi-ethnic, visible symbol of national pride, unity, and strength in Afghanistan. The goal is to fully man the ANA combat force with 43,000 servicemembers by late 2007, about 4 years earlier than originally planned. This is truly a success story. Fiscal year 2004 funding enabled the opening of 19 regional recruiting centers, which have been critical to attracting quality recruits to accelerate the growth of this force. In the next several years, the Coalition and NATO will help build the commands and institutions the Afghans need to sustain and manage their military. The ANA is on the path to becoming a strong military force, and in its early stages has proven tough and well disciplined in the field.

The Provincial Reconstruction Team (PRT) program is a great success. As hubs for security sector reform initiatives, reconstruction, good governance programs and humanitarian efforts, these teams are key to stabilizing Afghanistan. There are now 19 operational PRTs, 8 more than I reported last year. The Coalition currently leads 14 of these teams and NATO leads 5. With an improvement in security and increased Afghan governance and security capacity, the PRTs will eventually be transformed into civilian-only assistance teams, with Afghan district and provincial governments taking over an increased number of their functions.

Last October, the United Nations approved a resolution extending NATO's International Security Assistance Force for another year. ISAF now controls five PRTs in the North, with Phase Two of NATO expansion into the west occurring in 2005. The intent is to continue NATO expansion by region, gradually replacing Coalition forces with NATO forces.

In spite of the successes to date, low-scale insurgent attacks continue, and more disturbingly, opium production reached record levels last year. Afghanistan is responsible for most of the world's opium supply, and 80 to 90 percent of the heroin on the streets of Europe. Eliminating the cultivation of poppies used to produce opium is Afghanistan's number one strategic challenge. Illicit drug activity in Afghanistan funds terrorism and interferes with good government and legitimate economic development.

Coalition soldiers are assisting in the counternarcotics effort in Afghanistan by reporting, confiscating or destroying drugs and drug equipment encountered in the course of normal operations, sharing intelligence, helping to train Afghan security forces, and, through our Provincial Reconstruction Teams, by providing assistance in communities migrating to legal crops and businesses. Ultimately, the Afghan government, aided by the international community, must address drug cultivation and trade with a broad-based campaign that includes creating viable economic alternatives for growers and manufacturers.

Achieving security in Afghanistan is very dependent on disarmament, demobilization and reintegration; cantoning heavy weapons; curbing warlordism; and defeating the narcotics industry. President Karzai's patience and persistence in dealing with factional leaders continues to achieve results. Over 40,000 former militia troops have been disarmed and demobilized, nearly 96 percent of the known heavy weapons were cantoned peacefully, and factional disputes continue to yield to central government resolution. The power of the warlords is methodically giving way to credible, effective national institutions.

Working closely with President Musharraf of Pakistan and President Karzai, we have been able to increase coordination among Coalition, Afghan and Pakistani forces along the border. The Pakistani government has taken the initiative to increase their military presence on the border, including manned outposts, regular patrols and security barriers. Pakistani military units also patrol in the Federally Administered Tribal Areas, once considered "no-go" areas. Pakistan's support in securing key border points was instrumental in shaping a relatively secure environment during the Afghan presidential election. The Pakistani Army has significantly improved their counter-terrorism capabilities, thanks in part to equipment we are providing them, and has played a vital role in enhancing security in this region.

OTHER U.S. OVERSEAS OPERATIONS

Even as operations in Iraq and Afghanistan continue, the United States will face a number of other challenges and demands for military capabilities. Throughout the world, U.S. forces provide stability, peacekeeping, humanitarian assistance, and hope; ultimately spreading democracy and progress and aiding in the Global War on Terrorism. U.S. Armed Forces have conducted operations ranging from our support to South and South East Asia for the Tsunami disaster, to keeping the peace in Kosovo. Of the over 2.6 million servicemembers serving in the Total Force, over

240,000 are deployed overseas in 54 countries or at sea. Additionally, 65,000 of these servicemembers are members of the Reserve or National Guard.

Our Armed Forces still have many enduring missions and challenges around the world as we fight the Global War on Terrorism. The Joint Task Force Horn of Africa at Camp Lemonier, Djibouti continues to conduct counter-terrorist and civil affairs operations in Eastern Africa. This contingent of 1,100 U.S. forces provides critical security assistance in support of civil-military operations and supports international organizations working to enhance long-term stability in this region.

In April 2004, we successfully completed the Georgian Train and Equip Program, training over 2,700 Georgian troops to meet the rising threat of transnational terrorism in the Caucasus. DOD recently accepted a Georgian request for U.S. support in training additional troops for the United Nations Protection Force and to sustain their current troop rotations in Iraq and Afghanistan. Additionally, in support of Operation ENDURING FREEDOM, a small contingent of U.S. military personnel remains in the southern Philippines aiding their forces in training for counter-terrorism operations.

Expanded Maritime Interdiction Operations (EMIO) have been a very successful international effort over the past year to interdict terrorists and their resources by sea. All geographic Combatant Commanders are successfully pursuing this initiative with particular focus on the Persian Gulf, Horn of Africa, the Mediterranean and throughout the Pacific Command. Beyond the goal of eliminating terrorist access to the maritime environment, EMIO has had other positive effects for the international community, including lower insurance premiums in the shipping industry, considerably less illegal immigration, and a reduction in piracy and narcotics smuggling.

The Korean peninsula continues to be a region of concern. North Korea's military is the world's fifth largest and remains capable of attacking South Korea with little further preparation. Our goals are for North Korea to dismantle their nuclear programs in a verifiable manner, eliminate their chemical and biological weapons programs, reduce their conventional threat posture, and halt their development and proliferation of ballistic missiles. North Korea announced its withdrawal from the Nuclear Non-proliferation Treaty (NPT) in January 2003, and made clear its intentions to pursue its nuclear weapons program. To deal with the threat presented by North Korea's nuclear program, the United States has steadfastly pursued a multilateral diplomatic solution through the Six-Party talk process. There have been three rounds of the talks to date, the last occurring in June of 2004. North Korea has refused to return to the talks, citing United States "hostile policy," despite our government's clear and unequivocal statements that the United States has no intent to invade or attack North Korea.

North Korea is also one of the world's leading suppliers of missiles and related production technologies, having exported to countries in the Middle East and North Africa as well as Pakistan. North Korea is expected to increase its nuclear weapons inventory by the end of the decade and continues to invest heavily in ballistic missiles and the infrastructure to support them. Taken together, North Korea's actions constitute a substantive threat to global security.

The United States remains committed to maintaining peace and stability on the Korean Peninsula. We provide military deterrence and defensive capabilities in combination with our South Korean ally and through maintaining strong military and diplomatic ties with our regional partners. The United States and Republic of Korea (ROK) alliance remains strong, and we are improving our overall combat effectiveness while eliminating dated infrastructure and reorganizing our footprint to lessen the burden on the people we are defending. We still need to resolve a number of issues, but there is no doubt that the alliance is enduring, as is the U.S. commitment to the defense of the Republic of Korea. The Republic of Korea is a major contributor to the Coalition in Iraq, providing over 3,300 troops.

Iran's apparent pursuit of nuclear weapons and the implications of their being a nuclear-equipped state sponsor of terrorism adds substantially to instability throughout the Middle East. While I hope that the efforts of the International Atomic Energy Agency and the European Union will deter and dissuade Iran from pursuing a nuclear weapons program, I have no long-term basis for optimism. So far, there have been no signs that Iran will give up its pursuit of uranium enrichment capability. I am also concerned with the Iranian government's continued attempts to influence the political process in Iraq and marginalize U.S. assistance in Iraq and throughout the region.

We must stay focused on the enormous global threat posed by the proliferation of Weapons of Mass Destruction (WMD). Although operationally deployed nuclear weapon numbers are declining in Russia and the United States because of treaty commitments, we continue to prioritize the safety, security and accountability of these types of weapons. Furthermore, we project a slow increase in other states in-

ventories. We are particularly troubled about North Korea's and Iran's on-going nuclear weapons-related activities. The trend toward longer range, more capable missiles continues throughout the world. We believe that some chemical and biological warfare programs are becoming more sophisticated and self-reliant, and we fear that technological advances will enable the proliferation of new chemical and biological warfare capabilities.

Fighting the proliferation of WMD is a challenging worldwide problem and is one of my greatest concerns. Terrorists have stated their desire and intent to obtain WMD. While most of this proliferation in the past was state-sponsored, proliferation by companies and individuals is growing. The revelations about the AQ Khan international and illicit nuclear proliferation network show how complex international networks of independent suppliers with expertise and access to the needed technology, middlemen, and front companies can successfully circumvent domestic and international controls and proliferate WMD and missile technology. Within DOD, the SecDef has tasked the U.S. Strategic Command to synchronize our efforts to counter WMD and ensure the force structure and the resources are in place to help all combatant commands defeat WMD.

Proliferation Security Initiative (PSI) operational activities are central to DOD efforts to counter proliferation of WMD. We will continue to work with key countries to develop expanding circles of counter proliferation cooperation. We have been very successful in the last year. Today, more than 60 nations have endorsed the principles of PSI, with a number of others expressing willingness to cooperate in PSI efforts. 19 nations form the PSI Operational Experts Group. We are conducting PSI exercises around the world to enhance international interdiction capabilities and to serve as a deterrent to curtail the proliferation of WMD and the means to deliver those weapons. In October 2003, our WMD counter proliferation efforts provided a key motivation for Libya's abandonment of its WMD programs and helped speed the dismantling of the AQ Khan nuclear proliferation network. The key to success in combating WMD proliferation remains committed international partnership.

Today, the NATO Alliance is the most important and capable security alliance in the world. NATO commitment across the globe, to include operations in Iraq and Afghanistan, has been very good. However, there is room for improvement. Lack of defense funding by NATO Allies places a strain on the Alliance and our collective defense capability. Despite the general agreement that nations would hold their defense budgets at no lower than 2 percent of their gross national product, unfortunately, today, 50 percent of the nations in the Alliance are below 2 percent. This inadequate spending threatens NATO's ability to transform and adequately meet the Alliance's commitments. Additionally, member governments place numerous caveats on the use of their forces, rendering these forces less effective. For example, during the unrest in Kosovo last March, governmental caveats kept some countries from responding to the crisis. Finally, NATO needs to create a decision-making process that supports time sensitive requests. NATO forces have been slow to respond to security challenges because the NATO bureaucracy was too slow to react. Even with these deficiencies that need to be addressed, NATO has proven indispensable in today's security environment, and has committed itself to improving its capability.

Operations in Kosovo and Bosnia and Herzegovina stand as the definitive examples of how NATO can bring peace and stability to war-torn regions. Additionally, the NATO Response Force (NRF) reached its initial operating capability last October. The NRF gives NATO a joint force tasked to quickly deploy and execute the full spectrum of NATO missions. The Alliance's most recent success occurred in December when NATO concluded its first successful peacekeeping mission in its history. The successful Stabilization Force Mission in Bosnia-Herzegovina was brought to completion after 9 years and, at its peak, consisted of over 60,000 Allied troops. In total, over 500,000 NATO soldiers from 43 nations and 90,000 U.S. troops participated in operations that set the stage to establish judicial, economic, and governmental systems leading to self-governance in Bosnia and Herzegovina. NATO and the United States will remain engaged in Bosnia, where NATO has established a new headquarters that will have the lead role in supporting Bosnian defense reform. NATO forces will continue to hunt for war criminals, and will prevent terrorists from taking advantage of Bosnia's fragile structures. This NATO force will work closely with the newly created European Union (EU) Force and will retain access to the full range of military authorities provided under the Dayton Accords. The EU mission will focus on Bosnia's current security challenges, such as organized crime. This spring, the North Atlantic Council will review the Kosovo mission and the forces required. Based on this review, we will work with our NATO Allies to respond to the evolving security environment.

Narco-terrorism presents a global threat to security, prosperity, and good governance. Through Counter Narco-Terrorism operations, the United States is building coalitions, training and equipping forces, and enhancing the capabilities of allies in the Global War on Terrorism. Ongoing U.S.-sponsored multilateral operations promote security, improve effective border control, deny safe havens and restrict the ability of the narco-terrorists to operate with relative impunity.

Counter Narco-Terrorism (CNT) successes in Colombia over the last year have been exceptional. We appreciate recent Congressional action to increase the troop cap for DOD personnel operating in Colombia. This allows U.S. Southern Command (SOUTHCOM) to maintain the flexibility to meet existing mission requirements while increasing information, logistic and training support to the Government of Colombia during the execution of Colombia's current Counter-Narco Terrorism campaign, Plan Patriota.

With approximately 18,000 members, the Revolutionary Armed Forces of Colombia (FARC) is the largest Narco-Terrorist (NT) group operating in Colombia, followed by the United Self-Defense Forces of Colombia (AUC) and the National Liberation Army (ELN). In the past year, through a combination of aggressive CNT operations and offers of amnesty, Colombian security forces engaged in Plan Patriota have killed or captured 10 senior ranking members of the FARC and have demobilized record numbers of Narco-Terrorism group members. The Colombian Government is engaged in a peace process with the AUC that has already resulted in the demobilization of over 4,000 combatants. As a measure of the improved quality of life in Colombia, in the last year, massacres committed by Narco-Terrorism groups against civilians have decreased 44 percent, kidnappings decreased 42 percent, and attacks against infrastructure have decreased 42 percent. Cocaine seizures have increased 43 percent while heroin seizures have increased 72 percent.

In response to the devastating and tragic Tsunami last December, the U.S. military responded immediately with humanitarian assistance to South and South East Asia. We quickly established a Combined Support Force headquarters in Thailand. During the height of the humanitarian effort, more than 25 U.S. ships, 50 helicopters, numerous support aircraft and 15,000 U.S. troops were involved in delivering and distributing relief. Over 3,300 relief sorties were flown. Sailors, Marines, Soldiers, Airmen and Coastguardsmen provided over 5000 tons of relief supplies including over 420,000 gallons of water. Working with local governments, NGOs and international organizations, servicemembers provided all facets of humanitarian assistance, including providing medical care, clearing debris, and repairing critical infrastructure. This operation was a tribute to the versatility, responsiveness and compassion of our joint forces.

The U.S. Government has recently developed an excellent combating terrorism planning mechanism through the NSC-led Regional Action Plans for Combating Terrorism (RAP-CTs). These RAP-CTs are the primary vehicle for the Interagency to coordinate and deconflict Global War on Terrorism activities on a regional basis. This process is an Interagency success story, and the DOD is fully engaged in these planning activities.

Our global operations show the remarkable versatility, flexibility, agility, and professionalism of our American Armed Forces and highlight our effectiveness in fighting the Global War on Terrorism. Very few nations can field a force capable of expertly conducting simultaneous combat, peacekeeping, and humanitarian operations around the world, while maintaining the flexibility to seamlessly transition from one mission to another.

JOINT WARFIGHTING

Our forces are the world's most capable, in large part because they are the best trained and equipped. They continually strive to be the best joint warfighters in the world, they work extremely hard and they are taking joint warfighting to the next level by working closely with our interagency partners. Our forces possess the requisite personnel, equipment, and resources to accomplish the military objectives outlined in the National Military Strategy. Our forces—whether forward deployed, operating in support of contingency operations, or employed in homeland defense—remain capable of executing assigned missions. But there are many challenges to meeting these commitments.

Our Nation's number one military asset remains the brave men and women serving in our Armed Forces. They have the training, spirit and agility to use modern technology to form the world's preeminent military force. They have the dedication, courage, and adaptability to combat dynamic global threats. The Administration, Congress and DOD have made raising our servicemembers' standard of living a top

priority, and I thank Congress for your tremendous support to our troops and their families during my tenure as Chairman.

The President's budget includes a 3.1 percent increase in basic pay, which keeps military pay competitive. We must ensure the civilian-military pay gap does not widen and that we support our Armed Forces with pay befitting their experience level, skills, and service. Thanks again to your actions, the aggressive increases in Basic Allowance for Housing eliminated an 18.8 percent deficit over the past 5 years and allowed us to eliminate average out-of-pocket housing expenses this year. Danger area compensation and other combat-related initiatives passed into law have also had a positive impact, mitigating the challenges of retaining and compensating our servicemembers serving in combat. Benefit increases have helped close the pay gap, improve health care and housing, and significantly contributed to improving the quality of life of our forces. As fiscal challenges mount for the Nation, I stand ready to work closely with Congress and the Department's civilian leadership regarding future benefit increases. Close coordination will ensure that our limited resources are used effectively to sustain our all-volunteer force.

DOD and Congress are working together to increase benefits for the survivors of deceased servicemembers. While no benefits can replace the loss of a human life, I agree that improvements are needed.

Current stresses on the force are significant and will remain so for the near term. I am concerned with the wear and tear on our equipment, especially our vehicles. High operational and training tempo is putting up to 5 years worth of wear on equipment per year, placing a huge demand on maintenance, supply, depot repair and production. In some units, combat-related damage is high, and there is substantial equipment damage caused by the harsh environment in Iraq and Afghanistan. Additionally, many units leave their equipment overseas when they return from deployment, requiring re-supply and reconstitution as they train for their next deployment.

We continue to analyze our policies and make changes to mitigate readiness challenges to include how forces are selected for deployment, reserve mobilization, training, equipment wear and reset, unit reconstitution, and improving Command, Control, Communication, and Computer System infrastructures. Congressional support, both in the annual budget and supplemental funding, has been essential for continued operations, Army modularization, and recapitalization. However, many of the programs we have put in place take time to develop. We are currently addressing the significant stress in critical specialties in Combat Support and Combat Service Support, as well as Low Density/High Demand assets. Unit reconstitution of both equipment and trained personnel is also a challenging process. Our DOD fiscal year 2005 Supplemental request currently before the Congress is essential to all of these efforts, and I urge the Congress to act promptly and fully on this request.

We continue to rely heavily on our Reserve and Guard personnel. Our Reserve Components are serving critical roles in OIF and OEF, the Global War on Terrorism, and Homeland Defense, as well as serving around the world in other operations and activities. Citizen-soldiers in the Reserve Component are an important link to the American people. Morale in both the active and Reserve Component remains high, and their support by the American people has never been higher. As of April 2005, Guard and Reserve personnel comprised 33 percent of our Force in Iraq, 21 percent in Afghanistan, and 45 percent in Djibouti. We need to continue to review and update our processes to improve the efficiency and agility of our mobilizations. We are well aware of the strains on members, their families, and their employers, and we continuously seek better ways to support them.

While we have made strides in improving predictability and benefits for our Reserve Component servicemembers and continue to pursue rebalancing initiatives—especially in low density and high demand forces—significant additional steps are underway. The Reserve Component Cold War-era processes and policies that have guided training, readiness, administration, pay and health benefits, personnel accountability and mobilization must be reformed and streamlined if we are to have the deployable and sustainable Reserve Component force that our Nation needs. I look forward to working with the new Congressional Commission on Guard and Reserve matters to chart the future course for our very important Reserve Component.

In order to help compensate for the high-tempo force and materiel requirements associated with ongoing operations for the Total Force, we have revised many of our processes to improve readiness forecasting. We have identified Service and Combatant Command requirements, determined the scope of required reset actions, improved on forecasting demands, and addressed industrial base shortfalls. We have developed many of these solutions with the help of the Joint Quarterly Readiness Review process, and the DOD is developing a web-based Defense Readiness Report-

ing System. These efforts are part of an ongoing effort to improve our readiness reporting and responsiveness throughout the Services, the DOD and the Joint Staff.

By using all of these tools, we have identified readiness challenges and will continue to refine our priorities to successfully carry out our missions. This year's budget submission and the supplemental request greatly mitigate some of these readiness challenges, but many will remain as we continue to engage in sustained combat operations.

Because today's security environment demands a global perspective, in June 2004, SecDef approved a new Global Force Management process and designated Joint Forces Command (JFCOM) as the primary Joint Force Provider. These changes will ensure the warfighters get the right forces from the right sources, focusing globally instead of regionally. In the future, JFCOM will coordinate all conventional force sourcing recommendations, excluding those assigned to Special Operations Command (SOCOM), Strategic Command (STRATCOM), and Transportation Command (TRANSCOM). This is a new mindset. Integral to this new methodology is the Global Force Management Board. This board is composed of General Officer/Flag Officer-level representatives from the Combatant Commands, Services, Joint Staff and OSD who review emerging force management issues and make risk management recommendations for approval by the SecDef.

The pace of operations around the globe since 9/11 has led to Operational Tempo (OPTEMPO) and Personnel Tempo (PERSTEMPO) that are hard to sustain indefinitely in many specialties. As a risk mitigator, we have temporarily increased our end strength in the Army and Marine Corps. Making these personnel increases permanent is very expensive. Before making our currently increased level of forces permanent, we need to assess current force management initiatives and our future global commitments. Initiatives like the Army's transformation to a modular-based organization help accomplish this. Having the right force to meet today's threats is critical. The Quadrennial Defense Review will aid in this assessment and help us make informed decisions about the appropriate size and composition of our force structure and manning to achieve our strategic objectives.

One of the readiness challenges facing our forces is adequately resourcing Combat Service and Combat Service Support billets. To help these stressed career fields, we are aggressively rebalancing our force structure and organizations. Through fiscal year 2011 we expect to rebalance mission and skills for over 70,000 billets in the Active and Reserve components. Additionally, we have approximately 42,000 military to civilian conversions planned. The conversions will free up military billets to help reduce stress on the force. Together, these initiatives rebalance over 110,000 billets with a primary focus on high-demand specialties, including civil affairs, military police, intelligence, and Special Forces.

The DOD depends on the skills and expertise of its civilian workforce as a force multiplier. We simply could not perform our mission without the support, dedication, and sacrifice of our DOD civilian employees at home and overseas. To help simplify and improve the way it hires, assigns, compensates, and rewards its civilian employees, the DOD will implement the first phase of the National Security Personnel System this July. This system will improve the management of our civilian workforce, allowing for greater flexibility to support evolving missions.

As of April 1, 2005, enlisted recruiting within the active components remains strong except for the Army, which is at 89 percent of their goal. Many factors contribute to the Army's recruiting challenge, including their fiscal year 2005 end-strength increase and a resulting increase in the total number of recruits needed in fiscal year 2005. In the Reserve Component, recruiting continues to be a challenge. Of the six Reserve Components, only the USMC Reserve and Air Force Reserve made their recruiting goals through March. Each Service and component has mitigating plans and is aggressively attacking the problem. The Army Reserve Components will continue to be particularly challenged since more active Army soldiers are staying in the active force, and of those who get out, fewer are joining the Army Reserve Component. We have increased the number of recruiters and restructured enlistment bonuses to help mitigate these challenges.

The Services are on track to meet their annual end strength goals except for the Army Reserve Components and the Navy Reserve. The Army National Guard's end strength is currently at 95 percent and the Army Reserve's strength is 96 percent. The Navy Reserve is at 94 percent of its authorized end strength, which is on track to meet their target for fiscal year 2007.

We also need to look very closely at the experience level and demographics of the people who are leaving the Armed Forces. The leadership skills and combat skills that our servicemembers are gaining while fighting this Global War on Terror are priceless. It takes years to train quality leaders, and we need today's best officers and NCOs to become tomorrow's senior leaders.

The Army Stop Loss policy is vital to their efforts in the GWOT. This policy affects the Active Army forces in OIF and OEF, and Army National Guard and Reserve members assigned to units alerted or mobilized that are participating in OIF, OEF or Operation NOBLE EAGLE. Stop Loss currently affects alerted Active and Reserve soldiers typically from 90 days before their mobilization or deployment date, through their deployment, plus a maximum of 90 days beyond their return from deployment. Stop Loss is essential to ensuring unit integrity during combat operations. As authorized under Title 10, the size of future troop rotations will in large measure determine the levels of Stop Loss needed in the future. Initiatives such as Force Stabilization, Modularity and the Army's active and reserve component rebalancing should alleviate some of the stress on the force.

Protecting our troops remains a top priority. The rapid production and distribution of Interceptor Body Armor to our forces in OIF and OEF was a tremendous success. 100 percent of U.S. Government civilians and U.S. military members in Iraq, Kuwait, Afghanistan, and the Horn of Africa have had body armor since February of 2004. The Army has aggressively managed this critical item, accelerating production and fielding rates. The Army is now fielding Deltoid Auxiliary Protection armor and the Marine Corps is fielding Armor Protective Enhancement System to help protect shoulder and armpit regions that are not currently covered by Interceptor Body Armor. With your support, we will continue to work diligently to provide the best protective equipment for our troops.

Clearly as essential as providing body armor for our troops is providing armored vehicles to transport them. Our successes in increasing armor production have recently allowed us to institute a policy that servicemembers leaving Iraqi forward operating bases must be in vehicles with armor protection, whether a Humvee, truck, or other tactical wheeled vehicle.

The evolving threat in the Central Command Area of Responsibility (CENTCOM AOR) has significantly increased the requirements for the Up Armored Humvee and armor protection for all vehicles. In May 2003, the CENTCOM requirement for Up Armored Humvees was just 235. Their requirement is now over 10,000. CENTCOM has over 7,300 Up Armored Humvees, and the Army will meet the requirement of 10,000 by this July.

There are three levels of armor protection for all tactical vehicles. A Level 1 vehicle is provided directly from the manufacturer with integrated armor protection against small arms, IEDs, and mines. A Level 2 vehicle is equipped with a factory built, add-on kit installed in theater, to provide similar protection. Level 3, is a locally fabricated armor kit. Level 3 provides comparable protection to Level 2, excluding ballistic glass. All three levels meet detailed Army and Marine Corps specifications. Overall, of the more than 45,000 tactical wheeled military vehicles in CENTCOM, 87 percent have armor protection. As factory production of Level 2 kits has steadily increased to meet the changing requirement, the Army is replacing Level 3 with Level 2 armor. To accelerate this transition, the Army has added two truck installation facilities, making a total of five facilities in theater dedicated to installing factory-produced protection to our vehicles. Navy and Air Force military and civilian personnel are continuing efforts to accelerate armor installation in Iraq and Kuwait. Additionally, the Army is applying Level 2 armor in the United States before units deploy.

Even as we approach our goals for the number of armored vehicles in Iraq, the Army is fielding new capabilities to further protect our troops. Troops returning from Iraq are talking to industry leaders about better, and safer armor design and systems. We continue to refine the entire range of tactics, techniques, and procedures used to move needed personnel and supplies. For example, we have doubled the number of direct air delivery hubs in Iraq, and expanded intra-theater airlift to reduce the number of convoys traveling through high-risk zones. Since the beginning of these air-delivery initiatives earlier this year, we have been able to reduce the number of truck movements used to move equipment and supplies by 4,200. Because we cannot eliminate the risks entirely, we are rapidly developing systems to counter threats, including Improvised Explosive Devices. Overall, our efforts have been successful and are saving lives and limbs. With the continued strong support of Congress, we will continue to provide the best protection possible for our personnel.

Combatant Commanders and Services continue to identify preferred munitions shortfalls as one of their areas of concern, including Laser Guided Bombs and Joint Direct Attack Munitions production. Supplemental funding and programmed budget authority have bolstered Joint Direct Attack Munitions 193 percent and Laser-Guided Bomb kits 138 percent in the past year, continuing to reduce the gap between requirements and available inventory. In the long-term, we need to continue to fund the development of weapons like the Small Diameter Bomb, Joint Air-to-Surface

Standoff Missile, and Joint Standoff Weapon to build on our precision-delivery capabilities.

Last year, the DOD developed overarching policy and procedures for managing contractors during contingency operations. Once reviewed and approved by the Department, these documents will greatly aid in coordinating contractor operations.

The vision for Joint Professional Military Education (JPME) can be summed up as delivering the right education, to the right people, at the right time, focusing on improved joint warfighting. Cold War threats and force structure were the building blocks for Joint Officer Management policies codified in the 1986 Goldwater-Nichols legislation. The requirement for JPME trained forces throughout different levels of seniority has grown significantly since the law went into effect. Over the last 3 years we have expanded JPME across the ranks and components to include an expansion of JPME phase two opportunities, JPME opportunities for enlisted personnel, junior officers starting with precommissioning, Reserve Component officers, senior enlisted advisors, and for two- and three-star general and flag officers. Training for Combatant Commanders is in the planning stage.

As we redefine jointness with our changing roles and missions, Congress has played a vital role in adapting JPME to this new environment by tasking DOD in the National Defense Authorization Act for 2005 to develop a new strategic plan for joint officer management. We must develop leaders at all levels capable of effectively accomplishing our strategic and operational objectives. As an example, we are looking at the core competencies required for our Joint C4 Planners and defining what it takes to train, educate and certify them in their profession, similar to our certification and training standards for our pilots.

Providing opportunities for foreign military personnel to train with U.S. forces is essential to maintaining strong military-to-military ties. Whether through classroom training or major exercises, training and education received by our allies helps build and maintain skilled coalition partners and peacekeepers and affords many future leaders the opportunity to live in our culture and understand our values. Many of the sharp mid-grade foreign officers who attended U.S. military training and exercises in the past decades are leading their militaries and countries around the world today. Over the past 5 years, the IMET budget has nearly doubled, from \$50 million in fiscal year 2000 to nearly \$90 million in fiscal year 2005. It is in our best interest to keep this important IMET process on track, and I thank Congress for continued support and funding of this important program.

Because these training opportunities and military-to-military relationships forged among allies are so important, I am concerned with U.S. Government restrictions that limit these relationships. The first is the Visa restrictions that affect foreign military personnel visiting the United States for training. The second is legislative restrictions. One example is the restriction placed on countries affected by the American Servicemembers' Protection Act (ASPA). ASPA's provisions ensure and enhance the protection of U.S. personnel and officials, but an unintended consequence has been a reduction in training opportunities with countries not supporting the Act.

Anthrax represents a significant threat to our Forces and I fully support the resumption of the Anthrax vaccine program. DOD is in full compliance with the April, 2005 court order requiring DOD to explain to servicemembers their right to refuse the vaccine.

Ongoing operations in Iraq and Afghanistan and the current global environment have made the Combatant Commander Initiative Fund (CCIF) a high demand asset for sourcing the combatant command's emergent warfighting needs. These funds allow the warfighting commanders to quickly mitigate financial challenges encountered during combat operations. Combatant Commanders use CCIF extensively and I support the full funding of this program to ensure we are responsive to the warfighter's short-fused needs.

The CJCS managed Joint Exercise Program (JEP) provides the transportation funding that supports the Combatant Commanders' Joint and multi-national training which influences the Global War on Terrorism, and supports our theater security cooperation plans worldwide. Since 9/11, high OPTEMPO and PERSTEMPO have forced the Combatant Commanders to reduce the Joint Exercise Program demand by 36 percent. In response to this dynamic environment, the Joint Staff has changed the program to make it strategy based and more responsive to the warfighters requirements. This year, JEP is conducting 117 exercises. 82 percent of these are focused on Theater Security Cooperation, preparation for OIF and OEF, and special operations forces activities, all of which are directly applicable to fighting the Global War on Terrorism. It is essential that Congress fully fund the Combatant Commanders' Joint Exercise Program.

Our joint warfighting operations around the world have clearly shown that freedom of navigation, both on the sea and in the air, remains absolutely critical to military planning and operations and is vital to U.S. national security interests. I strongly support U.S. accession to the Law of the Sea Convention as the best means to protect our navigational freedoms from encroachment.

We have many challenges facing our Joint Warfighting team as we enter our fourth year of sustained combat operations. I am acutely aware of the effects of operational demands on our Total Force. The Army Reserve recently highlighted that under current policies governing mobilization, training, and manpower management, they cannot sustain their current OPTEMPO demands and then regenerate their forces. This is a tough problem, but we have many initiatives in place to mitigate this and other challenges affecting our overall readiness status in 2005. Our Total Force can continue to support the National Security Strategy and this current high operational tempo, but we must analyze, refine and reassess our efforts so we can transform the force for the challenges of the 21st Century.

TRANSFORMING THE FORCE

I am proud of the transformational efforts and successes in the U.S. military, but we must continue our efforts to meet the challenges facing our country today and in the future. We are a Nation at war, so one of our greatest challenges in the military is to transform while conducting joint warfighting in the Global War on Terror, protecting the United States from direct attack, and reducing the potential for future conflict. We must continue to invest heavily in transformation, both intellectually and materially.

Transformation is not simply applying new technology to old ways of doing business. Transformation requires cultural change, new ways of thinking about problems, and changes in how we organize and train. I am proud of the innovation and initiative I see from our servicemen and women, both on headquarters staffs and in the field. The concept of Transformation is central to all our assessment and procurement processes. This year, we will work through three major processes—QDR, Base Realignment and Closure Commission (BRAC) and Integrated Global Presence and Basing Strategy—that have a long term, broad impact on our force posture.

The Office of the Secretary of Defense is leading the 2005 Quadrennial Defense Review process. The QDR will provide a comprehensive strategic plan that will set the standard for transforming the Armed Forces to ensure success against a wide range of national security challenges. This is the third Quadrennial Defense Review, and it is unique in that we have been engaged in sustained combat operations for the last 4 years. The QDR is underway and is scheduled to be released in February 2006. By law, the CJCS will assess the results, and risks, and make recommendations on the roles and missions of the DOD.

I thank Congress for continued support of our Base Realignment and Closure process. Past BRAC efforts, in the aggregate, closed 97 installations and affected many others within the United States. Through fiscal year 2001, these actions produced a net savings of \$17 billion and an annual savings thereafter of about \$7 billion. In March of 2004, the SecDef and I reported to Congress that the Department had substantial excess capacity. While we recognize BRAC is a challenging process, clear evidence of this excess capacity, coupled with a history of savings from past BRAC efforts, makes the argument for completing BRAC 2005 all the more compelling. BRAC 2005 provides an excellent opportunity to further transform the DOD by comparing our infrastructure with the defense strategy. BRAC is a valuable tool for maximizing our warfighting capability and eliminating excess capacity that diverts scarce resources away from more pressing defense needs.

One of our near-term transformational challenges is to better use the forces we have to provide needed capabilities to the Combatant Commander. The Integrated Global Presence and Basing Strategy (IGPBS) transforms the Cold War footprint into one focused on capabilities, employing CONUS-based rotational forces that are lean and agile. This strategy enables rapid power projection and expands global presence and theater security programs by combining quick deployment, CONUS-based forces, with strategically positioned overseas-based forces. This strategy reduces the requirement for overseas support infrastructure and forces. Fewer remote-duty tours and longer CONUS assignments will mitigate family stress. Complementing IGPBS is the Army's transformation to brigade-centric modular forces that will increase the number of brigades available to rotate overseas from 33 to at least 43 active brigades by 2010.

DOD has already made many changes to our global posture since the 2001 Quadrennial Defense Review. The Combatant Commanders have continued to adjust our footprint to make our forward-stationed forces more relevant to our current and fu-

ture challenges. These posture initiatives are not only about adjusting numbers, but also about positioning the right capabilities forward to meet our needs and security commitments, while enhancing allies' and partners' transformation efforts in support of the Global War on Terrorism and regional security initiatives. For example, the SecDef has already approved several reductions within EUCOM and U.S. Forces Korea. The DOD, with the help of the Interagency, is moving forward in discussions with allies and partners on other specific proposals. As these discussions mature we must address the facilities and infrastructure needed to enable these capabilities. Our requests for overseas military construction this year are consistent with these plans and support our Combatant Commanders' transformation initiatives. I encourage your support in funding these critical projects.

We are reviewing many important weapon systems and DOD programs as we continue to transform. The Department's fiscal year 2006 budget submission restructured or reduced some programs and force structure. We focused on supporting current operations, near-term readiness and critical transformational programs. Reductions targeted areas where we have capability overlap, or the near-term risk was deemed acceptable to fund higher priorities. We will examine all of these programs and issues during the Quadrennial Defense Review and through other assessment tools like the Joint Requirements Oversight Council. We will maintain sufficient combat capability to execute our National strategies as we transform the Armed Forces to counter increasingly dangerous, dynamic, and diverse threats.

We are transforming across the force. In 2004, we took some big steps and made some difficult decisions, and we are already seeing positive results. Examples include the Army's restructuring into modular formations, and the Navy's continuing transformation of its force to include the restructuring of deployment cycles. Despite the demands of current operations, we remain focused on a wide array of transformational weapon systems and programs.

Maintaining supremacy over our enemies in both combat aircraft and combat support aircraft is a top joint warfighting priority. The continued development and production of the F/A-22 Raptor, V-22 Osprey, C-17 Globemaster III, E-10 Battle Management, F/A-18 Super Hornet, P-8A Multi-mission Maritime Aircraft, and UAVs are critical to maintaining this air supremacy. While some of these programs have been restructured, they remain very important joint warfighting platforms that are required to meet our National Security and military strategies.

We need to continue to fully support the F-35 Joint Strike Fighter program. The F-35 is truly a joint aircraft, with three variants planned. This aircraft will be the mainstay of the next generation of the Air Force, Navy, Marine Corps and our allies' tactical aviation wings. The aircraft is in its 4th year of an 11-year development program, and will be a giant leap over the existing fighter and attack aircraft it is programmed to replace. The current design challenge is weight, which impacts performance requirements, particularly for the Short Takeoff and Vertical Landing variant. Design teams have worked diligently to solve the weight issue and the F-35 is on track to meet weight requirements at IOC. The DOD has moved the first planned production procurement to the right 1 year, to fiscal year 2012 for the USMC variant and fiscal year 2013 for the USAF/USN variant. DOD has also added extra money to development.

To remain a truly global force, we must modernize our aging aerial refueling fleet. In November 2004, the Joint Resources Oversight Council approved the Air Refueling Aircraft Initial Capabilities document that identified a shortfall in our air refueling capability and provided a modernization, recapitalization, and transformation plan for the Air Force aerial refueling fleet. The Air Force is still studying alternatives. Based on the results of these studies, the DOD will develop a cost-effective strategy for sustaining this critical joint warfighting capability.

The DOD continues to make progress in providing missile defenses for our homeland, deployed forces, friends and allies. The DOD placed six ground-based interceptors in Alaska and two in California to provide a rudimentary capability to defend the United States from ballistic missile attack. The system is undergoing operational shakedown concurrent with continued research, development and testing. Confidence in the system readiness will come from ongoing ground testing, flight-testing, modeling and simulation, war games and exercises. As we make progress in the program and refine our operational procedures, the SecDef will decide when to place the system in a higher state of readiness.

Our maritime forces are aggressively pursuing their transformation efforts. The Navy is moving toward a more flexible and adaptable new generation of ships including nuclear aircraft carriers (CVN-21), destroyers DD(X), cruisers CG(X), the Littoral Combat Ship (LCS), the VIRGINIA-class fast attack submarine, and the enhanced aviation amphibious assault ship (LHA (R)). The Marine Corps is working in consultation with the Navy concerning the future maritime prepositioning force

(MPF(F)). The fleet of the future will likely be a numerically smaller force, but one with greater combat capabilities. The Navy is continuing to study the overall capability and size mix required for the Navy of the future.

Part of our transformation to a more lethal and agile force is our move toward Network Centric operations. Network Centric operations enable us to provide decisive combat power from a fully connected, networked and interoperable force. Central to this capability is the Global Information Grid (GIG). The GIG provides the backbone systems that provide global, end-to-end communications for DOD. The GIG will combine our future-force space and terrestrial C4 programs under one communications umbrella. Protecting the information on the GIG is also essential to warfighting operations, and our information assurance efforts continue to be a very high priority.

DOD Space capabilities are integral to the broad range of military operations we face today, and essential to meeting the challenges of the future. These capabilities provide decisive advantages for our Nation's military, intelligence, and foreign policy. They help warn of terrorist attacks and natural disasters. To meet these needs, Joint force commanders must have integrated Command and Control systems to dominate the battlefield.

Today, bandwidth demand exceeds our DOD space system capabilities, and our warfighting requirements continue to increase at a very high rate. More and more of our aging satellites are nearing the end of their expected life cycle. In response, DOD is developing new space communication systems such as the very important Advanced Extremely High Frequency (AEHF) Satellite program and the Transformational Communications Satellites (TSAT)/MILSATCOM program. AEHF is a critical system that will significantly increase our secure communication capabilities over the current Milstar system, and provide a bridge to TSAT. TSAT will provide a leap in our communications capabilities and will greatly enhance communications on the move, and assured command and control of our conventional and nuclear forces. It will allow small, mobile units to connect to the GIG anywhere in the world and will help provide persistent and detailed intelligence to the warfighters.

The Joint Tactical Radio System (JTRS) is a transformational software-programmable radio that will provide seamless, real-time voice, data, video and networked communications for joint forces. More than a radio replacement program, JTRS provides the tactical warfighter with net-centric capabilities and connectivity to the GIG. This new radio system is a significant improvement in capability and interoperability for the joint warfighters, and plays a critical role in networking our 21st century force.

Internationally, we made progress last year negotiating with the European Union with regard to their Galileo global positioning satellite system. The United States and the EU signed an agreement in June 2004 that stipulates Galileo signal structures will "cause no harm" to our future military use of GPS. Several international working groups established by that agreement will soon assess how future GPS and Galileo signal structures will interact.

Moving away from specific systems, there are several transformational concepts and programs. One of the most important goals of the Intelligence Reform efforts must be to ensure warfighters have unhindered access to intelligence to conduct their operations. We must be able to task national assets for intelligence to support the warfighter and enable users to pull and fuse information from all sources. As the roles and responsibilities of the intelligence organizations are refined, these changes must not weaken intelligence support to the warfighters. I strongly agree with the law's recommendation that either the Director of National Intelligence or the Principal Deputy Director be an active duty commissioned military officer.

The information-sharing environment will be a force multiplier for countering terrorism by integrating foreign and domestic information into a single network. Initiatives such as incorporating Intelligence Campaign plans into Operational plans will inform the intelligence community what the warfighters need and greatly improve joint warfighters' use of intelligence.

Many of the successes in the GWOT are a direct result of successful information sharing with our allies and coalition partners. Ongoing operations in Afghanistan, Iraq, the Philippines, and Africa demonstrate both the importance and the shortfalls that exist in the timely sharing of intelligence. To be truly global in our fight on terrorism, we must continue to improve coalition command and control capabilities. To accomplish this, we have established a centralized multinational executive agent and a Joint Program Office to improve secure information sharing. Our goal is to incorporate multinational information sharing systems as an integral part of the Global Information Grid. Congressional support is needed as we continue to enhance our ability to network with our allies and global coalition partners.

As I deal with the Interagency on a daily basis on national security issues, I firmly believe we need to become more efficient and effective in integrating the efforts of various government agencies. I was pleased to observe and advise on the successful creation of the Department of Homeland Security and the recent Intelligence reforms. These two reforms should be just the beginning of our reform effort in the Interagency. Unifying the Interagency will be incredibly important to our country as we fight the GWOT and face the changing threats of the 21st Century.

In April 2004, the NSC Principals' Committee directed the establishment of Office of the Coordinator for Reconstruction and Stabilization at the State Department. This office will lead, coordinate, and institutionalize U.S. Government efforts to prepare for post-conflict situations and help stabilize and reconstruct societies in transition from conflict to peace. This is an important step because the Interagency has been challenged to meet the demands of helping post-conflict nations achieve peace, democracy, and a sustainable market economy. In the future, provided this office is given appropriate resources, it will synchronize military and civilian efforts and ensure an integrated national approach is applied to post-combat peacekeeping, reconstruction and stability operations.

Last year I reported that we had shifted the focus of our Joint Warrior Interoperability Demonstration—now named Coalition Warrior Interoperability Demonstration—to Homeland Defense and Homeland Security requirements. The purpose of these demonstrations and warfighter assessments is to enable government and industry to join together in their use of Information Technology assets to solve Homeland Defense IT challenges. The goal is to field off-the-shelf products to meet Combatant Commander and Coalition Commander requirements in 12–18 months, greatly minimizing the normal acquisition timeline. I am happy to report that NORTHCOM, the Federal Emergency Management Agency, the U.S. Coast Guard, and the National Guard Bureau, along with the Services and more than 20 countries, will participate in these programs this year.

Joint Experimentation is central to transformation. Led by Joint Forces Command and involving Services, Combatant Commands, Government Agencies, and Multi-national partners, joint experimentation seeks to refine joint concepts and, ultimately, future joint force capabilities. Recent productive examples include UNIFIED QUEST 2004 and UNIFIED ENGAGEMENT 2004. In UNIFIED QUEST, the Army and JFCOM examined and assessed major combat operations and the very important transition to post-conflict. UNIFIED ENGAGEMENT was a joint, interagency, and multinational wargame that explored ways to sustain persistent dominance in the battlespace of the future. As we revise our joint concepts, we are incorporating results from these and many other experiments and wargames. These experiments and wargames have provided potential solutions to problems of joint force projection, multi-national and interagency operations, and decision making in a collaborative environment.

We must be able to rapidly deliver combat forces to the Joint Force Commanders and sustain them in combat operations. The Joint Staff is working with JFCOM and TRANSCOM to integrate our Deployment and Distribution Process and to develop a Joint Theater Logistics capability (JTL). Operations IRAQI FREEDOM and ENDURING FREEDOM highlighted our need for JTL and logistics integration. These programs will provide a more responsive force projection and sustainment capability to the warfighter.

Another improvement to our logistics management processes is using state-of-the-art technologies like Radio Frequency Identification (RFID) technology. DOD used RFID during OIF as a supply-chain management tool to track supplies from the warehouse to the warrior. Other new technologies are helping us capture data at its source, modernize and transform our logistics systems, and improve the accuracy of data in our common operational picture, ultimately deploying resources to the warfighter more quickly.

In November 2004, we finalized an instruction on joint doctrine development to move valid lessons learned more rapidly into doctrine. When joint doctrine needs to change, there are now mechanisms in place to change doctrine outside the normal revision process. One example of this expedited review is the JROC validation of OIF and OEF lessons learned. When the JROC validates recommended doctrinal changes, layers of bureaucracy are removed, and the warfighters receive updated doctrine more quickly.

The Joint National Training Capability is an important Joint Forces Command-led program that will eventually encompass all joint training. This system became operational in 2004 and is beginning to link all training ranges, sites, nodes, and real and virtual events into a single network, allowing world-wide participation in training activities and integration of all joint training programs. For individual training, the Joint Knowledge Development and Distribution Capability also became

operational in 2004. Managed and led by the Joint Staff, this project develops and shares up-to-date, critical joint military knowledge for education and training.

DOD is in the midst of completing a Strategic Capabilities Assessment to review the progress in fielding the New Triad, which includes non-nuclear and nuclear strike capabilities, defenses, and responsive infrastructure. This assessment will help recommend the number and types of forces needed to meet the President's goal of reducing our reliance on nuclear weapons. We have begun to make significant reductions on our way to 1,700 to 2,200 operationally deployed strategic nuclear warheads by 2012. This reduction is possible only if Congress supports the other parts of the New Triad, our defenses and responsive infrastructure. STRATCOM has revised our strategic deterrence and response plan that became effective in the fall of 2004. This revised, detailed plan provides more flexible options to assure allies, and dissuade, deter, and if necessary, defeat adversaries in a wider range of contingencies.

The transformational decisions we make today will have a lasting impact on our Nation's defense capabilities and strategic and tactical warfighting capabilities well into the 21st Century. These decisions will also have a lasting impact on our allies and coalition partners, who use our capabilities to improve many of their capabilities and technologies. Transformational decisions are difficult. We must make thoughtful, informed choices about systems and program that may be "new and improved" but not significantly transformational to keep up with our dynamic security environment. The Joint Chiefs understand this fully, and are leading our armed forces to transform.

CONCLUSION

We are a Nation at war. The demands placed on our Armed Forces this past year have been extensive, but our servicemen and women continued to perform superbly under conditions of significant stress and in the face of myriad challenges. I am tremendously proud of the men and women of the U.S. Armed Forces for their continued hard work and sacrifice and that of their families.

This is a pivotal moment in our Nation's history and in world history. We must stay committed if we are to win the Global War on Terrorism and defend the United States and our national interests. Our way of life remains at stake, so failure is not an option. Our military is unwavering in our focus, resolve and dedication to peace and freedom. With Congress's continued strong support, our military will continue to effectively combat terrorism, counter the proliferation of WMD, help Iraq and Afghanistan build a stable and secure future, improve our joint warfighting capabilities, and transform our Force to meet future threats. I greatly appreciate your efforts and your focus to help the military meet its objectives and make the world a better and safer place for our citizens and the generations to follow.

Senator STEVENS. Thank you very much.

We will have a period now of 5 minutes apiece of our members here. I am informed that most members of the subcommittee are going to attend, so we have limited it to 5 minutes.

Let me recognize the chairman of the full committee first.

EMPLOYER TREATMENT OF GUARD AND RESERVE PERSONNEL

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

There has been some concern expressed about the fact that those who serve in the Reserve components of the armed forces when they are coming back to civilian status are in some cases losing the opportunity to work in the jobs they had before they were deployed and went on active duty. To what extent is the Department undertaking to try to deal with that situation and help make it possible for reservists and guardsmen to serve our country in this time of need and at the same time be treated fairly by the private sector when they return?

Secretary RUMSFELD. Senator, first of all I would say that the employers of America have been terrific in general across the country. I am sure there are always situations where that is not the case, but they have done a great many things to be supportive of

members of the Guard and Reserve during the periods that they have been activated and when they return.

As you know, reservists' jobs are protected by law under the Uniformed Services Employment and Reemployment Rights Act. We have an organization within the Department of Defense that works directly with employers when a reemployment problem arises and there is a national committee for employer support of the Guard and Reserve that exists and functions. They contact employers and attempt to work out problems with informal means. If that fails, then there is a formal complaint process that can go forward in the Department of Labor, which has the responsibility for investigating and resolving any complaints under that statute.

So I would say that I have heard of relatively few instances of problems and I hope that that is a reflection of the actual situation.

URGENCY OF SUPPLEMENTAL APPROPRIATIONS

Senator COCHRAN. We are working with our colleagues over on the House side to resolve differences on the supplemental appropriations bill that provides substantial funding for military operations in the global war on terror and particularly with respect to our deployments in Iraq and Afghanistan. We hope to complete action on that conference committee work this week, as you suggested in your opening statement. But what difficulty would the Department encounter if we are not able to do that, as we hope we can? Give me something I can pass on to the members of the conference committee as we meet today to try to light a fire under the process?

Secretary RUMSFELD. We checked with the services and the Army estimates that—I guess this is, what April 27. They estimate that around May 5 some of the commands may have to stop hiring and stop ordering supplies and stop awarding contracts until the House-Senate conference has completed their work and the supplemental been dealt with by the President.

The Army has already started slowing some obligations to try to make funds last so that they would not have to do that. Of course, once you start swinging funds around from one activity to another frequently it requires reprogramming, it requires inefficiencies that are unfortunate, that they have to be made up later.

MAINTAINING INDUSTRIAL CAPABILITIES

Senator COCHRAN. One of the concerns in some of our States is where we have industrial activities relating to shipbuilding or airplane manufacturing or other activities that provide armaments and equipment to the military forces, that in some cases there are substantial cutbacks in projected spending, so that the budgets that had been anticipated for building ships and some of these other activities are not what they are—what they were, they are not what they were expected to be, putting a lot of pressure on the ability of the employers to predict how many people they need to continue working at their shipyards and in other plants.

Do you expect that there would be any change in the requests that we are beginning to hear, cutting back the number of ships that we need in the future or other armaments? How do you expect

we are going to be able to maintain the efficiency in these industrial capabilities in the face of these unexpected cutbacks?

Secretary RUMSFELD. Senator, the Navy has done a great deal of study on the shipbuilding, to take that specifically into account, and they now have some suggestions that are being considered by the Department of Defense and by the Congress, obviously. My anticipation is that they will have clarity and conviction in an appropriate time. The Quadrennial Defense Review also is something that is underway and that enters into this discussion.

But one of the important things I would say is that if we look only at numbers of ships it seems to me that we miss something terribly important. The fact is that when we had a fleet of 485 ships we routinely were able to deploy 102 ships out of 485, and that is because of the way the fleet was managed. Large numbers were constantly under repair, the crews were on leave. The whole process was arranged that way.

Today the fleet size is plus or minus 285 ships. It is low. On the other hand, we are routinely deploying 95 ships out of 285, compared to 102 ships out of 485. So what is really important is what are you able to use, what is the useability of the fleet, not the total number. Clearly, the useability is about the same.

Then the second question is the one I mentioned in my opening remarks, which was what can that ship do or what can that carrier battle group do? It can do three or four times as much as carriers and capabilities 10, 15, 20 years ago. So I think we need to look at capability. I do not deny that presence is important, but the deployability affects the presence issue.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator STEVENS. Thank you, Mr. Chairman.

The chair recognizes our ranking member, Senator Byrd, for 5 minutes.

Senator BYRD. Thank you, Mr. Chairman. Thank you, Mr. Secretary. Thank you, General.

One of my constituents, Mrs. Lisa Vance of Morgantown, West Virginia, contacted my office last week. She is the widow of a West Virginia National Guardsman killed in Afghanistan in May 2002. She relates her story of the incredible burdens that she has had to face after her tragic loss. Mrs. Vance has gone through more trouble than any military widow ought to have to bear.

Mrs. Vance reported that paperwork errors nearly cost her \$50,000 in life insurance funds. She has never received the financial counseling to which she is entitled. She received no explanation of the health insurance benefits that she was eligible for immediately after her husband's death. A simple pay issue took 3 years to resolve. Some of the guidance Mrs. Vance received on important matters was based on Army field manuals that were more than 10 years out of date. At one point, her casualty assistance officer retired. No replacement ever arrived to assist her.

The bottom line is that the casualty assistance officers who assist widows do not appear to have adequate training for the incredibly difficult job that they must perform. I do not question the dedication or commitment of the soldiers who must perform this job. There are questions about whether the military is giving these offi-

cers sufficient training to assist grieving widows in their hour of greatest need.

General Myers, how much training is given to casualty assistance officers before they are sent out to care for grieving families?

General MYERS. You know, Senator Byrd, that is an issue that we follow very, very carefully. My suspicion is this is a unit-specific problem where the training either was not done properly or, for whatever reason, the proper leadership was not provided. I do not think this is a problem that is systemic. I will get you the facts for exactly how much assistance, but from the information that I get this is obviously an isolated case and it is a very bad case and nobody should have to go through that.

Senator BYRD. Thank you.

[The information follows:]

The goal of our Casualty Assistance programs is to provide prompt reporting, dignified and humane notification and efficient and compassionate assistance to family members, including a thorough review of the death benefits, compensation and entitlements. We have confirmed that our National Guard casualty assistance officers or representatives receive the same comprehensive training and use the same policies, schoolhouses and syllabi as their active duty counterparts.

The Military Services ensure that personnel assigned casualty assistance or notification responsibilities receive appropriate training. Training is conducted in multiple ways: course of instruction at formal schools; classroom instruction; training videos; video teleconferencing; and distance learning via the Web; review of applicable Service Directives and Instructions; hard copy casualty assistance guides.

Assignment as a casualty assistance officer can be one of the most challenging and emotionally charged duties a Service member will ever assume. Therefore, we train and prepare them as much as possible to perform their mission well. Assistance officers can be assigned from the unit of the deceased, from the parent installation, or from the unit closest to where the family is located. As a result of this dedicated and professional assistance and a genuine desire to assist the families of a fallen brother or sister, we often hear from the families that they consider their Casualty Assistance Officer part of the family.

In those cases where we discover that the assistance provided was less than adequate, immediate actions are taken to address any unresolved issues or problems with the family.

Question. Do members of the National Guard receive the same training as their active duty counterparts?

Answer. Yes. The National Guard receive the same level of training provided to the active force members. When a member of the National Guard becomes a casualty, a trained casualty officer, who may be either active duty or National Guard, nearest to the next-of-kin is assigned to the family.

Question. Have there been any changes to the training for casualty assistance officers based upon the experiences of war widows like Mrs. Vance?

Answer. Yes. To ensure that our policies and programs stay current and address the needs of our Service members and their families, we chair a Joint Casualty Advisory Board that meets three times a year to review, assess, and recommend appropriate changes. Along with the normal attendees at these meetings, the Casualty Heads from each of the Military Services, the Joint Staff, representatives from other Federal agencies such as the Department of Veterans Affairs and the Social Security Administration, and non-profit organizations, we have added family support groups and surviving family members. This partnership approach on policy development, especially involving those who have experienced a loss and received the follow-on assistance, guarantees our program is addressing the required services to meet the needs of our Service members and their families.

Feedback from family members has assisted the Military Services in updating their casualty assistance training programs. Specifically, training improvements have included increased emphasis on providing family members with factual information on their loved one's case without speculation, responding to family member questions in a more timely manner, ensuring family members have a complete understanding of their benefits and entitlements, expediting the return of personal effects, and maximizing the use of chaplain support in the notification and assistance process.

Additionally, family member input has resulted in new policies pertaining to the public release of casualty information, additional resources for bereavement counseling for extended family members, and expedited claims processes from the Department of Defense, Department of Veterans Affairs, and the Social Security Administration.

Senator BYRD. Do members of the National Guard receive the same training as their active duty counterparts?

General MYERS. They should, absolutely.

Senator BYRD. Are there adequate numbers of chaplains in the armed forces to comfort the war widows?

General MYERS. I would say for the most part there are, although there is and has been for some time a lack of adequate Catholic priests in the armed forces chaplaincy, as there are a lack of priests in the civilian community. It has been a continuing problem. But I think in other denominations that is not a problem.

Senator BYRD. General Myers, do you feel that there is a need to increase the chaplains to compensate for the strain of overseas deployments, and is there a need for more funding to provide more chaplains for the armed services?

General MYERS. It has not been brought to my attention that that is a shortfall that needs to be addressed, so I cannot answer that question.

[The information follows:]

Upon further analysis, there are chaplain shortages in the Reserve Components (RCs) of the Services. We need to concentrate recruiting efforts so that RCs are properly manned with chaplains to serve the needs of deployed Service members, as well as Service members and families at home. RC chaplain manning expressed as a percentage of the requirement is:

	Percentage Manned
Army National Guard	60
Army Reserve	72
Navy Reserve	84
Air National Guard	89
Air Force Reserve	95

Chaplain retention is very high in all components. The lower manning numbers reflect the challenge in recruiting civilian clergy as chaplains and mirror the challenges that the Army National Guard and Army Reserve are having in recruiting all types of Soldiers. Current initiatives to recruit more RC chaplains include:

1. Developing legislation to provide a seminary tuition loan repayment plan for those who serve 3 years in the Army Reserve or Army National Guard chaplaincies after graduation. If adopted, this legislation would require a funding increase.
2. Increasing recruiting efforts in all components, with recruiters visiting seminaries and attending faith group annual conferences.
3. Increasing efforts to recruit prospective chaplain candidates from Service members with college degrees who are leaving active duty to attend seminary.

With these initiatives in place, and the continued support of Congress, we expect to see an increase in RC chaplains to better support our Service members and their families.

Senator BYRD. Have there been any changes to the training for casualty assistance officers based upon the experiences of war widows like Mrs. Vance?

General MYERS. You bet, because the benefits have changed over time and so that is a program that is continually updated by the services who are responsible for that.

Senator BYRD. How can Congress assure that the widows of troops who were killed in Iraq in recent days will not have the same problems that Mrs. Vance encountered?

General MYERS. Well, it is something we have addressed from the day that we started this war on terrorism and against violent extremism. In an effort to try to do that, we have—to help, if everything else fails, we have an operation called Military One Source that has been set up here, actually I think in Virginia. It is available 24 hours a day, 7 days a week, to provide the kind of assistance that you just mentioned. So if they are not getting the help, if people are not getting the help they need on any question, they have a toll-free telephone number, Internet, and e-mail access, and we will refer the questions to the appropriate authorities and follow up to make sure it gets done.

As you know, also early on we had some questions about the Reserve components' ability to provide the kind of information, not just on casualties, but basic information to the families. This is because in the Reserve component case many of the families are not co-located on a base or a camp or a station or a post, and the Reserve component has really stood up to that requirement and provides excellent, I think, information to the families and the employers, for that matter, of those that are employed.

Senator BYRD. Thank you, General Myers.

SERVICES AND COUNSELING PROVIDED TO SURVIVING FAMILY
MEMBERS

Secretary Rumsfeld, are you satisfied with the services and counseling provided to war widows?

Secretary RUMSFELD. Senator Byrd, any time one hears a story that you have cited about Mrs. Vance, obviously you cannot be satisfied. The points that General Myers made, there are a variety of ways to try to assist people in the event that there is a breakdown in the system. There is frequently breakdowns in any system, as we all know.

One other thing that exists today is an organization called AmericaSupportsYou.mil, where you can go on the Internet and you can find out ways that citizens in communities are helping people who may have difficulties. It is a terrific web site because it shows all the things that are being done around the country to assist people who are connected with the military and to support them as well as to support the troops.

Senator BYRD. Mr. Secretary, what are the areas that need improvement and what is being done about it?

Secretary RUMSFELD. Well, the things that have been done, in addition to what General Myers has cited here, this family support activity, there is for the really injured, there is a separate activity that is designed to assist people who come back with severe injuries of any type and to assist them and their families in that period after they begin to become disconnected from the military in the event that they do disconnect from the military, although I must say there are an increasing number of severely injured people who are staying in the military and being able to continue to serve.

Senator BYRD. Thank you, Mr. Chairman.

Senator STEVENS. Thank you, Senator. We will come back later, Senator Byrd.

Senator FEINSTEIN is recognized for 5 minutes.

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

General, let me thank you very much for your service to our country. I know the days have been tough and long and I just want you to know that Californians are very grateful and thank you for your service.

F-22 ACQUISITION

I would like to ask two questions on procurement, having to do with the F/A-22 and the C-130J. If I understand the President's budget correctly, it is going to complete the procurement program for the F/A-22 with the production of 179 planes instead of the original 750. It will end the program in 2008 instead of 2011. Are you effectively then truncating this program and completing it by 2008?

Secretary RUMSFELD. Senator, I would describe it slightly differently. Last year's planned purchase of F/A-22s was 277 and that has been brought down to 170 aircraft through 2008. This is a very fine aircraft from everything I can tell. It is still in process, however, and it is very expensive.

As a result, the Quadrennial Defense Review is designed to in this case determine the number of wings, whether a single wing or one and a half wings or two wings might be appropriate. Until that work is done, we will not know whether—what number between 170 and something like 277 might be appropriate.

I think that as we come out of the QDR, where we are looking at other capabilities that relate to air dominance, we ought to have a better idea of what portion of the air dominance role would be played by a F/A-22 from a cost benefit standpoint.

Senator FEINSTEIN. So it is 170 by 2008. Are you figuring the additional aircraft at \$250 million per plane?

Secretary RUMSFELD. The last number I heard was about \$250 million. \$257 million is the latest rounded number.

C-130J ACQUISITION

Senator FEINSTEIN. Now let me ask you about, if I can, the C-130J. You end procurement in 2006. You are going to be 100 short of the original purchase. It is a \$3.5 billion saving; \$1 billion is just in cancellation of the contract—is that true?

Secretary RUMSFELD. I am not certain of that number. I know there has been a good deal of debate about what the cancellation or termination of a multi-year contract would cost and the issue is open. We have said that there is some additional information that has become available subsequent to putting the President's budget to bed and at some point in the weeks ahead we will have better information. To the extent it suggests that any adjustments ought to be made in what we propose, obviously we will come back to the Congress with those proposals.

ROBUST NUCLEAR EARTH PENETRATOR

Senator FEINSTEIN. I appreciate that.

Now, very smart, Mr. Secretary. You have apparently divided the money for the Robust Nuclear Earth Penetrator between the energy budget and the defense budget, with \$4.5 million in one and \$4 million in the other. As you know, in the energy budget, the funding was deleted last year. So this year you have divided it.

In March, the Secretary of Energy was asked on the House side about how deep he thought the bunkerbuster could go and he said "a couple of tens of meters maybe." He was asked if there was any way to have a bomb that penetrated far enough to trap all fallout, and he said: "I do not believe that. I do not believe the laws of physics will ever permit that."

I asked him that same question when the Energy Appropriations Subcommittee met just a few weeks ago. He said essentially the same thing. It is beyond me as to why you are proceeding with this program when the laws of physics will not allow a missile to be driven deeply enough to retain the fallout which will spew in hundreds of millions of cubic feet if it is at 100 kilotons.

So I am mystified by the fact that the money was deleted last year, but you are back this year and you have split it into two budgets.

Secretary RUMSFELD. Senator Feinstein, you make a mistake by saying I am very smart by splitting it. I had no idea.

Senator FEINSTEIN. Well, I figure you figured you have a better chance in this subcommittee than you do in Energy.

Secretary RUMSFELD. Maybe just lucky rather than smart.

Let me just take a minute on the subject. It is an interesting subject. There are some 70 countries that are currently pursuing underground programs. Today dual use equipment that is available anywhere in the world to anybody who wants it can dig in 1 day a distance in solid rock longer than a basketball court and twice as high as the basket, one machine, 1 day, underground in solid rock.

Seventy countries are pursuing activities underground. So the question comes what ought our country to do about that or do we want to think about, study, the idea of having a capability of dealing with that. At the present time we do not have a capability of dealing with that. We cannot go in there and get at things in solid rock underground.

The proposal—the only thing we have is very large, very dirty, big nuclear weapons. So the choice is not do we have—do we want to have nothing and only a large dirty nuclear weapon or would we rather have something in between? That is the issue. It is not the way your question characterized it in my view.

Now, are we proposing a specific weapon? No. We are proposing a study. We are proposing that some work be done, analysis, not nuclear explosion work but a study, to see if we are capable of developing or designing something that would give us the ability to penetrate, not with a large nuclear explosion but penetrate either with a conventional capability or with a very small nuclear capability in the event that the United States of America at some point down the road decided they wanted to undertake that kind of a project.

It seems to me studying it makes all the sense in the world.

General, do you want to comment?

General MYERS. I would make the exact same point. The choice is between targets today that we have weapons assigned against, underground targets, which the only capability we have is a big weapon. What we are looking at and what we have proposed in the study is can some of the smaller weapons be, can the case be hardened enough to get enough penetration to have some impact against these targets without going to the option that nobody likes, which is a more robust, a bigger weapon? And the issue also is, it is a study and it is not to design a new weapon.

Senator FEINSTEIN. I thank the Chair.

I would just appreciate a clarification. Are you saying that the 100 kiloton bomb is out, that you are not looking at the development of a 100 kiloton bomb, but it is a low yield bomb?

Secretary RUMSFELD. My understanding is that they are not talking about making any weapon. They are talking about a study that relates particularly to penetration.

General MYERS. And they are looking at specific weapons that are in the inventory and can the case be made hard enough on those particular weapons to get the kind of penetration they think will be effective against these deeply buried and hardened targets.

Senator STEVENS. Senator Specter is recognized for 5 minutes.

Senator FEINSTEIN. My time is up. Thank you.

Senator SPECTER. Thank you, Mr. Chairman.

Thank you very much for your service. Beginning with the base closure issues, Pennsylvania has been very hard hit in the past, characterized by the closing of the Philadelphia Navy Yard, for which we still have not recovered in our State as there was some proliferation of contracts which went out from that installation. I am going to be submitting to you questions for the record and I do not want to ask a question now to take up the time. I want to move on. But I do hope that consideration will be given to the historic import of the bases in Pennsylvania, which of course has been around for a long time as a State. Illustrative of that is the War College, where there is enormous pride in the community Carlisle, Pennsylvania, where it is located. When the President decided where he wanted to go, he went to the War College with great pomp and ceremony, made quite a point that only two Georges as sitting Presidents marched into Carlisle; one was George Washington on a great stallion, a great portrait, and the other was President Bush.

So I would just hope that real consideration would be given to the tradition and the economic factors, where people are biting their nails in Pennsylvania as to what is going to happen next after we have had so many closures.

This afternoon a conference committee will be sitting on the \$81 billion request by the Department of Defense, and it has been broadly supported. We are appreciative of what you are doing, Mr. Secretary, and what you are doing, General, and what the troops are doing, and we are going to back you. But there is a lot of disquiet out there among the people as to what is happening in Iraq and disquiet as to what is happening to our discretionary budget.

I chair a subcommittee which is responsible for education, health care and worker safety and it has been cut by almost a full percent, and with the inflation factor I am about \$7 billion short. That

makes it very, very tough to sell when you have the National Institutes of Health (NIH), health care programs, Pell grants, and education.

The question that I have for you, Mr. Secretary, comes up on the Rand report. It was summarized in the Washington Post and it was highly critical, as is known. This is a report, at least according to the Post, that was prepared for you and that you thought was worthy of careful consideration.

We had the situation with General Shinseki some time ago, who had made a prediction about the number of troops which would be necessary to handle post-Iraq problems, and I will not characterize the response to General Shinseki, but it was not one of approbation as to what happened. But the Rand study, and I will not quote it extensively, criticizes DOD for a lack of political-military coordination and actionable intelligence in dealing with the counter-insurgency campaign.

Well, it is just highly critical. I have a three-part question for you, Mr. Secretary. Was General Shinseki right, number one? Number two, is the Rand report right? Number three, what has been or will be done to meet the questions raised by the Rand report?

NUMBER OF TROOPS FOR IRAQ WAR

Secretary RUMSFELD. Well, I will start and General Myers may want to comment on it. But I think that the first thing I would say about the troop strength that General Shinseki was asked about in a congressional committee, and his response was that he thought it would take, as I recall—and I am going the paraphrase; I do not have it in front of me. His response after being asked two or three times was that he thought it might take roughly the same number of troops to deal with the country after major combat operation as it would take to prevail in the conflict, and I believe he then said several hundred thousand.

It turned out that General Franks had several hundred thousand ready to go in and he also had a plan that if he decided he did not need them he would have excursions, escape plans, so that they would not go in. We would put in what he believed to be the right number.

General Franks, General Abizaid, General Myers, General Pace proposed the correct number of troops and—correction. They proposed a number of troops. That is the number we went with. That is the number we have in there today. It is perfectly possible for anyone in or out of Government to critique that and say: Gee, I think there ought to be more or there ought to be less. But the fact of the matter is that the military experts on the ground from the beginning have said what they thought the number ought to be.

The tension that they have balanced is this. The more troops you have, the more targets that you have and the more people you might get killed. The more troops you have, the more of an occupying power you are, the heavier footprint, the more force protection you need, the more logistics you need, and the more intrusive you are on the people of that country.

Now, the Soviets had 300,000 people in Afghanistan and they lost, and we had 20,000 or 30,000 people in Afghanistan and it is

coming out pretty darn well. So I must say I am tired of the Shinseki argument being bandied about day after day in the press.

Senator SPECTER. It was not an argument. It was a question.

Secretary RUMSFELD. Well, I understand that. But the fact is that we have done what the generals on the ground believed to be the right thing. I believe they are right and I think that the progress that was made in Afghanistan demonstrates that, and I think the progress being made in Iraq demonstrates that. When the President went around the room and asked if all the chiefs—well, I will let you describe it, General. You were there.

General MYERS. Well, of course before major combat in Iraq the Commander in Chief had all his service chiefs, and as a matter of fact at a separate session all of General Franks' commanders and General Franks, and asked if anybody had any reservations, if they had everything we needed, and if we were ready to go. And everybody gave a thumbs-up on that. So that is how that process worked.

I would say on—

Secretary RUMSFELD. And General Shinseki was there in the room.

General MYERS. Certainly I do not think anybody argues—

Senator SPECTER. And he was silent? Was General Shinseki silent in the face of that question put to him, or in a room where he was present?

General MYERS. I cannot remember. He certainly did not bring up a couple hundred thousand. We were all—all the service chiefs were in total support of General Franks' plan, the numbers that we had planned, all of that. Yes, we were all on board. There was nobody—there were no outliers.

On the other hand, just one more time: General Shinseki was in front of a Senate committee. He was asked a question and he said several times, you know, that is really not my business, I would need to talk to the combatant commander and I have not done that, and when pressed offered a number.

He is an experienced, very experienced Army officer. He had a lot of experience in the Balkans and he gave them a number based on his experience and so forth. I do not think he would ever say that he was prepared to go to the bank with that number. He was providing the number when asked, when asked several times, and it is his right to give that number. We had lots of discussions later on about what is the right number and is the force strength appropriate for the tasks and the mission that we had inside Iraq. In the end we all agreed that the plan—and by the way, the plan was developed over some time in a very iterative fashion between the Commander in Chief, the Secretary of Defense, and the military leadership, and evolved over time. I mean, it changed dramatically from the first time we ever got together with General Franks on this issue, which was before any thought of going into Iraq was actually on the table, until we finally went in. So it was a long process.

I would only comment on the Rand report, I am aware of it. I have not read it. I have read the executive summary. It is in the joint staff, in my case it is in the joint staff, and we are looking at each of those, those pieces.

One of the things that has characterized this effort both in Afghanistan—well, in the last 3½ years, different from previous I think is that we have really paid attention to trying to capture what we have done right and what we have done wrong, the lessons learned process, Senator Specter. It is very aggressive, and when I say aggressive we have people in Iraq today, but we have had them since major combat, that have been participating with the forces there, helping them, but also capturing lessons learned for Joint Forces Command to compile so we can then take action.

So we have I think a very good process on how we capture those and then try to internalize them, put the resources to them and solve the problems. That is what we are all about, and the Rand report will help in that regard. I do not have specific comments on it today.

Secretary RUMSFELD. There is not a month that goes by that we do not look at troop levels in Iraq and troop levels in Afghanistan and ask people what is the right number, what is the best way to use them, what are the advantages and disadvantages of more or less. It is a constant process for us.

Senator STEVENS. Senator Inouye is recognized.

Senator INOUE. Mr. Secretary, we are relying heavily on our National Guard and the Reserves, so much so that some are suggesting that the Reserve component is already broken. Furthermore, it is becoming much more difficult to recruit and retain our ground forces and for the first time in many years the Army and Marine Corps are not meeting their recruiting targets, and there are some who are already discussing the draft.

STATUS OF OUR MILITARY PERSONNEL

In your view, what is the current status of our military personnel, including end strength and recruiting and retention numbers?

Secretary RUMSFELD. Senator, generally retention has been fine in the services. With respect to recruiting, there has not been a problem of recruiting in the Air Force or the Navy. The Army and the marines have missed their targets by relatively small amounts. A couple of reasons for that. One is the targets are up. We are increasing the size of the Army and we are increasing the size of the Marines.

A second reason is because retention of people who have served in Iraq and Afghanistan is high. They are the normal people that would be recruited into the Guard and Reserve and instead many of them are being retained because our troop levels are higher. So we are not surprised that that exists, and as a result we have had to deploy additional recruiters and provide additional incentives and there is some debate within the experts who do this as to whether or not they will meet their goals by the end of the year, the fiscal year.

I do not know if they will or not for the Army or the marines in terms of recruiting, but it certainly looks like they will in retention. They are taking all the appropriate steps to get there.

Second, generally what is the state of the Guard and Reserve? I think the idea that they are broken is not correct. I think they are performing fabulous service overseas. They are getting experi-

ence that has not existed since the Vietnam war, and these individuals have additional training and additional experience and additional capability. I think the only people who could conceivably be talking about a draft are people who are speaking from pinnacles of near-perfect ignorance. The last thing we need is a draft. We just do not. We have got a volunteer Army, a Navy, Marines, an Air Force, and they are doing a fabulous job, and all we have to do is see that we provide the right incentives to attract and retain the people we need, and we will continue to have a superb total force.

General MYERS. If I may just tag on a little bit, let me talk about retention for just a minute. As the Secretary said, retention is exceeding all goals. It is particularly high in the Reserve component units that have been mobilized and deployed. That tells you something right there. It tells you that these folks are proud to serve, they understand the mission, they are willing to serve.

That retention, both in the Active component, particularly in the Active component, where it is high as well, that hurts our recruiting for the Army National Guard and the Army Reserve. It continues to be a problem because they rely on those folks that are getting out of the Army to come on to Reserve duty, at a time when the active Army is building up to 30,000 additional end strength. So the recruiting goal this year is huge. I think it is 80,000 or in that realm.

The Marine Corps has missed its recruiting goals in January, February, March, but the numbers, particularly in March, are very small. We will have to see what additional recruiters, what additional incentives do to correct that. I hope it turns around.

I hope the moms and dads and the aunts and the uncles and the grandparents in this country understand that this is a Nation at war, that the stakes are extremely high. Just transport yourself back to the days and weeks following September 11, 2001, and reflect on the uncertainty that was in all our minds. And another event like that would have serious consequences for this country, of course, and it would put at stake our way of life. So this is noble business that our service men and women are doing in Iraq, Afghanistan, Djibouti, around the world, and we need the encouragement from the moms and dads and the aunts and uncles and the rest of the folks out there to encourage the young men and women of this country to sign up for this noble cause, which I think will have a huge impact on the outcome of our future and our way of life.

STRESS ON THE FORCE

Secretary RUMSFELD. If I could just add, Senator, there is stress on the force. However, we have only activated out of the Guard and Reserve about 40 percent. The problem is not that we have got too few. The problem is that we are so badly organized and have been for decades. We have the wrong skill sets on active duty relative to the Guard and Reserve. We need to get some of those skill sets out of the Guard and Reserve, onto active duty, so we do not have to overuse a small fraction of the Guard and Reserve.

We also have to rebalance within the active force and the Guard and Reserve so that we have the best skill sets, more of skill sets that are more likely to be needed. That is just something that is

going forward. We are already doing a great deal of that. Pete Schoomaker and Fran Harvey have done a lot to do that and it has been very helpful.

One other thing we are doing, thanks to the National Security Personnel System, is we are going to be able to do a better job of getting military people out of civilian jobs. There may be 200,000, 300,000 military people out of 1.4 million active duty that are doing jobs that can be done by civilians or contractors.

So there are plenty of ways to reduce stress on the force just by good management practices, which we are hard at.

Senator INOUE. Thank you very much, sir.

C-130J ACQUISITION

Senator STEVENS. Mr. Secretary, I think you have commented that there has been additional information received about the C-130J since the President's budget was submitted. I am not asking you a question, but I just encourage you to give us a supplemental if you possibly can, because clearly that amendment is going to come on the floor. If it is not covered by the budget, we are going to run into problems as far as stretching, taking something out to make room for that C-130J amount.

Secretary RUMSFELD. I see.

PROCUREMENT OF PLANNED NEW SYSTEMS

Senator STEVENS. Let me ask you this. According to the plans we have seen, Department of Defense procurement accounts will grow about 50 percent from \$70 billion to \$118 billion from this fiscal year to the 2011 timeframe. Even with such growth, it looks like the Department's ability to field many new systems that are in development or initial development, initial procurement—F-22, Joint Strike Fighter, DD(X), the Littoral combat ship, the Future Combat System, space satellites, a whole series of things, to name them.

What is going to be the ability to continue on those systems with that type of projection of the procurement accounts?

Secretary RUMSFELD. Well, that is a question, Senator, Mr. Chairman, that we all wrestle with. It has been one that has been around as long as I have been connected with the Defense Department, is the so-called bow wave problem. What happens is that a lot of things get started and that one then looks out and says, well, once you start into development, as opposed to research and the early stages, the costs go up. Therefore, you have to manage that so that you have an ability to cope with whatever needs to be procured in those out-years.

But for a variety of reasons, some things disappear, some things do not work, sometimes needs change and tough choices get made. We made tough choices in this budget. Four years ago we made tough budget choices when we looked at the bow wave problem. You are quite right, I see a bow wave looming now, procurement bow wave looming. But on the other hand, I have a feeling that it will be like every other time: When the going gets tough, people make tough decisions, and that is the way it has to be.

COST AND IMPACT OF NEW TECHNOLOGIES

Senator STEVENS. Well, in the general economy the progression is such that the next generation of technology is usually less costly and more efficient than its predecessor. In terms of defense procurement, it seems that we continue to grow in terms of costs notwithstanding the differences in size, et cetera. Is anyone examining into that? Why can we not get more technology development that is related to costs?

Secretary RUMSFELD. A couple of thoughts. Time is money and you are quite right, 25 years ago when I was Secretary of Defense the length of time to acquire a weapon system was about half of what it is today. This is during a period in the last 25, 30 years where technology has sped up, it has accelerated rather than decelerated.

So something is wrong with the system. We are going to have a very serious look at the acquisition process in the Quadrennial Defense Review period. Gordon England, who just shortly I believe will be confirmed by the Senate and sworn in, will be the person who will be deeply involved in that.

I would say one other thing, however. If a ship costs twice as much but it is three times as capable, then one has to say, what have we got? Well, we have got something that is more valuable at a higher cost, but on a cost-benefit basis it is improved as opposed to deteriorated. A smart bomb may cost what a precision bomb costs or somewhat less, but you have to drop 10 dumb bombs to equal one smart bomb, the lethality of one smart bomb.

So apples-to-apples comparisons it seems to me do not quite work necessarily. But we do have that problem and it is something we are concerned about and it is something we are addressing.

Senator STEVENS. Thank you.

General Myers, we are all worried about retention throughout the services. What is your feeling about retention as we come through this period we are in now? Do we need additional incentives to retention and enlistment?

General MYERS. Well, Mr. Chairman, I think we have some pretty good incentives in place and, as I said earlier in response to Senator Inouye's question, retention right now is very good in all the services. If you look at the statistics, you may think the Air Force and the Navy retention is down a little bit, but that is programmed because both of those forces, the Air Force and the Navy, are shrinking and so they do not want to retain as many people.

But for the Army, the Army active, the Army Reserve component, for the Marine Corps and Reserves, retention actually is very, very good. So I guess my quick analysis would be that we have got the incentives about right.

I would like to tag on just a little bit more about the Reserve component. This is an extremely important part of our military capability and our national security. So whatever we do, the incentives and so forth, recruiting and retention in that component, we have got to do it right because this is a great way for the military, the volunteer military, to connect to America.

If you look at a map of America and you look at all the Guard and Reserve locations, some of them pretty small admittedly, it is

a great way to connect to the American people, to the employers out there, to family and friends. I think it is extremely important and wanted to mention that, Senator. This is not a capability, while it is being used pretty hard in terms of personnel tempo and operational tempo, that we ought to fritter away. We ought to take very good care of it.

In our retention money, I think—and this is the fiscal year 2006 budget—we have got almost \$1 billion in retention items for selected reenlistment bonuses and Reserve component health care, educational benefits, enlisted supervisory retention pay, critical pay for our special operators, who are in big demand now by contractors in Iraq or Afghanistan or other places in the world, tuition assistance, almost \$900 million, almost \$1 billion in retention items there that will help.

I was in Kabul about 6 or 7 weeks ago. I got to reenlist I think at one time 29 people out of an Army National Guard unit from Indiana. It was, first, a great privilege—that was the day I was there. I think the week before they reenlisted something like 200. So once we can get them in the door we are keeping them, because they are fulfilled by the mission that they are performing.

Senator STEVENS. Senator Cochran, do you have any further questions?

Senator COCHRAN. No further questions.

Senator STEVENS. Senator Byrd, do you have any further questions?

PAY AND ACCOUNTING SYSTEMS

Senator BYRD. Thank you, yes. Thank you.

In January of this year members of the 201st Field Artillery Battalion of the West Virginia National Guard contacted me from Iraq with a serious pay problem. Last year the Government Accountability Office reported that members of the 19th Special Forces Group of the West Virginia National Guard came under enemy fire during a trip from Afghanistan to Qatar to fix the rampant pay problems in that unit.

Secretary Rumsfeld, I understand that the accounting system used to process pay for reservists in other military services do not have the same problems as those for the National Guard. Why do these problems persist with the National Guard, and when will they be fixed? Why cannot the Department of Defense get rid of the accounting systems that do not work for the National Guard and simply adopt the computer systems that pay other troops fairly and accurately?

Secretary RUMSFELD. That is exactly the question I ask in the Department frequently. As you know as well as I do, Senator, the services have their own systems in large measure and the Guard and Reserve systems have tended to be different from the active duty systems. It was a result of the departments growing up as separate entities and their policies were different and their approaches were different and their systems were different. Some of them used a shoe box with three by five cards, some used a shoe box with five by seven cards, I guess. The net result was that you have problems.

Now, we are testing and deploying a forward-compatible pay modern integrated pay system, I am told. The end state should be a fully integrated pay and personnel system for the Department of Defense. I do not know when that end point is. Tina, do you?

Ms. JONAS. We are beginning to deploy that system this year. We have some testing issues with it, but we are beginning to deploy that.

Also, the defense integrated military human resource system (DIMHRS) program, which I am sure you are aware of, Senator, is another key program which will be coming on line in 2006.

Senator BYRD. Well, does Congress need to step in with legislation to fix this problem? How long do you think it will take for the Pentagon to address these pay problems once and for all?

Ms. JONAS. Sir, the Congress has been extremely helpful with respect to the funding. The DIMHRS program in particular has been of great interest to us and the Congress has been very generous in that regard. We appreciate your help on that.

PROTECTIVE EQUIPMENT FOR U.S. TROOPS

Senator BYRD. Last week the Dallas Morning News carried an article about the need for special bulletproof shorts to protect the legs of troops while traveling in vehicles in Iraq. Although Congress has provided additional funds for bulletproof vests for all troops in combat zones, the large number of roadside bombs in Iraq are known to cause deadly injuries to the legs of soldiers. The article reports that the marines have developed a low-cost set of bulletproof leggings, but the Army, which has the bulk of the troops in Iraq, is insisting on buying its own version of this protective gear which costs \$9,400 a set, requires special air-conditioning technology, and weighs 38 pounds.

Secretary Rumsfeld, we now know that our troops did not have enough bulletproof vests to protect them in the early stages of the occupation of Iraq. What are we doing to accelerate the schedule to get this type of protective equipment out to our troops?

Secretary RUMSFELD. Senator Byrd, we have got some charts here. I do not know if we want to bother to put them up. But the Department has looked at the requests from the combatant commanders as to what they believed were needed by way of capabilities and equipment. The job of the combatant commander is to look at what he has, ask for what he needs, but in the meantime adapt tactics, techniques, and procedures so that he can protect his troops. He has the obligation of seeing that they can perform their mission and simultaneously that they are managed and deployed used in a way that is respectful of the value that they are to our society.

That is what they are doing, and they have had an up-ramp, for example, in up-armored Humvees. That is the chart on the small arms protective inserts. As you can see, production has gone from December 2002, where the production rates were 40,000, up to production rates at very high levels, up in the high 400,000s.

So they have responded very rapidly and very successfully. But the important thing is, for the lives of the troops, that between the time that they need something and the time they get it—and that changes because the enemy has a brain. The enemy, for example

with respect to explosive devices, may use one frequency and you get a jammer that will stop that, and they will change frequencies and they will use a different technique. They will use a telephone technique or a garage door opener or something.

So you have to keep adapting continuously, and that shows the rate at which the adaptation took place, which is quite impressive.

Senator BYRD. Well, are there additional funds included in the supplemental appropriation bills or your regular appropriation request to provide for new types of bulletproof armor to protect our troops in Iraq? If so, how many sets of bulletproof leggings or similar equipment will be provided to our troops and when will they receive this equipment?

General MYERS. Senator Byrd, the answer to your question is yes, there is funding. There is an effort ongoing in the armed services to continually improve the garments they wear. A couple of the improvements are to make them better against a more serious threat. I do not want to get into the classified here, but a more serious threat. And also to make them lighter, because obviously the troops in many cases, in most cases, have to move around in this gear as well.

So that is ongoing. There is money in both budgets to help do that. They are fielding advance sets as the technology becomes available for the current vests. We see some inserts; there are some new inserts being developed that are being fielded as we speak and they are producing tens of thousands of these to go into theater.

But this is a continuing process and in both budgets there is adequate money for this effort. On the leggings, I have not heard that. I will personally look into that issue. I had not heard that before. I will go look at it.

Senator BYRD. I thank you.

I think that chart is about bulletproof vests.

Senator STEVENS. Senator, Senator Shelby is here. Could we go to him and we will come back to you again, sir.

Senator BYRD. I just have one more question and you will be through with me.

PROTECTING TROOPS FROM ROADSIDE BOMBS

What specifically needs to be done to protect the legs of our troops from roadside bombs?

Secretary RUMSFELD. Well, I will start and Dick can pick it up. It seems to me the first and most important thing is what is being done, and that is to, to the extent possible, not have vehicles out operating without appropriate armor in areas outside of protected compounds. So the first thing would be, if you had too little armor to protect those vehicles, you would not use those vehicles outside of a compound. You would find different ways to do it. You use airlift or you would have different supply centers, or you would use contractors. There are a variety of things that people can do to change their tactics and their techniques and their approaches.

Today we now have a situation where only occasionally would there be a U.S. vehicle with U.S. military people in it outside of a protected compound that did not have an appropriate level of armor.

Now, the problem with armor, what does it mean, appropriate level? We have seen M-1 tanks that have been totally destroyed. So armor is not necessarily going to protect somebody. If you have a protective insert and body armor and then you get an armor-piercing shell, for example, it is going to go through it. There is no protection that is perfect and 100 percent and all the time everywhere, and that is just the reality of it.

Senator BYRD. That is a given. We all understand that.

Thank you.

General MYERS. I would just like to go back to the point, because you asked the question what can we do. The part that plays the biggest role here, besides the vehicles and the personal protection, it is the tactics that the non-commissioned officers (NCOs) and the officers devise and their reaction to the enemy as they change their tactics.

So technology can help. You can do things with body armor, with armored vehicles. But in the end the biggest thing we can do is make sure we have smart, well trained, educated, informed, good intelligence, so troops out there that can address this threat.

You asked the question earlier. Let me just fill in the blank here a little bit. Since the beginning of fiscal year 2004 we have spent \$5.5 billion on force protection efforts and we plan on spending another \$3.3 billion in fiscal year 2005. Interestingly enough, in the supplemental there is \$2.7 billion in force protection efforts, which is just another reason we need to get the supplemental as soon as possible. That money will not get spent until we get it.

Senator BYRD. Mr. Chairman, I hope we will be sure that we are providing enough money for this, and I hope that we will take every step possible to see that this equipment is provided as soon as possible.

Senator STEVENS. Thank you, Senator.

CANCELLATION OF JOINT COMMON MISSILE

Senator Shelby is recognized.

Senator SHELBY. Thank you, Mr. Chairman.

Secretary Rumsfeld and General Myers, welcome again. Everybody has welcomed you, but we appreciate what you are doing, the challenge you have, and we are here to do what we can to help you in that regard.

The joint common missile, if I could get into that just a minute. The joint common missile was proposed for termination in Presidential Budget Decision 753. Eight months, Mr. Chairman, into phase one of system design and development, the joint common missile, a remarkably healthy, low-risk program, on schedule, on budget—think of that, on budget—and successfully demonstrating important new capabilities for the warfighter.

Cancelling the joint common missile, I believe, ignores the opinion of our top military leaders and deprives our service members of a new capability, Mr. Secretary, that they believe they need to survive against future threats. Further, the joint common missile meets joint service requirements and fills a critical capabilities gap that cannot be met by upgrading existing weapons systems.

An example: The joint common missile—I know you both know this—has twice the standoff range of the Hellfire, Longbow, and

Maverick missiles it will replace on Army, Navy, Marine aircraft. The accuracy of its trimode seeker would give our Air Force—give our forces precision strike lethality to eliminate threats that are located near noncombatants.

That is why the top-ranking officers in all three services that have requested the joint common missile—the Army, the Navy, and the Marine Corps—all believe that the program must be restored.

What is the justification, other than trying to save some short-term money, for proposing eliminating this? I think it is a mistake. I think a lot of people think it would be a big mistake.

General MYERS. Senator Shelby, the reason that our advice to the Secretary was to cancel this particular program was that it had been in development for a long period of time and they actually have—they have a very ambitious goal, as you know, of a seeker that has I think three different technologies in it, three different—it is a trimode, three modes of acquiring the target. Designing that seeker was certainly high technical risk.

With the inventory of Hellfires and Maverick missiles over 35,000, we have other ways of doing the job. So it was thought this program, let us terminate this program. The requirement does not go away. The requirement recycles back down to our capabilities requirements system, and we will look at the requirement and maybe back off some of the features we want in this missile. But it was technically having some difficulties and that is why we joined in.

Senator SHELBY. Well, we have been told recently that they have been jumping over all the barriers, that everything was working well; it was, as I said, under budget and the program was moving very fast. This is in the last few days.

General MYERS. The information we had back in December when these decisions were made is that there was cost growth, schedule creep, and high technical risk in the seeker, and that is why it was—I have not reviewed it here—

Senator SHELBY. We would like to further talk with you and the Secretary. A lot of us, about this, not just myself, but a lot of us believe that it would be a big, big mistake to cancel this very promising, very on-budget, on-time joint common missile. So we will get back with both of you on this, and that will ultimately be a decision of the committee anyway.

Mr. Chairman, that is all I have today. Thank you.

Senator STEVENS. Thank you very much, Senator.

Senator Inouye.

Senator INOUE. Mr. Chairman, I just have a statement I would like to make.

Mr. Secretary, as part of your global posture review you will be repositioning forces around the world. In the Asia Pacific region you will be moving forces out of Korea and possibly moving some marines out of Okinawa. As you know, our Asian neighbors, both friends and potential adversaries, are very sensitive to changes in the U.S. military posture and management structures which govern these forces.

In that light, I was disturbed to learn that the Navy is contemplating changes to its management structure for the Pacific fleet separate from your global posture review. Considering all the other

changes that are underway in the region, I would hope that you would not support any changes to the operational or administrative control or other management functions of the Pacific fleet.

Senator STEVENS. Mr. Secretary, that is a request, but I would state this, that Senator Inouye and I have made a practice of traveling to the Pacific now for over 30 years. Every time we go to a foreign country we ask the same question of a new generation of people involved in the operation. We literally have been doing this now for more than 30 years. We ask them: What do you think about the presence of the United States in the Pacific? Do you think we should reduce it or should we increase it?

I think I cannot remember one single country, including China, who ever said anything to us about reducing the forces in the Pacific. We are the stabilizing force in the Pacific. So I emphasize his question or his statement.

COMPLETION OF QUADRENNIAL DEFENSE REVIEW

Let me ask you one last question. I did promise we would be out of here by 12:30. Will the QDR be completed in time for the President to take it into account in terms of the 2007 budget request?

Secretary RUMSFELD. The QDR of course is an activity that is made up of many parts and the answer is that there is no question but that we will be informed as we go through the QDR process this year in ways that will in fact affect the fiscal year 2007 budget. There may very well be pieces of it that we would assign for further study and that would not be at a stage of completion that would enable us to be informed by the outcomes for the 2007, in which case they would very likely affect 2008 or later. But a lot of it will be.

Senator STEVENS. Well, again, I think we can remember times when the QDR came to us at a time that we already had the President's request and it certainly confused the subject of defense before this subcommittee. So whatever we can do to get the information that pertains to the appropriations request before the 2007 budget is received I think would be very helpful here, very helpful.

Secretary RUMSFELD. We will certainly try to do that. You are quite right, it is a distraction to send up a budget and then be asked by Congress to do a Quadrennial Defense Review simultaneously and begin that process and have it reveal things that lead you to a different conclusion, and I can well understand the layering effect and the distraction it causes and we will try to do our best.

Senator STEVENS. Thank you.

Well, again, gentlemen and Ms. Jonas, we thank you very much for your testimony. I want to make this statement to you. I have made it to you privately and others may not agree with me. But I have been privileged to be at meetings, Mr. Secretary, that you have had with the Joint Chiefs. I have never seen such a relationship between the chiefs and the Secretary—open discussion, open critique, and really a give and take that was very, very, really I think very helpful and very healthy as far as the Department is concerned.

You obviously, Mr. Secretary, had a previous iteration as Secretary, so there has never been a Secretary that had more background than you have.

But I will say this to General Myers. I have been a devotee of General Eisenhower since World War II and had the privilege of serving under him. As I have told you personally and I would like to say publicly now, you come as close to Ike as any general I have ever known. So we thank you very much for your service and we will look forward to being with you whatever you do.

ADDITIONAL COMMITTEE QUESTIONS

There will be questions submitted for the record, Mr. Secretary. I failed to notify that, but that is common practice.

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

QUESTIONS SUBMITTED TO HON. DONALD H. RUMSFELD

QUESTIONS SUBMITTED BY SENATOR ARLEN SPECTER

Question. As Chairman of the Senate Depot Caucus, I am a strong advocate for maintaining a viable organic depot maintenance capability within the Department of Defense. I would like to note that the Government Accountability Office has criticized the Defense Department for failing to develop a long-term strategic plan for the military depots. What is your long-term strategic plan for this dedicated group of highly skilled civilian workers who have served you and our warfighters so well in peacetime and in war?

Answer. The Department is engaged in a multiple-year transformation of its organizations and doctrine to better focus force structure and resources on the national security challenges of the 21st century. An integral part of this activity is an ongoing analysis of options for transforming DOD's support infrastructure to become more agile and responsive. As such, DOD's long-term strategy for providing depot maintenance is still evolving, and is guided by the following:

- Depot maintenance mission. Sustain the operating forces with responsive depot-level maintenance, repair, and technical support—worldwide.
- Depot maintenance vision. Agile depot maintenance capabilities that are fully integrated into a warfighter-focused sustainment enterprise, supporting the full spectrum of operational environments.

Question. It has been reported that the Army will spend \$7 billion this year to repair and replace equipment returning from Iraq. Depots have doubled their workforce and are working around the clock and still we hear reports of vehicles lacking significant armor. If the war ended today, it is estimated that it would take all of our depots two years, at full capacity, to restore all the equipment used in Iraq. Considering that some of these vehicles are being run at six times the normal rate and that we will be maintaining a significant presence in Iraq for some time to come, how will this impact your recommendation on the future of our depots to the BRAC Commission?

Answer. Our BRAC analysis of the organic depot maintenance infrastructure was reviewed by a joint group with representatives from all Services. Existing and projected workload levels as well as the anticipated requirements of the 2025 force structure were considered. Military value, coupled with the capacity analysis formed the basis for our recommendations.

Question. You are driving the Defense Department's transformation from an industrial age military organization to a 21st century information age force focused around the advanced sensors and communication systems that are Tobyhanna's expertise. The support of these systems matches Tobyhanna's mission perfectly and thus it seems natural that Tobyhanna should conduct the depot support for these advanced systems.

What steps have been taken to ensure Tobyhanna has the skills, facilities, and latest technology to support the maintenance and logistical requirements of the future weapons systems that you so strongly advocate?

Answer. We have taken a number of steps to assure that Tobyhanna Army Depot has what it takes to support current and future weapon systems in their areas of

expertise. Preparing the depot for a new weapon system starts early in the acquisition of the that system with the Core Depot Analysis, performed in compliance with Title 10, United States Code, Section 2464. This analysis determines the depot maintenance that must be performed on a weapon system in order to fully support the most intense of the war scenarios planned for by the Joint Chiefs. The depot that performs that work must then be equipped, the employees fully trained, and any necessary facilities prepared to take on that maintenance. We have established a process in which the program manager works with the depot and its parent command to assure that this analysis is complete and that the budgets for the weapon system reflect any requirements to purchase equipment and build or upgrade facilities to perform the new workload. In the past, this was somewhat difficult because the program managers operated independently—not in the same chain of command as the depot. We are now establishing Life Cycle Management Commands (LCMC) which merge the staffs of the Program Executive Officers (for whom the program managers work) and the commodity commands (for whom the depots work), giving us seamless control over the development of a new weapon system and the establishment of its support structure. Tobyhanna's parent LCMC, the Communications-Electronics LCMC, was the first "out-of-the-box" of these centers. In addition to the steps taken with each specific weapon system, we have well-established programs in the depot to keep the facilities and equipment up-to-date by investing the depot's own capital, and to train the workforce for each weapon system supported—including training provided at the equipment manufacturer.

Question. Letterkenny Army Depot is the number one provider of tactical missile system support to the Department of Defense. Our military arsenal has several hundred thousand aging, deteriorating missiles. Demilitarization for these missiles requires disassembly and open burning or detonation. Letterkenny is the major storage site for tactical missiles on the East Coast and could offer safer, environmentally sound technology to recover, recycle, and reuse (R³) these missile components. However, there is no consolidated program to research and operate a large scale, environmentally friendly demilitarization program for tactical missiles.

In May of 2003, I proposed to you the establishment of a Center of Technical Excellence (CTX) for missile demilitarization be created at Letterkenny Army Depot. There was \$1.75 million in the fiscal year 2004 budget to initiate a pilot program for MLRS recycle/reuse at Letterkenny. There was no funding for this initiative in fiscal year 2005 budget. I am again proposing a CTX for missile demilitarization/R³ be created at Letterkenny Army Depot. I would like your input on this proposal.

Answer. Letterkenny Munitions Center (LEMC) is currently working with Defense Ammunition Center (DAC) and Aviation and Missile Research Development and Engineering Center (AMRDEC) to develop a resource recovery and recycling (R³) capability for missiles. In fiscal year 2004, DAC received \$1.75 million to start this process. A team was formed utilizing personnel from DAC, AMRDEC and LEMC to look at the 21 different missile systems stored at LEMC, to include MLRS. We are leveraging the process at Anniston Defense Munitions Center (ADMC) for the TOW missile R³. This initial funding is being used to develop Technology Trees to determine all of the hazardous components in each missile and the technology possibilities for each. It is also being used to develop methods and equipment for removing explosives from 4 different warheads, and to prepare a building at LEMC for the warhead equipment. The initial \$1.75 million is enough only to start the process. We believe the amount required will be at least \$10 million over the next two years and more as newer technology becomes available.

Question. Tobyhanna, Letterkenny and the entire organic industrial base have responded magnificently in supporting the GWOT, especially operations in Iraq. This performance reinforces my belief that we must maintain a strong, public sector capability to meet the logistics needs of our Warfighters. Do you share that belief, and, if so, how will you ensure we retain that capability during BRAC 2005. Specifically, what is the Defense Department doing, through BRAC and in other transformational planning, to ensure that DOD retains a robust, efficient, well-trained and well-equipped public depot maintenance structure for the challenges of the present and future?

Answer. I do share your assessment of the performance our organic industrial base. Our BRAC analysis of the organic depot maintenance infrastructure was reviewed by a joint group with representatives from all Services. Existing and projected workload levels as well as the anticipated requirements of the 2025 force structure were considered. Military value, coupled with the capacity analysis formed the basis for our recommendations. Our recommendations retain the essential capabilities of the Departments' organic industrial base.

Question. How will the Department ensure that the BRAC recommendations comply with the national defense mandates of Title 10, namely Sections 2464 and 2466, which ensure a ready source of depot maintenance?

Answer. Our depot-related BRAC recommendations are consistent with the mandates prescribed by Title 10. Existing workloads, workloads necessary to sustain core capabilities and projected requirements associated with the 2025 force structure were all considered in our analysis and subsequent recommendations.

Question. Does the Department intend to privatize its depots and other maintenance facilities?

Answer. No. The Department is committed to maintaining depot maintenance core capabilities and other related maintenance capabilities in Government-owned and operated facilities using Government equipment and personnel to assure effective and responsive maintenance support for DOD operations.

Question. The 193rd SOW is one of the largest units in the Air National Guard with 1,700 military personnel. The 193rd conducts psychological operations and civil affairs broadcast missions and is the only Air National Guard unit assigned to Special Operations Command and the only unit in the military that conducts this mission. The ongoing quest to equip the 193 Special Ops Wing with its last two C-130J models continues. The original plan, which began five years ago, called for replacing eight older models with eight new J models but the USAF keeps postponing the procurement of the last two planes leaving the 193rd with the six planes. What is the timeline for delivery of the final two C-130Js to the 193rd SOW?

Answer. The United States Special Operations Command's requirement is for a total of six EC-130Js at Harrisburg. To assist the 193rd SOW with training requirements, the Air Force will provide one additional C-130J (aircraft number seven) in September 2005. The number seven C-130J aircraft has already been delivered to the USAF and will be transferred from another station to the 193rd SOW.

Question. I am concerned about the Defense Department's diminishing support for Guard counterdrug programs and the related funds it needs. The Guard is one of the best vehicles for doing this mission because they are in the communities served, and have existing networks with law enforcement and other first responders. Our civilian law enforcement will be seriously degraded without the Guard counterdrug programs. What is your position on the Guard's counterdrug mission and do you have any plans to enhance or decrease their role?

Answer. The NG fulfills a vital role in performing CN operations. The Guard is also a major contributor in the on-going War on Terrorism, a major priority that has challenged both active and reserve components. The Department must carefully balance the ability of the NG to support both missions. The Department agrees that the NG can provide military unique services in support of CNs operations.

In 2003, the Department conducted a comprehensive review of its 129 counterdrug programs to transform DOD's CNs Activities in a post 9/11 environment. In certain cases, in order to relieve stress on our Title 10 forces, we increased the levels of effort and type of support (air/ground reconnaissance, intelligence analysts, and training for LEAs) that we wanted the NG to provide. In cases where the NG was providing support that Federal, state and local law enforcement ought to be doing on their own (i.e. missions that were not military unique), we recommended that those activities be transferred or terminated. For example, the U.S. Customs Service stated that they would be able to "effectively discharge" its cargo/mail inspection duties without support from the NG.

The support that DOD provides should not only complement domestic law enforcement, but should also enhance unit readiness.

Question. Will you please provide the Department of Defense's efforts to armor vehicles from all services? I would appreciate current statistics on the status of the armoring of vehicles, including specific levels of armor, and a timeline detailing the efforts and challenges the Department faces in achieving this requirement.

Answer. The Department is on track to meet CENTCOM (Level I and II) armor vehicle requirements by September 2005. Our biggest challenge is to keep pacing items for the Level I and II application on schedule.

As of May 27:

Level I (Up Armored Humvees)—8,279 completed of 10,577 required;

Level II (Steel and Ballistic Glass)—22,242 completed of 29,974 required; and

Level III (Steel only)—11,378 completed.

The Marine Corps achieved the Level I/II goal in August 2004. Army is on track to achieve this objective by September 2005. Air Force vehicles are level I and II, and Navy uses non-tactical vehicles for on-base use only.

Question. The Naval Foundry and Propeller Center at the Norfolk Naval Shipyard Detachment-Philadelphia has been in existence for more than 85 years and is the

Navy's only remaining propeller foundry. Are there any plans to privatize this mission?

Answer. No privatization initiatives are currently planned. Any initiative to privatize an organic depot capability could possibly require a DOD request for Congressional amendment of 10 U.S.C. 2464 (core depot capability requirement) or 10 U.S.C. 2466 (50–50 law) to prevent non-compliance with Title 10 requirements.

Question. The Army War College at Carlisle Barracks has a long and distinguished history. One of the key aspects of having the College in close proximity to Washington, D.C. is the ability for the AWC to draw upon the expertise of high ranking leaders to lecture and meet with tomorrow's military leaders. Do you agree that the student experience of having access to these leaders is an invaluable component of their educational experience?

Answer. The U.S. Army War College (USAWC) must be close enough to the National Capital Region (NCR) to both support and influence the Army Staff. USAWC support to organizations inside NCR has expanded to include: CSA, HQDA, Joint Staff, DOD agencies, Inter-Agency communities (DOS, DHS, DOJ). The close proximity to the NCR facilitates access to: key national and international policy makers, senior military leaders, director level personnel from OSD, JS, ARSTAF, Inter-Agency environment, governmental, military, and private think tanks, and the Defense intellectual community in the "Northeast Corridor". The current location supports curriculum IAW Congressional intent and JPME—USAWC curriculum focuses on national military strategy. USAWC curriculum, therefore, addresses the nexus between national security strategy, national military strategy, and theater strategy and campaigning which is directly linked to the activities within the National Capital Region. Recent increases in U.S. military interaction with interagency organizations reinforces the need for proximity to National Capital Region. The current location allows for access for academic trips to interagency bodies, think tanks, and corporate locations, it is a transportation hub that facilitates speakers, support, and coordination efforts, it allows for continuity of operations and faculty recruitment and retention. Carlisle, Pennsylvania promotes Army well-being and quality of life: Carlisle area rated second least stressful metropolitan area in America. [Sperling's Best Places]; Lower cost of living eases recruitment and retention; provides access to the U.S. Army Heritage & Education Center (AHEC), the Army Physical Fitness Research Institute (APFRI), the Center for Strategic Leadership (CSL), U.S. Army Peacekeeping & Stability Operations Institute (PKSOI), the Strategic Studies Institute (SSI), personnel for core and elective curricula faculty. USAWC offers a comprehensive professional and personal program in an overall environment that encourages students to study and confer; it provides a "community of senior leaders" that fosters free exchange of ideas without distractions of other competing activities. Since 1973, 15 separate studies examined location or command arrangements of the USAWC and have supported retaining USAWC at Carlisle Barracks.

Question. The Naval Support Activity in Philadelphia, and specifically the Defense Supply Center Philadelphia (DSCP) and DLA missions, play a critical role in supporting our forces. Would privatizing or moving these individuals and missions disrupt the flow of supplies and harm our warfighters?

Answer. Ensuring the uninterrupted and seamless flow of supplies from America's industrial base to our warfighters is at the heart of the Defense Logistics Agency's mission and our unwavering first priority.

The Defense Supply Center Philadelphia (DSCP), a tenant of the Naval Support Activity Philadelphia, plays a vital role in execution of this vital mission. DSCP has been a leader in innovative approaches to providing outstanding support in an efficient manner.

As to privatization, or competitive sourcing, under OMB Circular A-76, the Agency retains responsibility for the function. The OMB Circular A-76 contains guidance to determine whether a function is commercial in nature as opposed to inherently governmental. Only those that are commercial in nature can be subjected to public-private competition. The premise of, and our experience with, A-76 is that employee status of the service provider should be transparent to the customer. Once it has been decided to subject a function to A-76, the procedures of the Circular are implemented to ensure that the selected service provider's performance proposal meets the requirements of the warfighter as outlined in the performance work statement, demonstrating its capability to take on and continue the mission. Past DLA performance work statements have included specific requirements concerning the transition from Government performance to either implementation of the Government Most Efficient Organization (MEO) or contractor performance. These requirements are designed to deliver a seamless transition of responsibility. The performance work statements also have acceptable performance level standards that the selected service provider is required to meet throughout the performance period.

There are no current plans to move DSCP, however if a decision were made to move DSCP, the agency would take all necessary measures to ensure the transition is executed with the absolute minimum amount of impact on the warfighter. As we know from experience, some personnel working in the four supply chains currently managed by DSCP would not transition and this experience and expertise would be quickly reconstituted in the new location.

Question. Since we are experiencing severe reserve component retention and recruiting shortfalls at this time, how important is the maintenance of joint service footprints near major population centers in recruitment and retention?

Answer. Maintenance of the Department's footprint is a priority. We continue to aggressively model the infrastructure to assure best industry practices are applied to our facilities. The current 67 year recapitalization rate metric and the 93 percent sustainment rate assure the proper funding is in place to maintain this joint Service footprint.

Question. Can you describe the domestic homeland security mission requirements of our forces? Are these missions joint in nature? How has the Department of Defense and Department of Homeland Security coordinated its efforts and funds?

Answer. The Department of Defense (DOD) augments the resources and capabilities of domestic civil authorities when their resources have been overwhelmed or DOD can provide a unique capability. The Department of Defense is in support of civil authorities. Therefore, requirements are determined by other Federal agencies and are situation specific.

The Commanders of U.S. Northern Command (USNORTHCOM) and U.S. Pacific Command (USPACOM) are responsible for supporting civil authorities once requests have been approved by the Secretary of Defense. USNORTHCOM has two tasks forces, Joint Task Force Civil Support and Joint Task Force North that provide command and control of forces in its area of responsibility. USPACOM utilizes Joint Task Force Homeland Defense to provide command and control with their area of responsibility.

Support provided by DOD's U.S. Army Corps of Engineers (USACE) is the exception. USACE responds to civil authorities under Public Law and the National Response Plan. In accordance with the National Response Plan, USACE is the Primary Agency for Emergency Support Function #3, Public Works and Engineering. Funding for USACE missions are part of their operating budget or may be reimbursable under the Stafford or Economy Act depending on the mission requirement.

A difference of note between Homeland Security and Homeland Defense is simply that in a Homeland Defense mission, DOD will be the lead (as opposed to Defense Support to Civil Authorities where typically a DHS agency will lead).

Homeland Defense is broken down into domains. The defense domains consists of air, land and maritime. Current Homeland Defense mission requirements are no different than standard warfighting requirements, except that they are oriented more towards protection vice attacking for offensive operations. Some current Homeland Defense missions are the Air Patrols over the National Capitol Region flown by the Air National Guard in support of Operation NOBLE EAGLE and Quick Reaction Forces on stand-by for domestic deployment.

Question. Are these missions joint in nature?

Answer. All domestic missions are joint in nature. Once a requirement has been established, the Department looks for the Service or Services that can best provide the resources and/or capabilities to effectively and efficiently meet the mission requirements.

This is true of Homeland Defense missions as well. The DOD will lead any Homeland Defense mission, most likely through USNORTHCOM or one of its subordinates. JFCOM, as the force provider, will look at forces available to best provide the particular capability to satisfy mission requirements across the spectrum of defense domains.

Question. How has the Department of Defense (DOD) and Department of Homeland Security (DHS) coordinated its efforts and funds?

Answer. The Departments of Defense and Homeland Security are involved in continuous coordination to ensure national homeland security objectives are met.

Examples:

- DOD worked with DHS's U.S. Secret Service to plan for and execute security at National Special Security Events (NSSEs) in 2004. These NSSEs include the Group of Eight (G8) Summit, Republican and Democratic National Conventions, the State of the Union and the State Funeral for former President Reagan.
- DOD provide DHS with unmanned aerial vehicles in support of their Arizona Border Control Initiative from June 2004 to January 2005.
- From October 2004 to February 2005, DOD provided support to DHS's Interagency Security Plan. DOD is still involved in the DHS Interagency Security

Plan (ISP) 2005, which is a vehicle for putting forward DHS initiatives that DOD may be required or requested to support. This is a "living document" that requires continual coordination between DOD and DHS for new and ongoing DHS programs.

—In support of DHS's Federal Emergency Management Agency, DOD provided personnel, facilities, equipment, food, water, ice and medical support to the state of Florida after an unprecedented four hurricanes hit the state in August and September.

DOD normally provides support on a reimbursable basis under the Stafford or Economy. One exception was the support provided to DHS's Interagency Security Plan. The Secretary of Defense determined that support provided to the ISP provided a training benefit to the Department and reimbursement was waived.

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER S. BOND

Question. The (V)3 AESA radar system once it completes development within the next year will be the most advanced and capable tactical aircraft weapons system in the world. It also makes the F-15C the most capable homeland defense platform on the planet which is why I am mystified the Air Force elected to not pursue production once the system completes the design phase.

Are you aware that the U.S. Air Force elected to shelve the (V)3 AESA radar system after almost \$68 million invested? And has your staff briefed you on the capabilities of this system as it compares to the system in the F-22 and the F-16 and how this system will enhance the homeland defense capabilities of CONUS based aircraft?

Answer. Yes, I am aware of Air Force budget decisions, system capabilities/comparisons (including the AESA radar) in Homeland Defense and other mission areas, and how budget limitations impact force capabilities. The Air Force is committed to completing the development of the F-15C/D AESA radar program in fiscal year 2006. We plan to continue to incorporate AESA technologies on various platforms, including the F-15. However, at this time, higher Air Force funding priorities preclude AESA procurement for the F-15C/D fleet. The Air Force's investment strategy seeks to strike a sound, capabilities-based balance between modernizing legacy fighters and fielding F/A-22 and F-35 in a timely manner.

Question. If this country needs more affordable fighters we may very well need more F-15's but I cannot get the Pentagon to release \$1 million for an RFP so that Boeing and the Air Force can begin negotiations for the purchase of at least two aircraft which will keep the production line open through the end of calendar year 2008. The action of the Air Force is shortsighted and detrimental to the diminishing aircraft industrial base which now consists of just two prime manufacturers. It is not in the best interests of the nation or the taxpayer to have just one supplier of tactical aircraft for the Air Force, which is Lockheed Martin, yet this is exactly what will happen if the F-15 line closes.

Can you provide me an update on the status of the \$1 million which OSD needs to release in order for an RFP for two aircraft to move forward? Failure to do this could result in an additional cost of \$20 million if we have to negotiate a sale late in this legislative cycle.

Answer. The \$1 million for an F-15E Request for Proposal (RFP) is released to the F-15 program. We expect to be on contract for the RFP effort by May 30, 2005. The remaining portion of the \$110 million Congressional add for advanced procurement will remain on Air Force withhold pending fiscal year 2006 Congressional add to fully fund the aircraft procurement.

Question. As BRAC draws near and as it relates to the Air National Guard I am concerned that the process has been designed to validate a pre-determined view of the Future Total Force as defined strictly by the active Air Force, without the substantive input of the Air National Guard. Without the substantive input of the National Guard I question the validity of the plan and possibly the BRAC process and its impact on the ability of the Air Guard to remain an integral partner in the Total Force.

Can you give me your assessment of the Guard's role in the development of the Future Total Force Strategy of the U.S. Air Force? By the Guard's role I refer to the input of the TAG's from states with significant Air Guard assets.

Answer. Yes, I am aware of Air Force budget decisions, system capabilities/comparisons (including the AESA radar) in Homeland Defense and other mission areas, and how budget limitations impact force capabilities. The Air Force is committed to completing the development of the F-15C/D AESA radar program in fiscal year 2006. We plan to continue to incorporate AESA technologies on various platforms,

including the F-15. However, at this time, higher Air Force funding priorities preclude AESA procurement for the F-15C/D fleet. The Air Force's investment strategy seeks to strike a sound, capabilities-based balance between modernizing legacy fighters and fielding F/A-22 and F-35 in a timely manner.

Question. I understand you are committed to outsourcing military functions that can be ably performed by civilian contractors. Are you aware that the Army Military Postal Service Agency conducted an internal study of the MPSA and published its findings in year 2000 which recommended that "all" or some of the functions of MPSA be outsourced? Are you aware that I have recommended to Army that the Department move to outsource all MPSA functions? Are you also aware that a significant number of Army billets are dedicated solely to moving and sorting military mail?

Answer. The military Postal System operates as an extension of the U.S. Postal System under Title 39 U.S.C.; therefore outsourcing of military postal functions must be coordinated and agreed to by the Postal Service. The Military Postal Service Agency (MPSA), conducted an internal study on outsourcing and they have been working with the military services to outsource functions within the military postal system. As an example, the Air Force has outsourced the majority of their main mail terminal in Frankfurt (66 military positions; 3 civilian positions), and the U.S. Army has outsourced most of their mail processing and surface transportation at the Joint Military Mail Terminals (JMMT) in both Kuwait and Baghdad and several military post offices (MPO), including the Coalition Provisional Authority MPO at the Palace Compound in the Green Zone, Baghdad, Iraq. Furthermore, MPSA is currently reviewing guidelines for the Services on what functional areas within the Military Postal Service may be considered for further outsourcing, by the services, versus what is inherently governmental. Upon completion of this policy, a meeting with all Services, U.S. Postal Service (USPS), and DOD will take place to coordinate a way ahead. We are doing this with USPS input to ensure the policy adheres to all laws and regulations binding USPS. Currently throughout DOD there are approximately 2,274 active duty personnel of which 570 are Army personnel providing full-time postal duties.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

IRAQI SECURITY FORCES

Question. Do you still stand by your earlier estimates of the number of "trained and equipped" Iraqi security personnel?

Answer. I do stand by my earlier estimates of the number of trained and equipped Iraqi security personnel. Each week I receive a report from the Multinational Security Transition Command-Iraq. This report is put together by Lieutenant General Dave Petraeus' Headquarters and is reviewed by General Casey. This number reflects the number of Iraqi forces who have been trained and equipped to the standards previously provided to Congress. However, "trained and equipped" does not tell you the capability of Iraqi security personnel. We have recently begun to measure this capability. The new process for measuring Iraqi Security Forces capability looks at six areas of readiness: personnel, command and control, training, sustainment, equipping and leadership. Using these measurements, units are assessed on their ability to execute counterinsurgency operations and are given a readiness rating of Level 1-4. A Level 1 unit is fully capable of planning, executing and sustaining independent counterinsurgency operations.

Question. To what extent are the Pentagon's estimates of the Iraqi Ministry of Interior forces reliable?

Answer. The estimates reflect the number of police who have been trained and equipped minus estimated losses based on reports from Multi-National Corps-Iraq. They are the best estimates available, and Multi-National Forces-Iraq is constantly reviewing means to improve upon them.

Question. What specifically do you attribute to the difficulty of training an adequately-sized Iraqi Security Force—funding, capability, equipment, or some other factor?

Answer. Training the Iraqi Security Forces (ISF) with the right balance of capabilities presents many challenges, and steps are being taken to ensure the ISF has the means to maintain domestic order and deny a safe haven to terrorists. Some of the challenges in developing a capable Iraqi Security Force are: working with a different culture; overcoming poor leadership habits and corruption developed under the former regime; working within a cash-based economy; developing capable bases that have largely been destroyed; developing command, control and communication

systems where none existed; and training security forces to conduct counterinsurgency operations when they had never performed them.

Question. How many Iraqi security personnel do you estimate will be recruited, equipped, and trained by the \$5.7 billion that was allocated for this purpose in the fiscal year 2005 Supplemental bill?

Answer. The fiscal year 2005 supplemental will fund the most critical institutional training, equipment and infrastructure requirements for about 270,000 Iraqi Security Forces.

Question. You also state in the funding justification language for the fiscal year 2005 Supplemental, and I quote: "The Iraqi Interim and Transitional Governments, with Coalition assistance, have fielded over 90 battalions in order to provide security within Iraq . . . All but one of these 90 battalions, however, are lightly equipped and armed, and have very limited mobility and sustainment capabilities." (page 25)

Does this statement remain true today?

Answer. At the time of that statement, only one mechanized battalion was operational. Currently there are two mechanized battalions that are capable of planning and executing counterinsurgency operations in conjunction with Coalition units. The vast majority of Iraqi security forces are infantry and police-type units, which we consider to be "light" forces.

Question. Would you please tell the Committee how many Iraqi battalions today are fully-equipped, armed, and capable of successfully carrying out their mission in Iraq?

Answer. There are 102 battalion level combat units in the Iraqi Ministry of Interior and Defense conducting operations at the company though battalion level. 81 of these battalions are in the Ministry of Defense and 21 battalions are in the Ministry of Interior. These forces are capable of conducting security operations—in some cases with Coalition assistance and in some cases without assistance.

APPROPRIATE NUMBER OF UP-ARMORED HUMVEES

Question. Since the beginning of this year, it is my understanding that the U.S. Central Command has increased its estimate of the number of up-armored Humvees needed in Iraq and Afghanistan at least 5 separate times. And earlier this month, the Army stated that it was 855 vehicles short of procuring the 8,105 factory-armored Humvees needed for its missions in the Middle East. In addition, it has come to my attention that several days ago the U.S. Central Command again increased its estimate of required Humvees to 10,079. I remember you came before this Committee in February and told us that there were no longer any military vehicles operating in Iraq (outside of a protected zone) that lacked "an appropriate level of armor?"

Can you explain why the Pentagon has so often underestimated the need for up-armored Humvees since the beginning of this war?

Answer. The Pentagon has not under estimated the need for Up-Armored Humvees. The increase in Up-Armored Humvee requirements corresponds with the results of a constant mission analysis conducted by the Operational Commander and his staff. This analysis takes into account the changing tactics, techniques, and procedures of the Iraqi insurgents, and the requirement for U.S. forces to operate outside of secure operating bases. As the enemy's tactics, techniques, and procedures change so will the requirements.

Question. Are you confident that we currently have an appropriate number of up-armored Humvees in Iraq and Afghanistan? If not, when do you estimate that we will have the necessary number of vehicles?

Answer. The Combatant Commander, CENTCOM determining the need for UAH through the use of an Operational Need Statement (ONS) to request what he needs to conduct military operations. Since the first ONS for 235 UAH in May 2003, the validated theater requirement has grown to the current requirement of 10,079. Almost without exception, each jump in the requirement was preceded by an operational event in theater whereby the insurgency began employing a different method of attack against the coalition forces. The Army will continue producing UAH at the maximum monthly production rate of 550 until the requirement of 10,079 is satisfied from production in July 2005 with in-theater delivery by September 2005.

Question. A GAO report released this month suggests that the Pentagon "failed to use the maximum available production capacity" to produce factory-armored Humvees even as the requirements increased.

How many factory-armored Humvees are currently being produced each month?

Answer. O'Gara-Hess (OHEAC) is currently producing at their maximum production rate of 550 vehicles per month.

Question. Can you say confidently that all 5 Army depots are now operating at their "maximum" capacity in regards to up-armor and repairing Humvees?

Answer. The Army Depots have completed theater validated production requirements for HMMWV's add-on armor kits. The Validated Theater requirement is 13,872 kits of which the Army has produced 14,220 kits.

Question. And is it true that only one small factory in Ohio is producing the armor to fortify Humvees?

Answer. No; armor for HMMWVs has been produced in four configurations. O'Gara-Hess & Eisenhardt Armor Company is the armor producer for the M1114 Up-armored HMMWV. Ground System Industrial Enterprise (GSIE) with seven Army Depots have produced the Armor Survivability Kit (ASK) Add-on Armor, O'Gara-Hess & Eisenhardt with Simula produced the Enhanced HARDkit Add-on Armor and ArmorWorks is the producer of the HMMWV troop carrier.

RESERVE AND GUARD RETENTION

Question. It has been reported that the Army National Guard missed its recruiting goal by 27 percent in the first half of this fiscal year, while the Army Reserve came up 10 percent short.

Can you comment on the current recruitment and retention rates of the Army Guard and Reserve?

Answer. LTG Schultz: The Army National Guard is at 77 percent of its accession mission to date for fiscal year 2005 (26181/34167). However, it has accomplished its retention mission at a rate of 103 percent (18796/18231). Overall, the Army National Guard is at 98 percent of its authorized strength. The accession mission is developed based partly on attrition rates from previous years. With its improved retention this fiscal year, the Army National Guard can achieve its endstrength requirements while still falling short of its accessions mission.

Question. Has raising the maximum enlistment age from 35 to 39 led to an increase in the number of recruits?

Answer. LTG Schultz: The ARNG has enlisted 101 Non Prior Service Soldiers who were 35-39 years old. This is relatively a small amount of accessions and there are no current marketing initiatives to penetrate this population. The Army National Guard anticipates the annual enlistments to be around the 600 mark.

Question. What about pay incentives? Do you think increasing pay and benefits for the Guard and Reserve would be a helpful tool to recruiting?

Answer. LTG Schultz: The Army National Guard is not unlike any other business in the open market, the higher the pay and incentives, the more recruits you have applying for the job regardless of the risk. The current economy has fewer eligible applicants being sought after by a larger and larger pool of businesses and governmental entities. It goes without saying, improving pay and incentives would show an increase in recruits.

STRESS ON THE ACTIVE-DUTY AND RESERVE FORCE

Question. Since September 2001, over a million active and reserve forces have been deployed. Of that, one-third have been deployed twice. The Pentagon's current policy sets a standard of one-year deployed for every three years of duty for active-duty forces and one-year in every 5 to 6 years for reserve forces. Deployment data shows that over one-third of the 457,000 Army active duty and Army National Guard and Army Reserve forces have been deployed more than once since September 2001. That suggests that DOD's current policy standards are not being met for a large share of Army forces.

Assuming current force levels continue in fiscal year 2005 and fiscal year 2006, how many and what share of Army active duty and reserve forces will have been deployed: More than once? More than twice? Since 9/11?

Answer. The number of Active and Reserve Soldiers who will be deployed more than once by the end of fiscal year 2006 is difficult to determine accurately at this early date. If today's statistics hold true throughout the next 18 months an increasingly larger number of Active Soldiers will deploy for a second time and third time while the Reserve Forces will continue to contribute but at a much lower rate due to two mitigating policies, the Office of the Secretary of Defense's limiting Partial Mobilization service to 24 cumulative months and the Army's 12 months "boots on the ground" policy. Combined these two policies will temper the reuse of our Reserve Component (RC) Soldiers.

The Army estimates that approximately 185,500 Soldiers currently assigned to the Active Component will have or are currently deployed, whereas 258,000 currently assigned RC Soldiers have or are currently mobilized with the majority serving overseas and many less in support of an operation stateside but away from their

homes. I emphasize that the RC figures are the total number mobilized of which the majority are or have deployed overseas. In order for an RC Soldier to be deployed to a combat zone more than once they must currently be a volunteer.

Projecting current required deployment force levels to the end of fiscal year 2006 implies the Active Army number will grow to approximately 206,000 who have deployed for at least one six month or longer period. Of these, 18,700 (3.8 percent) will have deployed twice and 370 (less than .1 percent of AC assigned strength) will have deployed three times.

The number of Reserve of the Army Personnel who have been mobilized more than once is approximately 46,000 (8.7 percent), mobilized more than twice is approximately 7,500 (1.4 percent) of the present population. The vast majority of these Soldiers volunteered to be remobilized. By the end of fiscal year 2006, the percentage should not be significantly changed based upon the policies already cited. These projections are only estimates.

Question. Assuming, conservatively, that current force levels continue, could DOD meet its stated standards for active and reserve forces in: fiscal year 2005? fiscal year 2006? fiscal year 2007?

Answer. As the Army begins its third major rotation of forces to Iraq and its seventh major rotation of forces to Afghanistan, we remain committed to meeting CENTCOM requirements for trained and ready forces. The Army will continue to adapt to ensure our nation's success in what will be a continued War on Terrorism. We are pursuing policies and initiatives focused on providing the active duty force necessary to meet global force commitments and to increase the dwell times for deploying units in order to attain the DOD standard. The centerpiece of these efforts has been the transformation of the current Active Component (AC) and RC force to a 21st century modular force, and the expansion of the AC combat force structure from 33 brigades to 43 brigades. These efforts create a larger force of more capable brigade combat teams, relieving some of the stress of current force requirements. Another initiative aimed at increasing dwell time is the Army Force Generation (ARFORGEN) readiness model. ARFORGEN establishes a three year cycle for AC units, which includes the availability for one deployment in three years and a six year cycle for RC units, which includes availability for one year of deployment in six years. The initial application of ARFORGEN will focus on the BCT. Application of ARFORGEN for echelons above brigade CS/CSS units is more difficult and will be dealt with in subsequent applications of ARFORGEN as force requirements permit. Additional efforts to increase dwell include contracting logistics requirements, utilizing "in lieu of" substitutions for force requirements, and accelerated rebalancing of AC and RC forces to replace low demand units with high demand units (i.e. changing RC field artillery units to military police units). The projected result of these initiatives is an increase in average dwell time for active component forces from the OIF/OEF 04-06 to OIF/OEF 05-07, OIF/OEF 06-08, and OIF 07-09.

Sustaining the Army's current level of commitment presents several challenges. Successive year-long combat rotations have had an impact on overall Army readiness. Moreover supplying the necessary Combat Support and Combat Service Support (CS/CSS) capabilities to our coalition forces has become increasingly difficult with each rotation, causing the Army to adopt new and innovative sourcing solutions. In order to maintain current force levels the Army has had to increase the operational tempo (OPTEMPO) for active duty forces deploying most units with dwell time less than the two year DOD goal. These challenges, while significant, are manageable, but the DOD stated standards will not be achieved for a portion of the Force. Today the Army has been able to achieve an average dwell time peak of 19 months between regular Army Brigade Combat Team (BCT) rotations. The length of Soldier's dwell time will decrease as the Army loses access to Reserve Component (RC) BCTs as well as other High Demand/Low Density RC formations:

As a rule RC utilization continues to meet the DOD stated standard, with involuntary redeployment of personnel to a contingency operation being the exception. Maintaining the current level of force commitments will require the remobilization of selected RC units, however every effort will be made to fill these units with personnel who have not deployed to a contingency operation or personnel who volunteer for redeployment to a contingency operation. Maintaining the current force levels will require the continued deployment of forces at less than the two year DOD goal. However, the Army is taking steps to increase active duty unit dwell time.

Iraqi Security Forces continue to improve and accept a growing share of the security responsibilities. As Iraqi Security Forces achieve the ability to conduct independent operations, the requirements for U.S. forces will begin to decrease. Potential force reductions would result in greater average dwell times for the OIF/OEF 07-09 rotation.

While the OPTEMPO for Army units has been high for the last three years, a combination of Army initiatives and potential decreases in force requirements should reduce the stress on the force. The Army remains committed to achieving the DOD standard of one deployment in three years for AC forces and one deployment in six years for RC forces and will take all measures possible towards that goal.

ARMY RESTRUCTURING

Question. The Army requested \$4.6 billion in the fiscal year 2005 Supplemental for “modularity,” or force restructuring at the brigade-level. The Army first announced this modularity initiative in August 2003 with a plan to create between 43 to 48 units of action by 2007.

While the \$4.6 billion for the Army’s modularity initiative may be necessary, why was it not included in the President’s fiscal year 2006 base budget?

Answer. The Army developed estimates for the Army Modular force after reviewing the specific equipment and facility needs to those units planned for conversion. The fiscal year 2005 supplemental supports only those equipment requirements for these near term deployers, both active and Reserve Component. The accelerated process of the supplemental when compared to the normal budget process—a matter of months compared to almost two years—permits us to more precisely determine our requirements in this very dynamic environment. We have programmed for modularity requirements beginning in fiscal year 2007 when we will have more certainty of our deployment schedules and associated equipment and facility needs.

Question. I would also be very interested to know where you plan to request modularity funding next year: In the fiscal year 2007 base budget or in another supplemental?

Answer. We have realigned a portion of the fiscal year 2006 PB to support Army Modular Forces, and expect to need an additional \$5 billion in an fiscal year 2006 supplemental for investment items and \$3 billion for fully-burdened personnel costs. From fiscal year 2007 through fiscal year 2011, the Army base program will fund the remaining requirements for the Army Modular Force, not to include personnel costs. Upon return from operations in Iraq, the Army anticipates it will need \$4 billion per year from the end of the conflict plus two years to fully reset its equipment to mission capable standards.

Question. On a different note, as you move to reorganize the Army into faster, smaller, and more mobile combat units, concerns have been raised that this would lead to a loss of “armor and firepower” and the ability to wage more conventional warfare. In addition, I understand that this restructuring is based on the assumption that there is no need to permanently increase troop endstrength.

How will the transition from a Division-centric force to a Brigade-centric force affect our ability to engage in not only non-conventional, but conventional warfare?

Answer. The Army Modular Force Brigade Combat Team (BCT) is full-spectrum capable in major combat operations, stability and support operations. The modular BCT has equal and in many ways greater capability to engage in conventional and unconventional warfare compared to a division-based brigade. Fundamentally, the modular BCT is a more informed, agile, cohesive, combined-arms team. The modular heavy BCT retains the M1A2 Abrams tank, the M2A3 Bradley Fighting Vehicle, and the M109A6 Paladin self-propelled howitzer. Instead of 3 battalions of 3 companies in the non-standardized baseline, every BCT has 2 battalion task forces of 5 companies (2 armor, 2 infantry, 1 engineer). Instead of 3 batteries of 6 field artillery systems, there are 2 batteries of 8 guns. This is a comparable level of armor, infantry and firepower, but the BCT has significantly increased intelligence, surveillance, reconnaissance and communication capabilities that were formerly found at division-level. The modular BCT has an entire Armed Recon Squadron, 18 more UAVs, a company of Military Intelligence analysts, and a Signal company with greater network connectivity and space-based access to Joint intelligence. With improved network-enabled battle command and Future Combat Systems spiral acceleration, leaders have greater quality of information, ability to collaborate and coordinate, improved situational understanding, and greater agility to seize opportunities on the battlefield to fight on the most favorable terms. A RAND study has shown these network-centric capabilities in the modular Stryker BCT increased mission effectiveness and reduced casualties by a factor of 10 during urban operations at the Joint Readiness Training Center. Adding capability for unconventional warfare, the BCT has more human intelligence and robust command posts, with planning expertise in civil affairs, psychological, public affairs and information operations. Thus the modular BCT improves capability for unconventional warfare while retaining conventional overmatch against any current threat. This force structure also offers the

optimum capability balance for the new strategic context of continuous full-spectrum operations in persistent conflict. 43–48 active component BCTs and assured, predictable access to 34 reserve component BCTs provides the rotational base needed to meet Army strategic requirements, including the Global War on Terror, and preserve the quality of the All Volunteer Force. The Army will address the question of end-strength within the on-going QDR and the Army Campaign Plan.

Question. You have also suggested that you plan to re-train about 100,000 soldiers, or 10 percent of the current force, in order to better position the Army for the combat challenges it will face today and in the future.

While I agree that it makes sense at some level to re-train soldiers based on our current needs, would it not, in the long-term, be more cost-efficient and practical to simply increase troop endstrength, rather than attempt to solve the shortages by potentially creating new ones?

Answer. The Army had cold war capabilities that were no longer relevant for the current strategic environment. Our rebalancing adjusted this existing force structure to provide a more ready force properly balanced and postured as a full joint war fighting partner. Rebalancing as part of the Transformation process will posture the Army to better fight the Global War on Terrorism. Additionally, the temporary 30,000 end strength increase allows the Army to continue to transform while sustaining its current level of operational commitments. A permanent increase in troop end strength is based on many factors including the defense strategy, Combatant Commander Force requirements and other factors.

ABUSE OF IRAQI FEMALE PRISONERS IN IRAQ

Question. Last time you appeared before us in February, Senator Leahy and I both asked you a question about whether you were aware of any mistreatment of female Iraqi prisoners by U.S. forces in Iraq—allegations that included assault and rape. At the time you promised to “get back to us and get the answer for the record.”

I have yet to receive a response to this question so I will ask you again—Secretary Rumsfeld, are you aware of any mistreatment of Iraqi women prisoners, including allegations of sexual abuse?

Answer. I transmitted the following to Congress on April 27, 2005 in response to questions for the record from my appearance before the Senate Appropriations Committee on February 16, 2005.

The Department of Defense investigates all allegations of abuse of detainees. There have been four investigations into allegations of sexual misconduct involving female detainees. The investigations are described below:

(1) The Taguba Report included an incident where 3 soldiers took a female detainee to another area of Abu Ghraib. There was an allegation of sexual assault in which the detainee’s blouse was removed and one soldier apparently kissed the detainee. An investigation concerning this incident was opened. The soldiers involved were assigned to the 519th Military Intelligence Battalion, Fort Bragg, NC. Initially, the soldiers were charged with sexual assault, conspiracy, maltreatment of a prisoner and communicating a threat (for allegedly telling a female detainee that she would be left in the cell with a naked male detainee). The investigation was closed as a result of insufficient evidence to prove or disprove the allegations. However, the unit commander determined that the soldiers violated a unit policy that prohibits male soldiers from interviewing female detainees. The soldiers received non-judicial punishment under Article 15 of the Uniform Code of Military Justice (UCMJ) for violation of a lawful regulation or order, (Article 92, UCMJ). A Sergeant was reduced from the grade of E–5 to the grade of Specialist, E–4 and forfeited \$500 of his pay and allowances for one month; a Specialist, was reduced from the grade of E–4 to the grade of Private First Class, E–3 (the reduction was suspended), and also forfeited \$750 of his pay and allowances for one month; and a second Specialist was reduced from the grade of E–4 to the grade of Private First Class, E–3 and forfeited \$500 of his pay and allowances for one month.

(2) The Taguba Report includes a statement that a male MP Guard had sex with a female detainee. The witness statement references a video of Private Graner having sex with a female in the prison. After an extensive investigation into the allegations of abuse by Private Graner and others at the Abu Ghraib prison, there has been no evidence uncovered that establishes that Private Graner had sexual intercourse with female detainees.

An allegation was substantiated against Private Graner, however, for photographing a female detainee exposing her breasts. On January 10, 2005, Private Graner was convicted by a ten-member enlisted panel at a General Court-martial for numerous offenses stemming from his abuse of detainees while stationed as

a guard at Abu Ghraib prison. Included in the charges was a multi-specification charge of Dereliction of Duty which included one specification alleging that “[t]he accused photographed a female detainee exposing her breasts.” Private Graner was found guilty of this specification. He was sentenced on all the charges to which he was found guilty and sentenced to reduction from the grade of Staff Sergeant, E-6, to the lowest enlisted grade, Private, E-1, to total forfeitures of pay and allowances, to confinement for 10 years, and to a Dishonorable Discharge.

(3) A 75-year old Iraqi female alleged she was captured and detained for 10 days and claimed that she was robbed, sodomized, indecently assaulted and deprived of food and water at a remote location. The woman described her captors as American Coalition Forces but could not provide any further descriptions of the personnel allegedly involved. The investigation was initially closed for insufficient evidence, but has since been re-opened for further investigation after the identification of additional leads.

(4) A female detainee alleged she was raped and knifed in the back by unknown U.S. personnel at the Baghdad Central Confinement Facility. These allegations were reported via a newspaper article in the Los Angeles Times. Following the publication of the article, CID opened an investigation and attempted to locate the alleged victim and her attorney. CID coordinated with the Iraqi Ministry of Justice and made numerous attempts to locate witnesses for information. After extensive efforts, CID closed the investigation as a result of insufficient evidence either to identify potential suspects or to prove or disprove the allegations.

WITHDRAWAL OF TROOPS FROM IRAQ

Question. General George Casey stated on CNN’s “Late Edition” in March that there would likely be “very substantial reductions in the size of our forces” in Iraq by March 2006.

Does the Pentagon have a timetable for withdrawing troops in Iraq?

Answer. The President has stated on numerous occasions that Coalition forces will remain in Iraq until the mission of stabilizing the country is complete. Articulating a detailed plan for withdrawal before we have completed this mission would undermine confidence in our commitment to defeating the terrorists in Iraq. To create such doubts about American resolve would only lead to increased attacks against U.S. forces in Iraq, and likely to more attacks against Americans throughout the world. It is far more important, therefore, to focus on the objectives we are trying to achieve rather than set arbitrary deadlines.

Question. Do you agree with General Casey’s assessment that there will be a “substantial reduction” of our forces in Iraq within a year?

Answer. General Casey’s full statement was: “By this time next year . . . Assuming that the political process continues to go positively, and the Sunni are included in the political process, and the Iraqi army continues to progress and develop as we think it will, we should be able to take some fairly substantial reductions in the size of our forces.”

I agree that if at this time next year the political process and security situation in Iraq met the standards of success as defined by the President, we will be able to make some reduction in the size of our forces in Iraq. However, it is far more important that we focus on achieving our objectives of helping the Iraqi people to create a stable and secure Iraq than on setting arbitrary deadlines.

F/A-22 RAPTOR PROGRAM

Question. The Pentagon’s budget request would prematurely terminate the procurement program for the F/A-22 Raptor by fiscal year 2008, ending with the production of 179 planes rather than the original production request of up to 750 aircraft through fiscal year 2011.

Can you tell me if the Pentagon still plans to end the F/A-22 program early? If so, why?

Answer. The President’s Budget for fiscal year 2006 allocates funding for production of F/A-22 aircraft through fiscal year 2008. In making this recommendation to the President, senior members of the Department of Defense considered the full range of investments underway in air dominance (F/A-22, F-35, Joint Unmanned Combat Air System, F/A-18 E/F/G, and the networks to link them). The Secretary decided to continue funding production of the F/A-22 through fiscal year 2008 to provide the nation a significant number of F/A-22s in the overall mix of systems. The Secretary also decided to continue the F/A-22 modernization effort to provide the airplanes with a broad range of attack capabilities.

The Secretary has committed to a discussion of joint air dominance capabilities in the context of the Quadrennial Defense Review. All systems’ contributions to joint

air dominance will be assessed to determine how the investment plan balances near-, mid-, and far-term risks.

Question. How much money does the Pentagon expect to save by ending procurement of the F/A-22 by fiscal year 2008?

Answer. The President's Budget for fiscal year 2006 cut the F/A-22 program by \$10.5 billion. These savings will be partially offset by the cost to extend the service life of existing aircraft, or procure new aircraft to provide the required capability. There may also be some cost impacts on other programs, including the Joint Strike Fighter, because Lockheed-Martin's facilities share overhead rates.

Question. Is this number based on an estimated cost of \$250 million per aircraft?

Answer. The President's Budget for fiscal year 2006 reduced the F/A-22 program by \$10.5 billion and the procurement quantity by 96 aircraft. The 96 aircraft reduction is based on an average Unit Flyaway Cost per aircraft of \$109 million.

C-130J PROGRAM

Question. I have been informed that the Pentagon estimates that ending this program early will save \$3.5 billion. Nevertheless, it is my understanding that it will cost in the region of \$1 billion simply to cancel the contract.

Does the Pentagon still plan on completing the C-130J program in fiscal year 2006?

Answer. No. As I notified the congressional defense committees, we have carefully reviewed our decision to terminate the C-130J program, and we believe it is in the best interests of the Department to complete the multi-year contract.

Question. Considering that 30 older C-130s were recently grounded by the Air Force due to cracks on the exterior of the planes, do you anticipate that the Air Force and Navy will have the necessary number of cargo aircraft to fulfill their current and future missions?

Answer. Though operations in the global war on terror have added stress to our mobility resources, we currently have enough C-130 aircraft to accomplish our ongoing intra-theater airlift mission. We are assessing the Mobility Capabilities Study (MCS), which is providing insights into the right mix of airlift, sealift, air refueling, and pre-positioning assets to meet future challenges. In a follow-on study to MCS, we are examining future force requirements for intra-theater airlift within the context of the Quadrennial Defense Review. We expect these analyses to provide a foundation for future C-130 fleet recapitalization decisions.

GLOBAL HAWK PROGRAM

Question. I'd like to ask a question about the Global Hawk, which is based at Beale Air Force Base in California. This aircraft flies very high, very fast, for long periods of time with large powerful sensors—I understand that a single Global Hawk could have surveyed the entire area devastated by the recent Tsunami in Asia on a single mission. It has also performed rave reviews as part of surveillance operations in Iraq. I understand that one Global Hawk identified 55 percent of time-sensitive air defense targets destroyed during Operation Iraqi Freedom.

Is the Global Hawk something the Combatant Commanders have been requesting for operations?

Answer. Yes. Since September 11, 2001, we have received three separate Global Hawk Request For Forces from the Commander, United States Central Command. Additionally, the regional Combatant Commanders have highlighted a collective requirement for a persistent platform with robust Intelligence, Surveillance and Reconnaissance capabilities through their Integrated Priority Lists. Global Hawk is the only system currently programmed that will be capable of fulfilling this requirement.

Question. Has the Pentagon looked at accelerating delivery of this vital capability?

Answer. The Department of Defense is incrementally fielding capability as soon as it becomes available. In addition, we are examining ways to accelerate our testing approach. Finally, and most importantly, we are on track to deploy our first two production aircraft later this summer to augment or replace our deployed Advanced Concept Technology Demonstration aircraft currently supporting the Global War on Terrorism.

ROBUST NUCLEAR EARTH PENETRATOR

Question. At the March 2, 2005 House Armed Services Strategic Forces Subcommittee, Congresswoman Ellen Tauscher asked Ambassador Linton Brooks of the National Nuclear Security Administration the following question: "I just want to know is there any way a [Robust Nuclear Earth Penetrator] of any size that we would drop will not produce a huge amount of radioactive debris?"

Answer. The amount of radioactive debris is commensurate with the yield of the weapon.

Question. Ambassador Brooks replied: “No, there is not.” When Congresswoman Tauscher asked him how deep he thought a bunker buster could go he answered: “. . . a couple of tens of meters maybe. I mean certainly—I really must apologize for my lack of precision if we in the administration have suggested that it was possible to have a bomb that penetrated far enough to trap all fallout. I don’t believe that—I don’t believe the laws of physics will ever let that be true.”

Do you agree? If so, why should we move forward with the development of a nuclear bunker buster that inevitably will spew millions of cubic feet of radioactive debris in the atmosphere?

Answer. I agree that a nuclear penetrator will never attain a depth to prevent all fallout. The recent National Academy of Sciences report on Earth Penetrating Weapons (EPWs) is entirely consistent with our long understanding of the capabilities and limitations of such a weapon. The downward shock multiplying effect of shallow penetration led us to field the B61-11 EPW in the 1990’s and various precision conventional munitions in the last decade to address a growing threat from sanctuaries provided by a wide range of Hard and Deeply Buried Targets (HDBTs).

At the present time, the nuclear weapon stockpile consists of weapons that were designed for Cold War missions. In order to place at risk most of the known HDBTs that are beyond our conventional earth penetration capability, our only option is a surface burst nuclear weapon 10 to 50 times more powerful than an equally effective nuclear earth penetrator, depending on the structural character of the target. Accordingly, the fallout is 10 to 50 times less for the smaller RNEP weapon.

A serious shortfall in capability against HDBTs remains today. The completion of the RNEP study is necessary if we are to address all plausible capabilities to satisfy validated requirements and meet the President’s direction for options to halt confidently a WMD attack on U.S. territory, troops, Allies, and friends, launched or supported from HDBT sanctuaries.

NATIONAL MISSILE DEFENSE

Question. President Bush has requested \$9 billion for missile defense for fiscal year 2006. The United States has spent \$92 billion on missile defense since 1983 and the Administration anticipates spending an additional \$58 billion over the next six years. Some experts put the overall price tag at well over \$150 billion.

Given the number of national defense priorities we face—providing for non-proliferation activities, deterrence, homeland security—how do you justify spending so much on missile defense?

Answer. The threat to the United States, its deployed forces overseas, and its friends and allies from ballistic missile attack is a real one. Combined with the proliferation of weapons of mass destruction, this threat must be addressed, and our ballistic missile defense program is designed to do so.

Since 1984, I understand that we’ve spent a little more than 1 percent of our total Defense budget on ballistic missile defense. When one considers that we now have an initial capability to destroy incoming long-range missiles where before we had absolutely none, the money we have invested to develop this capability has been well spent. It is also worth noting that the Government Accountability Office has estimated that the damage from the attacks of September 11, 2001 cost the nation \$83 billion. An attack by even a single ballistic missile equipped with weapons of mass destruction could no doubt cost the nation far more than that.

Additionally, Department of Defense funding has contributed to the fielding of ground and sea based defenses to protect U.S. and allied forces from short and medium range missiles. The Patriot Advanced Capability-3 system, for example, performed successfully in an operational environment during Operation Iraqi Freedom, successfully intercepting and destroying enemy missiles in every engagement.

I agree that non-proliferation, deterrence, and homeland security are all important defense priorities, and the Department is working to address each. In fact, as part of the New Triad, which combines active defenses with strike capabilities and a responsive infrastructure, our ballistic missile defense program plays an important role in stemming the spread of weapons of mass destruction, deterring our adversaries from attacking the United States with ballistic missiles, and defending the homeland in the event of a ballistic missile attack.

Question. The missile defense system experienced two test failures in December, 2004 and February, 2005. The system was not declared operational at the end of 2004 as had been planned by the Administration.

What criteria will you use to determine whether or not the system will be declared operational? When do you believe this will occur? Will you move forward with declaring the system operational if future tests fail?

Answer. We have fielded the initial set of capabilities necessary to shoot down an incoming ballistic missile. The system is currently in a “shakedown period” under which our crews are gaining valuable experience in operating the system, and should some threat arise, we could transition the system from a test phase to an operational phase in a short period of time.

A decision to put the system on a higher level of alert will be based on a number of factors. These factors include: the advice I receive from the Combatant Commanders, and other senior officials of the Department; our confidence in the operational procedures we have developed; demonstrated performance during both ground and flight tests; modeling and simulation; and the threat.

QUESTIONS SUBMITTED TO GENERAL RICHARD B. MYERS

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. What type of submunition will the Army and Marine’s Guided Multiple Launch Rocket System (GMLRS) carry? Will it have a self-destruct mechanism? What is its predicted failure rate?

Answer. The M-30 Guided Multiple-Launch Rocket System (GMLRS) carries dual-purpose improved conventional munitions (DPICM) submunitions equipped with mechanical fuzes. A self-destruct fuze is not currently available to support production in fiscal year 2006. In operational testing, the dud rate at ranges between 20–60 kilometers was 1.8 percent, and the average dud rate of all other ranges (less than 20 kilometers and greater than 60 kilometers) was 3.65 percent.

Question. Of the 1,026 (Army) and 648 (Marines) GMLRS rockets requested, how many would have unitary warheads and how many would carry submunitions?

Answer. All M-30 GMLRS rockets procured in fiscal year 2006 will be equipped with DPICM submunitions. In accordance with fiscal year 2005 appropriations language directing unitary munitions procurement acceleration, 486 GMLRS unitary variants with a two-mode fuze are being procured under a low-rate initial production (LRIP-II) contract. This unitary variant will be available in fiscal year 2007.

Question. In February 2003 the Army awarded a contract to manufacture 500,000 self-destruct fuzes for 105 mm M915 artillery shells yet it has requested no money to retrofit those weapons. Why?

Answer. The self-destruct fuze effort for the 105 mm M915 is new production, and, therefore, money for retrofit is not required.

Question. Why was the Army’s fiscal year 2005 request for money to retrofit 155 mm projectiles carrying submunitions with self-destruct devices cut from \$42.2 million to \$17.9 million in the final Appropriations Act?

Answer. Fiscal year 2005 funding was redirected from 155 mm self-destruct fuze retrofit because technological progress in the production of electronic self-destruct fuzing has not matured at the pace initially anticipated.

Question. Were the 2,000 Hydra 70 MPSM HE M261 rockets requested by the Army in fiscal year 2005 actually procured?

Answer. No. While the fiscal year 2005 budget request for Hydra 70 rockets included an overall quantity of 176,000 for the Army, none of the requested munitions were of the multi-purpose submunition high explosive (MPSM HE) M261 variant. The Army’s move to “smarter” Hydra 70 rockets led to a realignment of overall Hydra funding and the end of procuring the MPSM HE M261 cluster munitions after fiscal year 2003.

Question. Why did the Air Force decide not to request procurement money for the Wind Corrected Munitions Dispenser (WCMD) this year?

Answer. The Air Force weighed its procurement priorities and chose to terminate the Wind Corrected Munitions Dispense—Extended Range (WCMD-ER) production starting in fiscal year 2006. While WCMD-ER would provide improvements over the existing WCMD inventory, the Air Force determined that WCMD-ER was not as important as other Air Force priorities.

The Department of Defense continues to procure cluster munitions in the form of sensor fuzed weapons (SFW) for targets requiring cluster effects and also continues to evaluate the need for cluster munitions.

Question. Why did the Secretary of Defense cut funding for the Air Force’s WCMD-Extended Range in the Program Budget Decision, December 2004?

Answer. In the President’s Budget for 2006, critical budget shortfalls were balanced, and the Department of the Air Force identified WCMD-ER for termination.

While WCMD-ER would provide improvements over the existing WCMD inventory, the Department balanced the continued modification in light of other priorities.

The Department of Defense continues to procure cluster munitions in the form of SFW for targets requiring cluster efforts and also continues to evaluate the need for cluster munitions.

Question. Has the Air Force evaluated the performance of the CBU-105 (Sensor Fuzed Weapon) in Iraq? Does it plan to do so?

Answer. The Air Force has employed 68 CBU-105s in Operation IRAQI FREEDOM. Formal performance measures have not been collected due to the difficult nature of post-attack assessments of SFW submunitions. Assessment is difficult because the small projectiles do not leave readily identifiable damage other than small holes. Additionally, many CBU-105 targets were either completely destroyed or moved from their original locations by the Iraqi army. Anecdotally, the Air Force has received informal feedback from various credible sources in the field on CBU-105 performance, and it has all been extremely positive.

Question. What weapon will the 15 CBU-87 cluster bomb dispensers the Air Force requested this year be used for?

Answer. The 15 CBU-87(T-3)/B bomb dispensers requested are inert dispensers for use as air training munitions used in conjunction with the BLU-97(D-4)/B. The "T-3" nomenclature indicates a CBU-87 dispenser equipped with a proximity sensor that initiates canister opening and dispersion of inert BLU-97(D-4)/B test submunition. The BLU-97 provides realistic training and evaluation of dispenser and munitions characteristics and can be dropped from a variety of aircraft.

SUBCOMMITTEE RECESS

Senator STEVENS. Thank you very much. Our next subcommittee meeting will be a closed session this afternoon at 2:30 to discuss classified programs in the 2006 budget. Our next open session will be Tuesday, May 10, at 10 a.m., when we will receive testimony on the defense medical programs.

The subcommittee stands in recess. We thank you all for your attendance.

Thank you.

[Whereupon, at 12:25 p.m., Wednesday, April 27, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, May 10.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

TUESDAY, MAY 10, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:07 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens, Inouye, and Mikulski.

DEPARTMENT OF DEFENSE

MEDICAL PROGRAMS

**STATEMENT OF LIEUTENANT GENERAL KEVIN C. KILEY, M.D., SUR-
GEON GENERAL, DEPARTMENT OF THE ARMY**

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. My apologies, gentlemen. Too many telephones and e-mails. It is one of those things.

We do welcome you to our hearing today to review the Department of Defense (DOD) medical programs. We have two panels scheduled. First, we will hear from the Surgeons General, followed by the Chiefs of the Nursing Corps. Joining us today from the Army, we have Surgeon General Kevin Kiley and Admiral Donald Arthur from the Navy. We welcome you both in your first hearing before us and look forward to working with you closely. We welcome back General Peach Taylor from the Air Force.

The President's fiscal year 2006 request for the defense health program is \$19.8 billion, an 8.9 percent increase over fiscal year 2005. The request provides for health care for over 8.9 million beneficiaries and the operation of 70 inpatient facilities and 1,085 clinics.

Despite the increase for this year's funding, the subcommittee remains concerned that the funding may not be sufficient to meet all of the requirements. We recognize that the continuing conflict in Iraq and the global war on terrorism, along with rising costs of prescription drugs and related medical services, will continue to strain your financial resources requested in this budget. And they will place a demand on our medical service providers, both those deployed in combat and those manning the posts here at home.

Senator Inouye and I are familiar with the value of military medicine, and we are interested in hearing from you regarding continuing operations.

Let me yield to my good friend from Hawaii.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Thank you very much, Mr. Chairman. I want to join you in welcoming our witnesses this morning as we review the state of the Department's medical programs. General Taylor, we welcome you back to our subcommittee.

It is our hope that this hearing will spotlight the numerous medical advances achieved by the men and women of the medical corps and also accelerate improvement and progress where it might be needed. The chairman and I, since World War II, have followed the advances in personnel protection and combat casualty care which have changed the fate of thousands of our military men and women.

The improvements in battlefield protection and combat care have given our military the lowest level of combat deaths in history. While there is still regrettable loss of life in Iraq and Afghanistan, the fact that we are saving hundreds of lives, which could not have been saved in past military operations, is proof that these advances are paying off. Several factors contribute to this change, and we have read your testimony and you have outlined several of them, including medical training and facilities operated by the services.

The training our medical personnel can receive cannot be equated with the private sector. One cannot deny that there are major differences in the medical requirements of our men and women serving in the military to the care required in your average civilian hospital. The personnel training and facilities of our medical system are all part of the elaborate network that feed off each other. Today these pieces are all connected and are continuing to make historic advances. However, it appears that this system could be on a brink of destruction.

We have been told that there is a chance that the Uniformed Services University of Health Sciences and Walter Reed Medical Center are potential targets for the base realignment and closure (BRAC). I hope not, because I believe this would be a tragic mistake. Our military medical facilities are essential to winning the global war on terrorism, and as you may know, the Senate included language in the supplemental conference report directing that funding available to the Department of Defense should not be used to close any military medical facility which is conducting critical medical research or medical training or caring for wounded soldiers. It is our hope that this message is received by the Department loud and clear before the BRAC list is compiled.

As a footnote to all of this, the chairman and I have, throughout the years, visited with our troops, and in each visit, we find that the major concern of all of them has been health care. Is my wife being cared for? Are the pediatricians working on my child? And I think we should keep in mind that there are many men and women who enlist because of the availability of health care.

It is no secret that we are having problems at this time in recruiting and retaining, and if we take this benefit away, then I think we will have real problems. So we look forward to discussing this and many other issues that are crucial to the military medical system.

Once again, I would like to thank the chairman for continuing to hold hearings on these issues that are important to our military and their families. I thank you very much, Mr. Chairman.

Senator STEVENS. Yes, sir.

General Kiley, do you want to go first? We cannot figure out who should be first. Please, we would be glad to have your testimony.

General KILEY. Sir, I would be happy to.

Chairman Stevens, Senator Inouye, and distinguished members of the subcommittee, I am Lieutenant General Kevin Kiley, and I am honored to serve as the 41st Surgeon General of the United States Army.

Our medical department, our Army Medical Department (AMEDD), is at war in support of our Army, defending our great Nation in the global war on terrorism. Since September 2001, the Army has been involved in the most prolonged period of combat operations since Vietnam. One key indicator of the success of our medical training, doctrine, and leadership is our casualty survivability. During Vietnam, approximately 24 percent of all battle casualties died. As recently as Operation Desert Shield/Desert Storm, 22 percent of our battle casualties did not survive their wounds. In Operation Iraqi Freedom, less than 10 percent of these soldiers, marines, sailors, and airmen have died of their wounds.

This improved survivability is due to superior training of our combat medics, leveraging technology to provide resuscitative surgical care far forward on the battlefield, the superb efforts of the Air Force's critical care aeromedical evacuation teams, and the advanced research and state-of-the-art care available at our major medical centers such as Landstuhl, Walter Reed, Brooke, and Madigan, as well as other sister services.

This phenomenal improvement in survivability is also due to great teamwork on the part of the three services, the United States (U.S.) medical industry, and the Members of Congress who have supported numerous advancements in combat casualty care. On behalf of the Army, I would like to thank you for your tremendous support over the years and tell you how much I look forward to working with this subcommittee to improve even further our ability to sustain the health of the Army family, whether it be in combat or at camps, posts, and stations around the world in support of the global war on terrorism.

I would like to take a few minutes to explain how the entire Army Medical Department integrates its multiple functions to project and sustain a healthy and medically protected Army. We are most certainly an AMEDD at war. Since the spring of 2003, the Army has sustained a deployed population averaging 125,000 soldiers in Southwest Asia, while maintaining our global commitments around the world. We have mobilized more than 349,000 Reserve component soldiers.

The demands placed on the Army Medical Department to support this effort across the entire spectrum of operations is significant. To support the deployed force, more than 36,000 Army medics, physicians, nurses, dentists, allied health care professionals, health care administrators, and our enlisted personnel have deployed into Southwest Asia. Nearly 20,000 of these personnel are active duty component, and this total represents approximately half of the

Army's active medical end strength not involved in long-term training, our residencies and internships. Many of these soldiers are deploying for the second time in 4 years. On the battlefield, they have provided care to more than 21,000 injured or ill soldiers who were evacuated from theater to Landstuhl Regional Medical Center and then hospitals in the United States, often within 1 or 2 days of injury, and have also cared for more than 16,000 Iraqi nationals, coalition soldiers, and U.S. civilians. Fifty-one AMEDD personnel have made the ultimate sacrifice in Iraq and Afghanistan.

In theater, our Active and Reserve component medical units deliver a standard of care comparable to what soldiers and their families receive at our installations here in the United States. Technological advancements and improved aeromedical evacuation allow us to reduce our initial medical footprint in theater to 6 percent of the deployed force, down from 14 percent in Operations Desert Shield and Storm. Innovative medical health care providers have introduced techniques normally found in major medical centers to our deployed combat support hospitals. As an example, Lieutenant Colonel Trip Buckenmaier pioneered the use of advanced regional anesthesia and pain management while deployed with the 31st Combat Support Hospital with tremendous success. This technique allows complicated surgical procedures to be performed on a conscious soldier using spinal anesthesia and nerve blocks. It holds great promise to improve patient recovery and minimize post-operative complications common with general anesthesia, certainly as well as making those soldiers much more comfortable.

Back in the United States, our Army Medical Command supports the deployment of active component and mobilization and deployment of Reserve component units. Our medical treatment facilities conduct pre- and post-deployment medical screening to ensure soldiers are medically ready to deploy and to withstand the rigors of the modern battlefield. Nearly 23,000 mobilized Reserve component soldiers have developed an illness or an injury during their mobilization that required the Army to place them in a medical holdover status. Approximately two-thirds of these soldiers are returned to the Army in a deployable status in an average time of approximately 93 days from entering medical holdover.

All of our major medical centers are engaged in providing the best possible treatment and rehabilitation to combat casualties. You are familiar with the tremendous care provided at Walter Reed Army Medical Center, but just as noteworthy is the care provided to wounded soldiers at William Beaumont, Womack, Madigan, Darnall, Eisenhower, and Tripler Army Medical Center, as well as some of our relatively smaller facilities at Forts Carson, Stewart, Riley, and Drum, among others.

We recently expanded our medical amputee program to include a second amputee center at Brooke Army Medical Center in San Antonio, Texas. This center, collocated with the Institute for Surgical Research and the Army Burn Unit, will allow us to build upon the innovative care delivered at Walter Reed and to export advances in the treatment and rehabilitation of amputees and extremity injuries to not only military facilities but the rest of the medical community.

During this period of unprecedented operational tempo, we have maintained and improved the quality of care we deliver to soldiers, their families, and our retirees. Despite less than 100 percent back-fill for deployed health care providers, we have maintained workload levels in our direct health care facilities. It is true that private sector workload is increasing, but not because we are doing less work at our facilities. As we have had to prioritize workload to support casualty care and deployment medical screening, family member and retiree care has, in some cases, shifted to the private sector. Additionally, families of mobilized Reserve component soldiers now have TRICARE available to them as their health insurance in many areas where military facilities do not exist or do not have the capacity to absorb the additional enrollees.

We have also completed a successful transition to the next generation of TRICARE contracts. The reduction in the number of regions, a national enrollment database, and increased flexibility on the part of market managers, our military treatment facility (MTF) commanders, will greatly enhance our ability to support ongoing mobilization and deployments, Army transformation, and upcoming base realignment and closure decisions.

In closing, I want to emphasize that the defense health program is a critical element of Army readiness. Healthy soldiers capable of withstanding the rigors of modern combat, who know their families have access to quality, affordable health care, and who are confident when they retire they will have access to that same quality health care, is an incredibly powerful weapons system. Every dollar invested in the defense health program does much more than just provide health insurance to the Department's beneficiaries. Each dollar is an investment in military readiness. In Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF), that investment has paid enormous dividends, and in my visits to Iraq, I can document that personally.

PREPARED STATEMENT

Again, I would like to thank you for your past and future support and, sirs, I look forward to answering your questions. Thank you. Senator STEVENS. Thank you very much, General.
[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL KEVIN C. KILEY

Mr. Chairman and distinguished members of the Committee, thank you for your support of the Army Medical Department (AMEDD) which is providing world class care to Soldiers in Operations Enduring and Iraqi Freedom (OEF/OIF). Without your support we would not have had the resources to develop and refine multiple health care initiatives designed to enhance and improve medical care for Soldiers and their families before, during and after deployments. The AMEDD is at war and is spread around the world with an unprecedented operational tempo. I returned from my first visit to Iraq in mid-March and am extremely proud of the remarkable professionalism and compassionate performance of the entire AMEDD team in combat, preparing units for deployment and return, and maintaining the health of Soldiers, retirees, and their families at home.

In Iraq and Afghanistan, the United States and our allies continue to struggle with forces opposed to freedom. Soldiers know that from the 91W combat medic riding alongside them in convoy, to the aid station and combat support hospital, and throughout the evacuation chain to Landstuhl Regional Medical Center and on to home-station hospitals in the States, they will receive rapid, compassionate care from the world's best military medical force.

Our medical force in Iraq and Afghanistan has saved hundreds of lives—Soldiers, civilians and even those who fight against us—due to remarkable battlefield techniques, patient transportation and aeromedical evacuation, and state-of-the-art equipment and personnel. Battlefield health care for OEF and OIF has been enhanced by placing state-of-the-art surgical and medical care far forward on the battlefield providing life saving care within minutes after injury. This far forward care is integrated with a responsive and specialized aeromedical evacuation that quickly moves patients to facilities for follow-on care. Improved disease prevention and environmental surveillance has reduced the rate of non-combat disease to the lowest level of any U.S. conflict. In OIF, more than 91 percent of all casualties survive their wounds, the highest survivability rate of any US conflict.

We owe this improvement to several advancements. Improvements in tactics and protective equipment allow Soldiers to survive previously lethal injuries. The best trained combat medics and far forward resuscitative care, have also contributed to survivability. Our combat support hospitals in Iraq and Afghanistan support a full range of medical specialties, including many subspecialties like cardio-thoracic and neurosurgery. Technology now allows the Military Health System to deliver the same care available at Brooke Army Medical Center or Walter Reed in Mosul, Baghdad, or Kandahar. Today's Soldiers deserve better than essential life-saving care while deployed, they deserve the same superb quality care available to them and their families here in the United States. I am proud to say that we are doing just that today on the battlefields of Southwest Asia.

I would like to highlight several ongoing successes. Since January 2002, the U.S. Army Trauma Training Center, in association with the Ryder Trauma Center, University of Miami/Jackson Memorial Hospital, Miami, FL, has trained 32 Forward Surgical Teams and Combat Support Hospital surgical elements deploying in support of the Global War on Terrorism—more than 650 Active and Reserve Components (RC) healthcare providers. The training program has evolved to provide bonafide total team training to physicians, nurses, and medics, all focused on care of the acutely injured patient. This unique multidisciplinary pre-deployment clinical training has displaced deployment “on-the-job” clinical training as the appropriate training method to ensure safe, effective combat casualty resuscitative surgery and care—it is clinical teamwork that makes a tremendously positive difference in care of the wounded. The Center is recognized as the Department of Defense (DOD) Center of Excellence for Combat Casualty Care Team Training and received the 2005 DOD Patient Safety Award for Team Training.

Uncontrolled bleeding is a major cause of death in combat. About 50 percent of those who die on the battlefield bleed to death in minutes, before they can be evacuated to an aid station. Tourniquets, new blood-clotting bandages and injectable clot-stimulating medications are saving lives on the battlefield.

All Soldiers are taught to stop bleeding as a Common Task, including applying a pressure dressing and a tourniquet, if needed. Currently all Soldiers have the means of using a tourniquet. The new Soldier Improved First Aid Kit (IFAK) includes a next-generation tourniquet. This tourniquet allows a trained, isolated Soldier to stop bleeding in an arm or leg. Between March 2003 and March 2005, U.S. Army Medical Materiel Center-Southwest Asia issued 58,163 tourniquets (four types) to CENTCOM-deployed units. Since April 1, 2004, a total of 193,897 tourniquets have been issued to Army units deploying to theater. This includes 112,697 of two tourniquets proven 100 percent effective in control of severe bleeding (Combat Application Tourniquet or CAT® and SOFTT®). Beginning April 1, 2005 all new Soldiers will receive specific instruction on the CAT® during Basic Combat Training. By the end of June 2005, deployed Soldiers without an approved tourniquet will all have received the CAT® through the U.S. Army Medical Materiel Center-Southwest Asia, which placed an order for 172,000 CATs® and 56,000 SOFTTs® in mid-March 2005. The vendors expect to fill the complete order of 228,000 by the end of June or earlier. In fact, by the end of April more than 121,000 of these tourniquets have been shipped to Qatar for distribution throughout the CENTCOM theater of operations. Soldiers deploying for the next rotation of OIF/OEF will either be issued the CAT® as an individual item or the IFAK (which contains the CAT®) through the Rapid Fielding Initiative (RFI) sponsored by Program Executive Office: Soldier.

The U.S. Army Medical Research and Materiel Command continues to study a variety of agents which help control moderate to severe bleeding including a bandage made of chitosan (HemCon®), a biodegradable carbohydrate found in the shells of shrimp, lobsters and other animals. Chitosan bonds with blood cells, forming a clot. Chitosan was shown to be effective in stopping or reducing bleeding in more than 90 percent of combat cases, without known complications. The Food and Drug Administration (FDA) cleared this bandage for use in November 2002. Army combat medics are using this bandage in Iraq and Afghanistan today.

War is stressful for Soldiers and their families. The AMEDD has taken several steps to help minimize stresses associated with frequent, prolonged deployments. There are a wide array of mental health assets in Theater. These include Combat Stress Control teams and other mental health personnel assigned to combat units and hospitals. We have conducted three formal Mental Health Assessments, two in Iraq and one in Afghanistan. The reports of the most recent Assessments are pending DOD review and release.

Soldiers receive post-deployment briefings as they return home focusing on the challenges of reintegration with families and employers. Soldiers are cautioned that their families have changed and grown, and that they may have a different role. They are also warned about possible symptoms of deployment-related stress, such as irritability, bad dreams, and emotional detachment.

The post-deployment health assessment includes several mental health questions. The document is reviewed by a licensed healthcare provider. If Soldiers answer positively to the mental health questions, the provider may direct further evaluation and/or treatment.

The Assistant Secretary of Defense (Health Affairs) recently announced a DOD policy to require all Service Members to receive a second post-deployment mental health assessment 90 to 120 days after redeployment. Soldiers may be hesitant to admit or are unsure they are experiencing mental health issues when they first return. They are more likely to develop or recognize problems and report them three to six months later, after the "honeymoon" period has worn off. We are working diligently to identify and assist Active, Reserve, and National Guard Soldiers who experience post-deployment difficulties. There is more work to be done in this area and we continue to refine and improve our ability to identify and provide early and effective treatment to Soldiers who are experiencing post deployment mental health issues.

A Joint Theater Trauma Registry (JTTR) is now becoming a reality, modeled after the civilian standard established by Public Law 101-590, Trauma Care Systems Planning and Development Act. The JTTR pulls together the medical records of wounded (and deceased) Soldiers cared for in battlefield hospitals, and includes both their pre-hospital care and subsequent care in CONUS. When complete, the JTTR will present the most comprehensive picture of war wounds ever assembled. This medical database is invaluable for real-time situational awareness and medical research. By combining the JTTR with other personnel and operational databases, we anticipate its increased value will lead to improvements in Soldier Personal Protective Equipment (e.g. body armor), vehicle design, and small unit tactics.

We remain committed to providing high quality, expert medical care to all Soldiers who become ill or injured in the line of duty. There is only one standard of medical care for all Soldiers regardless of Active, Reserve, or National Guard status. That is why we created the Medical Holdover (MHO) program. In an effort to report MHO patient data up and down the chain, we created a Medical Holdover module in our Medical Operational Data System (MODS), a proven system with robust capabilities for patient tracking and Soldier health reporting. Once we were convinced that the data was timely and accurate, we began to integrate data from other systems, eliminating so-called "stovepipes". We started with Medical Evaluation Board (MEB) tracking data, and now have three more patient tracking and administrative systems feeding into MODS. Those measures were so successful that every Army major command involved in MHO operations now uses MODS as the sole source for information on MHO Soldiers. To further enhance MODS' capabilities, we expect to have pay and finance, and personnel data integrated over the next 90 days.

Management and expeditious disposition of MHO Soldiers must balance a great number of factors. First, healing takes time. If all combat operations ceased today, we would still have MHO patients to care for one and one half years from now. Another factor is the simple fact that no one knows Soldier health care better than the AMEDD. We know best how to treat Soldiers, when Soldiers are fit to return to duty, and when they have to undergo a Medical Evaluation Board. For the RC Soldier, however, an Army MTF may be hundreds of miles away from home and typically, what a Soldier wants most when he or she returns from a deployment is to go home.

In an effort to allow RC MHO Soldiers to receive care close to their homes, the Army developed the Community Based Health Care Initiative (CBHCI). CBHCI provides top quality health care for ill and injured RC Soldiers. It increases the Army's medical treatment, command and control, and billeting capacities. Thus, the CBHCI allows the Army to reunite Soldiers with their families. The principal instruments of the CBHCI are the Community Based Health Care Organizations (CBHCOs). These are units staffed primarily by mobilized National Guard Soldiers. Their mission is to provide case management for, and ensure command and control of healing

RC Soldiers. The CBHCOs acquire health care from Army, Navy, and Air Force facilities; the VA; and the TRICARE network. They represent the Army's commitment to take care of our Soldiers and their families with speed and compassion.

Accession of Health Care Professionals into our Active force is becoming a more significant challenge. We are starting to see a downturn in our Health Professions Scholarship applicants for both the Medical and Dental Corps. Since student scholarship programs are the bedrock of Army Medical Department accessions, I have directed my staff to closely monitor this trend. We rely on these scholarship programs because direct recruitment of fully qualified physicians, dentists and nurses is difficult due to the extremely competitive civilian market for these skill sets.

Likewise I am concerned about the retention of health care professionals. Their successful retention is a combination of reasonable compensation, adequate administrative and support staffs, appropriate physical facilities, equity of deployments and family quality of life. Changes in Special Pay ceilings have allowed us to increase the rates we now offer physicians that sign a four year contract. We also have increased the dollar amount that we pay our Certified Registered Nurse Anesthetists to improve their retention rates. We will continue to evaluate and adjust rates to improve our retention efforts. At the same time, we have developed and implemented programs to affect the non-monetary issues positively effecting retention. We have implemented policies that ensure equity of deployments by maximizing our deployment pool, providing adequate notification of impending deployment, and providing a predictable period of family separation. All of these assist us in the retention of our active component medical force.

The Commander, U.S. Army Recruiting Command and I are working diligently toward the establishment and implementation of new and enhanced initiatives to reverse these emerging trends. Some of these include increasing the recruitment of Physician Assistants; the development of a program to allow serving officers to obtain a Bachelor of Science in Nursing and the direct involvement of my senior medical and dental consultants in the recruitment effort to continue to tell the story of the practice of Army Medicine. Of equal concern to me are the recruitment challenges facing the Army Reserve and National Guard. I fully support all of the actions being taken by the Chief of the Army Reserve (CAR), LTG Helmly, and the Director, National Guard Bureau, LTG Schultz) as they deal with the unique issues surrounding Army Reserve recruitment efforts in the current operational environment.

As with Recruitment, my staff and I continue to work hand in hand with the CAR and the Director of the Army National Guard to determine programs necessary for adequate retention. RC Soldiers have continually answered the call to service and it is critical that we develop the appropriate programs to ensure that their expertise and experience are not lost. Considering that over 50 percent of the total Army medical force is in the Reserve Components, issues surrounding the financial and family impact of extended and recurring deployments must be addressed and resolved if we are to retain a viable medical force for future operations.

Several related Army and DOD initiatives are creating temporary and permanent population changes on our Army installations. They include: support of GWOT pre- and post-deployment health; Modularity—now known as Army Modular Force (AMF); Training Base Expansion; the Integrated Global Basing and Presence Strategy and Base Realignment and Closing (BRAC) 2005. These major population shifts create a tremendous challenge for Army Medicine as we try to adjust to meet local and regional medical markets.

As we rebalance the military Health System in the affected markets, our continued focus is to provide quality health care that is responsive to commanders and readily accessible to soldiers and families. We are working very closely with commanders, installations, arriving units, family support groups and the local communities surrounding our installations to ensure that access and quality of healthcare remain high. We are leveraging all available AMEDD, DOD and VA health care capacity in each locale. We are working closely with our TRICARE Regional Offices and Managed Care Support Contractors on market-by-market business case analyses to strike the right balance between Direct Care and Purchased Care capacity.

It should be noted that these are solutions pending release of BRAC 2005, after which the AMEDD will develop permanent plans for rebalancing health service support across installations and regions. During fiscal years 2005 and 2006, at many installations, even our temporary expansions may lag the arrival of Soldiers and family members. In the interim, we are extending clinic hours, hiring additional staff, and temporarily increasing referrals to TRICARE network providers to insure continuity of care.

The AMEDD is actively engaged in the DOD Patient Safety Program, which is a system-wide effort to reduce medical errors combined with non-attributional re-

porting and multi-disciplinary analysis of events. The goal is the trending of incidents, identification of lessons learned and the implementation of best practices that can be propagated system-wide by the Patient Safety Center. The AMEDD is making significant strides in creating a culture of patient safety where staff is comfortable reporting patient safety events in an environment free of intimidation. We are improving error reporting by increasing leadership awareness at all levels through multiple approaches including collaborative training efforts with the DOD Patient Safety Program.

Communication is the number one causal factor in almost all patient safety events. The AMEDD Patient Safety Program has made major advancements in team training in targeted high-risk environments such as emergency departments, labor and delivery units, and intensive care units. DOD's Pharmacy Data Transaction Service (PDTS), implemented in 2001, established a centralized, automated drug data repository integrating all DOD patients' medication data from medical treatment facility pharmacies, the 54,000 TRICARE retail network pharmacies and the TRICARE Mail Order Pharmacy. As a direct result of this system's ability to screen all patients' medications against the complete medication profile, PDTS has prevented over 60,000 clinically significant drug-drug interactions, which would have otherwise resulted in patient harm. In 2004, a multi-year strategic Army Pharmacy automation initiative was implemented and focused on preventing medication errors and improving medication-use safety through the integration of automation technology at all Army pharmacies worldwide. This initiative will reduce and prevent medication errors that often lead to increased utilization of more costly healthcare.

The AMEDD continues to work with DOD to improved medical care for RC Soldiers and their family members. RC Soldiers and their families now receive TRICARE coverage not only while on active duty but also before and after. This can lessen the worries of deployed personnel about their family members' health and also serve as an incentive for experienced Soldiers to remain in the Reserve after their deployment. When a RC Soldier is called to active duty for more than 30 days in support of a contingency operation, they and their family members have full TRICARE coverage up to 90 days before the start of active duty. The coverage is the same as that provided for family members of any active duty Soldier, including options for TRICARE Prime and TRICARE Prime Remote and eligibility for family dental coverage. To ensure continuity of care, these Reservists and family members continue to receive TRICARE coverage for 180 days after leaving active duty under the Transitional Assistance Management Program (TAMP). After TAMP, Soldiers may choose to continue TRICARE coverage for their families for up to 18 months under the Continued Health Care Benefits Program (CHCBP) or to enroll in the new TRICARE Reserve Select (TRS) program, scheduled to be implemented on April 26, 2005. Under TRS, Soldiers agreeing to serve in the Selected Reserve may receive one year of purchased TRICARE Standard coverage for their families for each consecutive 90 days spent on active duty in support of a contingency operation.

From June to November 2004, TRICARE transitioned from eleven contract regions and seven contracts to three CONUS regions. The new generation of contracts is performance-based and designed to maximize the efficient use of military treatment facilities while flexibly using civilian healthcare resources when appropriate. Portability of benefits between regions is improved and several functions, such as pharmacy and the administration of TRICARE for Life have been consolidated into nation-wide contracts. As part of the transition to the new contracts, measures are being taken to improve coordination between military facilities and civilian network providers and to make access to care more patient-centered. TRICARE Online (TOL) offers patients better information about their choice of appointments and allows them to make appointments after normal duty hours, while reducing the rate of "no-shows." Over 50,000 appointments were made through TOL in 2004, and the program is being expanded to include more facilities. A commercial-off-the-shelf web-based electronic fax service is providing efficient transmission of referrals from military treatment facilities to network providers. After a successful pilot at 30 facilities, a contract has been awarded to provide this service Army-wide. The Enterprise-Wide Referral and Authorization process is a high-priority effort to use net-centric technology and improved business processes to streamline and standardize the referral and authorization of care to network providers. The goals of the three-phase plan are to increase patient satisfaction, make the referral process more efficient, and to optimize allocation of military and civilian healthcare resources. The current short-term phase is standardizing several critical processes while emphasizing improved handling of urgent referrals.

The Army continues to improve the quality of healthcare for Soldiers and families stationed overseas. The Vicenza Birthing Center initiative was driven by cultural

differences between child birth procedures in local Italian hospitals and U.S. expectations for obstetrical and gynecological care. These differences have had an adverse impact on family member morale and Soldier readiness for a number of years. In multiple venues, U.S. Soldiers and family members of the Vicenza community have, with one voice, asked for a safe, reliable and accessible U.S. standard of healthcare, particularly in regard to obstetrical services. With the deployment of the 173rd Airborne Brigade, this concern is even more acute and being championed by the U.S. Army Europe Commander. In response to this need, the AMEDD developed an interim solution by establishing a temporary birthing center at the Vicenza Army Health Clinic. This birthing center will accommodate the needs of the vast majority of normal pregnancies and births. We will continue to depend on our Italian host nation hospitals for emergency obstetrical care. In these cases, care is comparable to U.S. standards. The birthing center is currently under construction and will be operational by 8 June 2005.

On December 13, 2002, the Military Vaccine Agency (an executive agency of the Army Surgeon General) began implementation of DOD's Smallpox Vaccination Program in support of the national smallpox preparedness plan announced by the President. The Smallpox Vaccination Program is using the existing FDA-licensed smallpox vaccine consistent with its label. The program is tailored to the unique requirement of the Armed Forces. Like civilian communities, DOD ensures preparedness by immunizing personnel based on their occupational responsibilities. These include smallpox response teams and hospital and clinic workers, as well as designated forces having critical mission capabilities. Like other vaccinations, this will be mandated for designated personnel unless they are medically exempt. The last year includes both major advances and major setbacks in the Military Immunization Program. Since December 2002, the DOD has vaccinated more than 770,000 personnel (Army: more than 410,000 personnel [military + civilian]) against smallpox, representing the largest cohort of smallpox-protected people on Earth. These vaccinations have been conducted with great care to exempt people with personal medical conditions that bar smallpox vaccination. Review by military and civilian experts shows that adverse events after smallpox vaccination have been at or below historical rates expected among smallpox vaccines. In early 2003, DOD and Army clinicians and scientists identified an elevated risk of heart inflammation (myo-pericarditis) in male smallpox vaccines in their 20s. Our follow-up of these cases shows them to have a rapid and high degree of recovery. With clinical teams focused at Brooke and Walter Reed Army Medical Centers, we continue to follow these patients and provide them state-of-the-art care, to learn more about the condition.

The Department lost an important countermeasure against anthrax weapons in October 2004, when a U.S. District Court judge enjoined operation of the Anthrax Vaccination Immunization Program (AVIP) for inoculation using Anthrax Vaccine Adsorbed (AVA) to prevent inhalation anthrax. Anthrax spores continue to be the #1 threat among bioweapons. Until the injunction, the DOD had administered 5.2 million doses of AVA to 1.3 million people (Army: more than 1.9 million doses to over 500,000 people), as well as assisting with 20 human safety studies described in 34 publications in medical journals. In April 2005, the Court agreed to allow the DOD to restart the AVIP under a U.S. Food and Drug Administration Emergency Use Authorization and the Army is preparing to administer AVA to individuals between 18 and 65 years of age who are deemed by DOD to be at heightened risk of exposure due to attack with anthrax. The terms of the Emergency Use Authorization allow Soldiers to refuse receiving the AVA without penalty after reviewing educational information on AVA. I expect we will restart the program under the Emergency Use Authorization by mid-May 2005 for Soldiers serving in, or deploying to, Southwest Asia and Korea.

Army scientists continue their work in research and development of new vaccines, including adenovirus vaccines, malaria vaccine, and plague vaccine. These vaccines are needed to protect against microbes that threaten Soldiers in basic training, in tropical locations, or as bioweapons, respectively. Adenovirus vaccine research involves tablets to protect against a militarily relevant respiratory germ. Malaria is one of the leading infectious causes of death around the world. The Walter Reed Army Institute of Research's malaria research program is a world leader in this field. Plague vaccine research is centered at the US Army Medical Research Institute of Infectious Diseases, another world-class asset of the U.S. Army.

During all this unprecedented activity and keen competition for limited resources, the courage, competence and compassion of the AMEDD's people amaze me. Despite the long hours, separation from family, danger, and hardship required to fight the Global War on Terrorism, they remain firmly committed and motivated to provide the best possible support for American Soldiers, their families, and all others who are entrusted to their care. Nothing saddens us more than to lose a Soldier. With

your continued support, the AMEDD will continue to do everything possible to prevent these terrible losses whether from battle wounds or non-battle illnesses and injuries. We will always remember our core mission: to preserve Soldiers' lives and health anywhere, anytime, in war and in peace. We will never forget the Soldier.

BIOGRAPHICAL SKETCH OF LIEUTENANT GENERAL KEVIN C. KILEY

Lieutenant General Kevin C. Kiley, M.D., is a 1972 graduate of the University of Scranton, with a bachelor's degree in biology. He received his medical degree from Georgetown University School of Medicine in 1976. He served a surgical internship and then an obstetrics and gynecology residency at William Beaumont Army Medical Center, El Paso, Texas, graduating in 1980.

His first tour was with the 121st Evacuation Hospital in Seoul, South Korea, where he was the chief of OB/GYN services from 1980 to 1982. He returned to the residency training program at William Beaumont Army Medical Center and served as Chief, Family Planning and Counseling Service. He then served as Assistant, Chief of the Department of OB/GYN until February 1985.

He was assigned as the Division Surgeon of the 10th Mountain Division, a new light infantry division in Fort Drum, New York. In July 1985, he assumed command of the newly activated 10th Medical Battalion, 10th Mountain Division. He served concurrently in both assignments until May 1988. He returned to William Beaumont Army Medical Center, where he first served as the Assistant Chief, then Chairman of the Department of OB/GYN.

In November 1990, he assumed command of the 15th Evacuation Hospital at Fort Polk, Louisiana, and in January 1991, he deployed the hospital to Saudi Arabia in support of Operations Desert Shield and Desert Storm. Upon his return, he was assigned as the Deputy Commander for Clinical Services at Womack Army Medical Center, Fort Bragg, North Carolina, from November 1991 to November 1993.

He is a 1994 graduate of the U.S. Army War College, Carlisle Barracks, Pennsylvania. He assumed command of the Landstuhl (Germany) Regional Medical Center and what is now the U.S. Army Europe Regional Medical Command at Landstuhl, Germany, June 30, 1994. He also served concurrently as the Command Surgeon, U.S. Army Europe and 7th Army from September 1995 to May 1998.

In April 1998 he assumed the duties as; Assistant Surgeon General for Force Projection; Deputy Chief of Staff for Operations, Health Policy and Services, U.S. Army Medical Command; and Chief, Medical Corps. On June 5, 2000 he assumed duties as Commander of the U.S. Army Medical Department Center and School and Fort Sam Houston and continued as Chief of the Medical Corps. He served as the commander of Walter Reed Army Medical Center and North Atlantic Regional Medical Command and Lead Agent for Region I from June 2002 to June 2004.

Lieutenant General Kiley assumed the duties of Acting Commander, U.S. Army Medical Command on 8 July 2004. After receiving Senate confirmation of his nomination, he was sworn in as the 41st Army Surgeon General and assumed the duties as Commanding General, U.S. Army Medical Command on October 4, 2004. He was promoted to the grade of Lieutenant General on October 12, 2004.

He is a board-certified OB/GYN and a fellow of the American College of Obstetricians and Gynecologists.

Among his awards and decorations are the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit (three Oak Leaf Clusters), Bronze Star Medal, Defense Meritorious Service Medal, Meritorious Service Medal (two Oak Leaf Clusters), Army Commendation Medal, The Army Superior Unit Award (one Oak Leaf Cluster), the "A" professional designator, the Order of Military Medical Merit, and the Expert Field Medical Badge.

Senator STEVENS. Senator Mikulski, I was not looking in your direction. Did you have an opening statement?

Senator MIKULSKI. I will do that when I get to my questions.

Senator STEVENS. Thank you. I apologize for not recognizing you. Admiral Arthur.

**STATEMENT OF VICE ADMIRAL DONALD C. ARTHUR, MEDICAL CORPS,
SURGEON GENERAL, UNITED STATES NAVY**

Admiral ARTHUR. Yes. Good morning, Chairman Stevens, Senator Inouye, Senator Mikulski. Thank you very much for having us here this morning.

I am not going to read my statement. You have read that and I appreciate that.

Senator STEVENS. All of your statements will be printed in the record as if read.

Admiral ARTHUR. Yes, sir. I would like to make some general comments and to reiterate some of what is in here, but not all of it.

First, I would like to highlight that we have a series of priorities in Navy medicine, and the first will always be our readiness. We break readiness down into a number of different factors.

The first and foremost is to make sure that our sailors and marines and whatever soldiers, airmen, and coast guardsmen we take care of are ready for their duties and are a healthy population, as well as their families so that they have the confidence that they can go and deploy and we will take care of their families.

Our second readiness priority is to be ready ourselves to deploy in whatever manner we are asked to. I was in Iraq in December and January. I noticed we had so many significant improvements in how we do business in the combat arena over Desert Storm where I served with the marines. We had, for example, digitized radiography. We had computers all over. We had a lot of advanced systems. The thing that was the most critical to the care of wounded soldiers and marines over there was the training that the corpsmen and medics got. The corpsmen and medics were there and delivered the care right at the time of wounding. The training of the surgical teams, the rapid medevac, and the incredibly great service at Landstuhl on the way back to the United States. I think you can be very, very proud of the care that your wounded soldiers, marines, sailors, airmen, coast guardsmen are getting over there. As Senator Inouye said, it is the best in history with the lowest disease non-battle injury rate and the greatest survivability in the history of combat.

A third priority for our readiness is homeland security, and this is an area of great concern for me because I think that in some sectors of our Government, we have not yet fully prepared for an attack on our homeland. We have a program with the Bethesda Military Medical Center compound, as well as the National Institutes of Health (NIH) compound right next door, and the Suburban Hospital Trauma Center, to form a mega-center which could respond to casualties in the National Capital area, and you should be seeing more about that very soon.

Our second priority is to continue to deliver the quality health care for which we have become well known. We have the advantage of being a health care system as opposed to much of the rest of America where I believe we have a disease care industry. We get paid not by how many procedures and how many immunizations we give, but we get paid by our line and the number of soldiers, sailors, airmen, and marines we have on duty, and that is our metric for success.

The Chief of Naval Operations (CNO) interviewed me 1 year ago for this job that I am currently honored to hold, and he asked me could our casualties be seen and treated at civilian hospitals, and I said, well, sure they could. They can be very well treated at Johns Hopkins or at Mayo Clinic. But those hospitals would not under-

stand two things that are critical to our treatment of our casualties.

Number one, that the soldiers, sailors, airmen, and marines' injuries are not just to that person, they are to his or her entire family. These are family injuries.

The second thing that civilian hospitals will not understand about our casualties is that even lying at Bethesda or Walter Reed, these marines and soldiers are still in combat. They still remember the stresses that they incurred in combat and we care for them in a way that civilian hospitals could not do just because we have the background and we have shared that combat experience with them.

We have another advantage in our delivery of quality health services in our collaboration with the Veterans Administration (VA). Yesterday Secretary Nicholson opened up the joint DOD-VA clinic at Pensacola, Florida. We have joint clinics which we are building in Great Lakes and Charleston, South Carolina that I think will be of great benefit to both veteran populations.

Our third priority is to help shape the force of the future, not to meet the needs of yesterday but meet tomorrow's needs, which will include not just the traditional combat casualty care, but also homeland security, stability operations, and the global war on terror requirements. This may require that we shape our forces differently, that we have some different capabilities than we thought we would need if only our missions were combat casualty care, and I refer to the recent mission of *Mercy* in Banda Aceh taking care of tsunami and disaster relief victims over there. They needed surgeons. They needed the combat casualty care type of specialties, but they also needed pediatricians, OB-GYN specialists, preventive medicine specialists, and all of those specialties that are not necessarily planned for combat casualty care.

We are focusing on Active and Reserve integration; that is, that we more fully incorporate our Reserve component in our active duty warfighting plans. We now have six Active duty fleet hospitals, for example, and two Reserve fleet hospitals. We would like to have just eight fleet hospitals that combine Active and Reserve components to be more fully integrated.

One other integration effort that I think would be of great benefit is to better integrate the three service medical departments in how we train, equip, recruit, supply, and how we deploy so that we can be as fully interoperable in the combat arena as we can be.

And last, I would like to thank you very much for your support and the encouragement that you have given us in finding the best casualty care management for the veterans that are now over there in OIF and OEF.

I apologize. I will have to leave before my colleague, Rear Admiral Lescavage, testifies. I have to fly out of town, but we are very proud of the accomplishments of our Navy Nurse Corps as a member of our team.

PREPARED STATEMENT

Senator Inouye, you mentioned that you were proud of the accomplishments of our Medical Corps. I would say one of the great benefits of our Medical Department is that we are not just a medical corps or a nurse corps of a medical service corps or dental

corps or a hospital corps. We are a combination. We are the team. It is that teamwork, that synergistic effort of all of our corps together, that really makes us strong. You do not find that in civilian institutions, and that is what I think makes our military medical departments great.

Thank you very much.

Senator STEVENS. Thank you, Admiral.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL DONALD C. ARTHUR

Chairman Stevens, Ranking Member Inouye, distinguished members of the subcommittee, I welcome the opportunity to share with you how Navy Medicine is taking care of our nation's Sailors, Marines, and their families.

As our nation continues to fight the Global War on Terror, Navy Medicine will continue to meet the health care needs of our beneficiaries, active duty, military retirees, and eligible family members. These efforts reflect our unrelenting commitment to our primary mission—Force Health Protection. The components of Force Health Protection are: (1) preparing a healthy and fit force; (2) deploying medical personnel to protect our warriors in the battlefield; (3) restoring health on the battlefield; (4) providing care to our retired warriors through TRICARE for Life; and (5) providing world-class health care for all beneficiaries.

Priorities

To meet the needs of those entrusted to our care, Navy Medicine established five priorities to meet our unique dual mission. That dual mission is first, to support and protect our operational forces while working in concert with the Chief of Naval Operations' and Commandant's vision for the Navy-Marine Corps team, and second, to provide health care to their family members and retirees.

Readiness

Readiness is our number one priority. To be ready, Navy Medicine must be responsive, agile and aligned with operational forces. We need to have the right people with the right capabilities ready to deploy in support of the Navy-Marine Corps team.

In current operations, Navy Medicine has made significant advancements in the health care provided by First Responders and improved surgical access during the critical "golden hour." In addition to improving health care after traumatic battlefield injuries, Navy Medicine is also curbing infectious disease outbreaks, decreasing occupational injuries, and providing preventive medicine and mental health care services.

An outstanding example of Navy Medicine's more capable, flexible and responsive force is the creation of the Expeditionary Medical Facility (EMF). These facilities, with similar capabilities as Fleet Hospitals, are lighter and more mobile and can be set up within 48 hours. EMFs may be used independently or in combination with the theater's joint health system for evacuation, medical logistics, medical reporting, and other functions, ensuring better interoperability with the Army and the Air Force. The flexibility of EMFs continues to evolve to meet operational requirements and provide robust medical care for major conflicts, low-intensity combat, operations other than war, and disaster/humanitarian relief operations.

We are also expanding the role of Navy Medicine on the battlefield with the 1,000 Sailors either deployed overseas or preparing to deploy with Maritime Force Protection Command units. These Sailors receive a half-day in training from doctors and hospital corpsmen in how to use special medical kits. These "Point of Injury" kits contain items like an easy to use tourniquet, a specialized compression bandage, QuikClot (a product designed to stop bleeding), antibiotic and pain medications. These kits are designed for self-care or buddy care in the minutes before a corpsman arrives on the scene.

The Global War on Terror has challenged us to broaden our view of medical readiness. Our Military Treatment Facilities (MTF) are prepared to respond to any contingency, to provide expert health care to casualties returning from theater, and be ready to support the Nation's needs in collaboration with the National Disaster Medical System. Additionally, Navy Medicine launched three major initiatives to meet the needs of disaster preparedness focused on staff, supplies and systems.

Using the Strategic National Stockpile as a model, we are planning for additional equipment to enhance the capabilities of local MTFs. We developed a successful multi-service online medical and emergency management educational tool, as well

as an Emergency Management Program Readiness Course that has become the DOD Medical training standard. The Disaster Preparedness, Vulnerability Analysis Program (DVATEX) was developed to evaluate military, federal, and local community responsiveness. This program goes beyond assessing MTF threat vulnerability and capability assessment; it also provides training in medical and operational management.

Collaboration with other organizations, including other federal and civilian agencies, is essential for effective and efficient disaster response. A local example of this type of collaboration is taking place at the National Naval Medical Center in Bethesda, Maryland. Because of its proximity to the National Capital Region, the National Naval Medical Center established a disaster preparedness and response coalition with the National Institutes of Health and Suburban Hospital Healthcare System in Bethesda. Recently, they conducted a joint disaster drill involving Montgomery County and municipal emergency response organizations and other members of the local area hospital network.

Delivering a more fit and healthy force, mitigating the risk of injury or illness, and providing more effective resuscitation of battlefield casualties will enhance Navy Medicine's readiness and ability to prosecute the Global War on Terror. Medical research and development is a critical enabler of this effort. Our research investments allow us to transform into a defensive weapon system that will promote health and fitness, protect people from injury and disease, and effectively reduce, manage and rehabilitate casualties. In addition, these research investments and capabilities help Navy Medicine respond to the current and future needs of the Fleet and Fleet Marine Force.

Navy scientists conduct basic, clinical, and field research directly related to military requirements and operational needs. Current studies focus on the efficacy trials for blood substitutes to treat combat casualties; new treatment modalities for musculoskeletal injuries and acute acoustic barotrauma; and solutions for the emerging threats of combat stress, among others. Our medical research laboratory facilities equal those at modern academic and industrial institutions. Beyond this capacity, a number of these laboratories have unique test equipment and specialized software for pursuing research on current and projected biomedical problems. Research is further supported in other Navy laboratories as well as in partnership with the Army and Air Force, and other Federal agencies.

Research in non-government laboratories is promoted through an active collaborative research and technology transfer program that develops cooperative research and development agreements with universities and private industry to ensure that research products from our laboratories benefit the entire country. Navy-supported medical research efforts have influenced the civilian practice of medicine, assisted the Ministries of Health in developing nations, and provided technology for other Federal initiatives.

Our overseas research facilities are national assets serving the strategic interests of the regional Combatant Commander and the local Ambassador. They bring unique surveillance capabilities and advanced laboratory capabilities to areas where infectious diseases are a significant threat to our personnel. These capabilities were recently leveraged in the tsunami relief effort in Banda Aceh. In addition to supporting the mission of Force Health Protection, the overseas labs are strategic partners in promoting Theater Security Cooperation. Lastly, they are developing a new alliance with the Centers for Disease and Control to further that agency's efforts in mitigating the risk that emerging infectious diseases pose to the health of our citizens and our economy.

Quality, Economical Health Services

Navy Medicine's second priority is providing quality, cost-effective health services. While focusing on quality health care, Navy Medicine has recognized the need to provide the best possible health care within our resource constraints. Through careful business planning, Navy Medicine aligned MTF operations to focus on the preservation of health, and the prevention of disease and injury. Recently, the Naval Health Clinic in Pearl Harbor instituted a new Individual Health Readiness (IHR) program. The goal of this program is to ensure each Pearl Harbor Sailor is healthy and mission-ready. It was established to build and improve total Navy Regional Hawaii health readiness in response to a growing number of shore and sea Sailors deploying. The IHR program ensures each Sailor has an up-to-date health assessment to determine deployment limiting conditions, dental readiness, immunization status, lab studies and individual medical equipment needs to ensure the command's level of health readiness—both dental and medical—is 95 percent or better.

An enterprise focused on quality must understand what products or services have value to its customers and the metrics used to measure the delivery of quality

health care. In meeting quality standards, Navy Medicine must take into consideration regulatory compliance requirements, the working environment, as well as evaluating the patients' experience.

The many facets of quality control provide us with constant opportunity to evaluate health care delivery. For example, creating a fit force translates into improved Medical Readiness for our warriors, while ensuring a highly trained and ready Medical team to provide compassionate quality care for the wounded, injured, or sick. In addition, Navy Medicine has designated a Combat Operational Stress Consultant to serve as the Navy and Marine Corps subject matter expert on combat and operational stress. This consultant will allow Navy Medicine increased oversight and further development of prevention and mental health care efforts for our military personnel.

We established a family-centered care program to enhance patient safety, health, cost efficiency and patient and staff satisfaction. We are currently working with the TRICARE Management Activity and the other services to ensure that the program is widely available. In addition, we have coordinated our efforts with other related entities within Navy Medicine, such as the Perinatal Advisory Board, to optimize our efforts.

Increased cooperation and collaboration with our federal health care partners is essential in providing quality care. As an extension of our ability to care for our patients, Navy Medicine's partnership with Veterans Affairs medical facilities continues to grow and develop into a mutually beneficial partnership. Although not directly related to the Military Health System, it is imperative that Navy Medicine strengthens its relationship with the Department of Veterans Affairs. This begins with the seamless transfer of care for injured service members to the VA and includes sharing resources to optimize our efforts and avoid duplicating services.

The care for Sailors and Marines who transfer to and receive care from a VA facility while convalescing is coordinated through the VA Seamless Transition Coordinator. This full time VA staff member is co-located at National Naval Medical Center and interacts with OEF/OIF Points of Contact at each VA Medical Center. The Seamless Transition Program was created by former Veterans' Affairs Secretary Principi specifically to address the logistical and administrative barriers for active duty service members transitioning from military to VA-centered care.

Although recently-wounded Sailors and Marines differ from the VA's traditional rehabilitation patient in age and extent or complexity of injury, Navy Medicine and the VA must adapt to meet their needs. In the past, patients were admitted to the VA's rehabilitation service with multiple clinical services addressing individual requirements. To enhance continuity, clinical outcomes, and improved family support, National Naval Medical Center physicians now remain as the Case Managers throughout the transition process. Currently, weekly teleconferences to review Bethesda transfer patients are conducted with primary transfer sites, such as the VA Medical Center in Tampa, Florida. In addition to site visits and teleconferences, Navy Medicine will continue to coordinate with other facilities, forge relationships, share best practices, and enhance delivery to all of our patients. This level of interaction and cooperation will need to continue at every level to ensure the care of our wounded warriors is never compromised.

With regard to the sharing of resources, the level of sharing between DOD and VA health care activities has improved. Navy Medicine supports Commanding Officers who pursue sharing and collaboration with VA facilities in their communities. In fact, Navy Medicine currently manages 28 medical agreements and 45 dental agreements through the Military Medical Support Office (an office that coordinates health care for active duty members who are stationed in remote areas without local Military Medical Treatment Facilities).

Some of these agreements represent efforts to consolidate support functions for the medical facilities. However, other more comprehensive examples of resource-sharing efforts between the agencies include: the Navy Blood Program at Naval Hospital Great Lakes which uses the North Chicago Veterans Affairs Medical Center spaces to manufacture blood products in exchange for blood products, precluding the need for Navy to build a new blood center at Naval Hospital Great Lakes; and the DOD/VA Federal Pharmacy Executive Steering Committee (FPESC) which was chartered to oversee joint agency contracts involving high dollar and high volume pharmaceuticals designed to increase uniformity and improve the clinical and economic outcomes of drug therapy in both systems.

Navy Medicine is also partnering or planning to partner with the VA in five hospital/ambulatory care center construction projects. Naval Hospital Pensacola is working with the VA on a joint-venture outpatient medical care facility; Naval Hospital Charleston has a future VA construction start for a Consolidated Medical Clinic (CMC) aboard Naval Weapons Station Charleston, SC; Naval Hospital Great

Lakes is considering Joint Ambulatory Care Clinic adjacent to the North Chicago Veterans Affairs Medical Center's main facility; Naval Hospital Guam is considering a project where the VA would accept an adjacent site to construct a small free-standing community-based outpatient clinic from Navy; and Naval Hospital Beaufort is also considering a future project with the VA.

Guided by Navy Medicine leadership, last year each MTF developed a comprehensive business plan focused on meeting operational readiness requirements while improving population health. These plans emphasize such areas as improved contingency planning, pharmacy management, clinical productivity, implementation of evidence-based medicine, advanced access, and seamless referral management for beneficiaries. Navy Medicine is currently in the process of creating a system that will allow MTF commanders to monitor their performance in these areas so they can better balance measures of operational readiness, customer satisfaction, internal efficiency and human capital development.

Beginning in the early 1990's, Navy Dentistry began consolidating its command suites from 34 commands to 15. The cost savings included the elimination of redundant officer, enlisted and civilian support personnel formerly involved in the administration of the separate command infrastructure. In 2004, Navy Dentistry again consolidated 15 commands into three. The primary objective of the most recent dental consolidation was to integrate Dental Commands with the larger MTF command suite in the shared geographical area to eliminate more than 90 duplicate administrative functions—all of this was accomplished without adverse impact on the dental health care delivered and in a manner that is transparent to the customers. The remaining three commands are the Dental Battalions supporting the Fleet Marine Force.

As Navy Medicine strives to obtain long-term value through disease prevention and increased quality of life, each MTF business plan includes a preventive health initiative with the goal of exceeding national measures of breast health promotion, long-term asthma management and control of diabetes. Our leadership developed guidelines for these Navy-wide efforts and created tools to monitor performance in these areas. Next year, we plan to expand our efforts to address obesity, lack of exercise and tobacco use; with the goal of reducing the risk of long-term disabling illnesses.

Finally, another critical component of providing quality care requires that Navy Medicine be an active participant in the implementation of the new TRICARE contracts. Although the TRICARE benefit structure remains the same, there have been changes in program administration that are intended to make health care delivery more customer-focused and support better coordination between MTFs and civilian provider networks. Organizational changes implemented to support the new business environment include the disestablishment of Lead Agents and the establishment of three TRICARE Regional Offices (TRO) aligned with the regional contracts in the United States—North, South, West. Each of the Services was responsible for providing a Flag/General Officer or Senior Executive Service civilian dedicated for a TRO Director position: Army-North, Air Force-South, Navy-West. The Navy has named RADM Nancy Lescavage as the second TRO Director. RADM Lescavage is relieving retiring RADM James Johnson in June 2005.

Shaping Tomorrow's Force

The Navy and Marine Corps are reshaping the fighting force by defining future requirements, including the medical requirements of the warfighters. As a result, Navy Medicine's third priority—Shaping Tomorrow's Force—focuses on recruiting, training, and retaining the most capable uniformed members to match manpower to force structure to combat capability. This is an important piece of the Department of the Navy's more comprehensive Human Capital Strategy.

Navy Medicine is quickly transforming in concert with the Navy and Marine Corps to provide medical support to the fighting forces as they adapt to the changing nature of global warfare, including emerging missions such as: humanitarian operations, regional maritime security, providing care for detainees, and homeland defense—all of which place additional requirements on shaping the force of the future. Our uniformed personnel will participate in increasingly complex joint environments and move efficiently between forward deployed settings and fixed facilities ashore. We must be proficient and productive at the right cost.

A recent example of the Navy Medicine's flexibility in engaging in a humanitarian mission would be the rapid response to the earthquake and tsunamis that struck the Indian Ocean. Within days, U.S.S. *Abraham Lincoln* and U.S.S. *Bonhomme Richard* were en route to assist those in need. U.S. helicopters from *Lincoln* and from *Bonhomme Richard* Expeditionary Strike Group, afloat in the Indian Ocean, proved invaluable in delivering relief supplies to remote areas. After the carrier

strike group left, one of the Navy's hospital ships, U.S.N.S. *Mercy*, took over the mission and deployed with a robust medical capability and the support services appropriate for disaster relief. The ship offered shipboard health services and sea-based support to a variety of military and civilian support agencies, including U.S. non-government organizations, involved in the relief effort. In addition, Sailors from the Navy Environmental Preventive Medicine Unit out of Pearl Harbor worked on improving sanitation and holding down mosquito populations, while ship's nurses went ashore and conducted classes on patient care.

Currently, Navy Medicine is deployed afloat and ashore in five geographic regions, providing preventive medicine, combat medical support, health maintenance, medical intelligence and operational planning. This operational tempo, along with the nature of casualties from Operations Enduring and Iraqi Freedom, has created new demands for medical personnel in terms of numbers and types of specialties needed. As a result, Navy Medicine analyzed the uniformed and civilian communities of medical and dental providers to ensure it is meeting operational requirements as efficiently as possible.

In order to meet the transformation requirements, the uniformed and civilian personnel composition of some Navy medical specialties will change in the near future. For example, over 1,700 non-readiness related military positions are being converted into civilian positions in 2005. We want to ensure operational requirements are fulfilled by uniformed personnel while identifying those functions that can be performed by civilian or contractor personnel. Our intent is not to eliminate positions, but rather to reduce the number of active duty personnel performing non-readiness functions.

A key component of Shaping Tomorrow's Force is the quality and innovative delivery of education and training provided to medical personnel. Streamlining our education and training assets has served us well as Navy Medicine embraces new technologies and methods of learning. These new technologies will have a profound impact upon quality of training and in saving money and time. By maximizing the use of remote-learning capabilities, Navy Medicine ensures that medical personnel have access to the right training at the right time. Also, we continue to study the value of advanced simulation training for our health care providers. By introducing simulated patients into the training curriculum, medical personnel are able to practice skills in an environment that will prepare them for real world situations.

One Navy Medicine: Active and Reserve

Navy Medicine is one team. It is comprised of tremendously capable individuals—Active Duty, Reserve and Civilian. We must seamlessly integrate the talents and strengths of our entire workforce to accomplish our dual mission—Force Health Protection and quality health care to our beneficiaries.

One of our goals is to better utilize the expertise of our Reserve force by increasing integration with the active duty component. We no longer have separate Active and Reserve fleet hospitals, but one fleet hospital system where Reservists work side-by-side with active duty personnel. The establishment of these Operational Health Support Units (OHSU) has created increased cooperation and collaboration between both components. In addition, consolidation of dental units into the OHSUs has been done to mirror changes implemented by Navy Medicine's active component.

Reservists comprise 20 percent of Navy Medicine's manpower resources and their seamless integration with our active duty force is a major priority in achieving our "One Navy Medicine" concept. Since the beginning of Operation Iraqi Freedom, more than 3,700 Reservists have been activated to be forward deployed or to meet the needs of MTFs whose active duty personnel were deployed. In addition, the Navy's Expeditionary Medical Facility Dallas deployed earlier this year to Kuwait with 382 people, 366 of which were Reservists.

Through an innovative Medical Reserve Utilization Program (MEDRUP), Navy Medicine's headquarters assumes operational control of medical Reservists called to active duty. They are selected using an information system that manages more than 6,000 Navy medical Reservists and matches personnel to requirements based on qualifications, availability and criteria. This system has proven indispensable in employing Reservists in support of the Global War on Terror.

Finally, with regard to the Reserve Component, Navy Medicine provides physical and dental services to the Navy's Reserve Force (71,500) and Marine Corps Reserve (37,734) personnel in support of individual medical readiness—a critical component prior to mobilization.

Delivery of Joint Defense Health Services

Navy Medicine's final priority addresses how we jointly operate with the Army and Air Force. Ideally, all U.S. medical personnel on the battlefield—regardless of

service affiliation—should have the same training, use the same communications system and operate the same equipment because we are all there for the same reason—to protect our fighting forces. It should not matter whether the casualty is a Soldier, a Sailor, an Airman or a Marine. The individual should receive the same care, and service medical personnel should be similarly trained to provide this same level of care. Along with the Army and the Air Force, Navy Medicine is actively pursuing the concept of standardized operating procedures to ensure consistency of health care and interoperability of our medical forces through a Unified Medical Command. As a Unified Medical Command, the mission of our separate medical departments could implement reductions to the internal costs of executing our missions while providing a framework of interoperability among the services.

Mr. Chairman, Navy Medicine has risen to the challenge of providing a comprehensive range of services to manage the physical and mental health challenges of our brave Sailors and Marines, and their families, who have given so much in the service of our nation. We have opportunities for continued excellence and improvement, both in the business of preserving health and in the mission of supporting our deployed forces, while at the same time protecting our citizens throughout the United States.

I thank you for your tremendous support to Navy Medicine and look forward to our continued shared mission of providing the finest health services in the world to America's heroes and their families—those who currently serve, those who have served, and the family members who support them.

Senator STEVENS. General Taylor.

**STATEMENT OF LIEUTENANT GENERAL GEORGE PEACH TAYLOR, JR.,
M.D., AIR FORCE SURGEON GENERAL, DEPARTMENT OF THE AIR
FORCE**

General TAYLOR. Mr. Chairman, Senator Inouye, Senator Mikulski, and other members of the subcommittee, it is a privilege and pleasure to be here today. I look forward to working with you on our common goals to ensure a sustained high quality of life for our military members and their families. We appreciate your interest and support in providing for America's heroes.

I am proud to say that the men and women of the Air Force Medical Service have done an exceptional job throughout Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom in providing the expeditious, state-of-the-art health care for Active duty and Reserve component personnel of all the services. We attribute our success to our continued focus on four health effects: providing care to casualties, ensuring a fit and healthy force, preventing disease and injury, and enhancing human performance.

EXPEDITIONARY MEDICAL SUPPORT

Our light, lean, and mobile expeditionary medical support (EMEDS), is the linchpin of our ground mission. Our EMEDS modularity has supported our field commanders by ensuring the right level of medical care is provided to our warriors wherever they are. As important, the speed with which we can deploy EMEDS is unprecedented, making EMEDS the choice for special forces and quick reaction forces in the United States, as well as abroad.

As part of a joint team, we now have more than 600 medics in 10 deployed locations, including running the large theater hospital in Balad, Iraq, and two smaller hospitals in Kirkuk and at the Baghdad International Airport. Just as in the States, these serve as regional medical facilities for all the services.

Our approximately 400 aeromedical evacuation personnel, the majority of them Guard and Reserve, are doing incredible work, ac-

completing more than 55,000 patient movements since the beginning of Operation Iraqi Freedom.

In addition, partnering with our critical care air transport teams, our aeromedical evacuation system has made it possible to move seriously injured patients with astonishing speed, as short as 36 hours from the battleground to stateside medical care, unheard of even a decade ago.

DEPLOYMENT HEALTH SURVEILLANCE PROGRAM

Caring for our troops also means ensuring that they are healthy and fit before they deploy, while they are deployed, and when they return home. We work very, very hard on our deployment health surveillance program. The payoff has been that we had the lowest disease non-battle injury rates of all time. That care extends beyond the area of operations. Since the first of January 2003, we have accomplished 100,000 post-deployment assessments for Air Force Active duty and Reserve component personnel with 9.5 percent requiring follow-up for deployment related medical or dental health concerns. We are meticulously tracking every airman to ensure that he or she receives all the health care needed, including mental health help, which I would like to describe in some detail.

We deploy two types of mental health teams to support our deployed airmen, a rapid response team and an augmentation team. We currently have 49 mental health personnel deployed for current operations, 31 of whom are supporting Army or joint service requirements. Behavioral indicators during OEF and OIF are encouraging. In our review of data from fiscal years 2000 and 2004, child abuse rates remained virtually unchanged, and spouse abuse rates and alcohol-related incident rates actually declined over the past 5 years. To date, there have been no Air Force suicides in Iraq or Afghanistan during OEF or OIF.

However, we are increasingly supporting Army and Marine operations. We need to be prepared for our Air Force troops to have greater exposure to traumatic stress. Initiatives to reassess the mental health status of our personnel, 90 to 180 days post-deployment, will allow us to better monitor and address mental health needs as they emerge.

FIT TO FIGHT PROGRAM

Another critical way we are protecting the health of Air Force members is with a revitalized physical fitness program that will improve their safety and performance in the expeditionary environment and help them survive significant injury and illness. Our fitness centers have seen an approximate 30 percent jump in use. I am proud to be part of General Jumper's strong push, fit to fight, an initiative that has focused on both the individual and commander responsibilities for health and well-being.

EPIDEMIC OUTBREAK SURVEILLANCE PROJECT

Our prevention efforts also include cutting edge research and development, such as the epidemic outbreak surveillance project (EOS), an Air Force initiative that combines existing and emerging biodefense technologies that will eventually be deployed worldwide

for near real-time total visibility of biological threats to our troops. Through gene shift technology, EOS will offer us the power of knowing when and who a disease is stalking. This is the incredible medicine of the future that will change how we do business forever, and we are doing it now in the Air Force.

COMPOSITE OCCUPATIONAL HEALTH AND OPERATIONAL RISK
TRACKING SYSTEM

Another of our exciting initiatives, created with your help, is the composite occupational health and operational risk tracking system known as COHORT, a program that links Air Force information systems such as personnel and operational medical systems to surveillance activities, allowing us to track the occupational health of our personnel throughout their careers and beyond.

We are also particularly grateful to this subcommittee for support of our crucial laser eye protectant initiative which will help us study, prevent, detect, and treat laser eye damage.

We continue to partner with civilian institutions for training in critical care, such as our Center for Sustainment of Trauma and Readiness Skills (C-STARS) platform at Baltimore Shock Trauma, as well as groundbreaking research in telemedicine and other areas.

TRICARE

Perhaps not as high-tech, but certainly one of the greatest tools we have to ensure the health of our troops is TRICARE. The TRICARE strategy is vitally important to us, even more so in wartime. It supplants direct care for the Active duty member, provides peace of mind that family members are taken care of, and ensures health care access for our Guard and Reserve members in all our communities. Peacetime health care through TRICARE cannot be separated from our primary wartime mission. We have one mission: to care for our troops and their families.

PREPARED STATEMENT

There remain great challenges in our military health care system. These include sustaining a world-class environment of practice for our men and women practicing medicine and dentistry in military facilities around the globe. I am eager to work with the Congress as we mold and improve your military health care system, a system that has no peer, no rival, one that is true to those who work in it every day and one that is deserving of the sacrifice and dedication of men and women in uniform.

Thank you, Mr. Chairman and members of the subcommittee.
[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL GEORGE PEACH TAYLOR, JR.

Mr. Chairman, Senator Inouye, and members of the committee; it is a pleasure to be here today to share with you stories of the Air Force Medical Service's success both on the battle front and the home front.

Air Force medics continue to prove their mettle, providing first class healthcare to more than 1.2 million patients. Additionally, we continue to have medics far from home, supporting air and land operations from the Philippines to Kyrgyzstan to Iraq.

The Air Force Medical Service, or AFMS, and medics from our sister services have undertaken the most significant changes in military medicine since the beginning of TRICARE. In the last few years, we have fielded the largest increase in benefits since the creation of Medicare and CHAMPUS in the mid-1960s.

At the same time, we are medics at war. We have been engaged in battle for nearly 4 years. Not since Vietnam has our operations tempo been as elevated. Not since then has combat been as continuous. The Global War on Terror is the most significant engagement of this generation . . . and I am immensely proud of the medical and dental care we provide anywhere, anytime.

Some have the opinion that wartime and peacetime care are two separate and distinct missions. I disagree strongly. We have one mission: to care for our troops, which includes their families. The home-station and deployment sides of that mission are inextricably linked. We are able to achieve the necessary balance because of our ability to focus on what we call our four health effects, the four most important services medics contribute to the fight. The four health effects are:

- (1) Ensuring a fit and healthy force
- (2) Preventing illness and injury
- (3) Providing care to casualties, and
- (4) Enhancing human performance

These four effects are what medics must bring to the fight, everyday, from Whiteman Air Force Base in Missouri, to Balad Air Base in Iraq.

ENSURING A FIT AND HEALTHY FORCE

Air Force Fitness Program

The Air Force's most important weapon system is the Airman. We invest heavily in our people to ensure they are mentally and physically capable of doing their job. They need to be; we ask them to launch satellites, fix aircraft, perform surgery, pilot multi-million dollar aircraft, and thousands of other tasks used to support and execute battle. Commanders need their Airmen to perform these tasks in harsh environments, under extreme stress, often under fire. If any of them is unfit or too ill to accomplish their roles, the mission suffers.

The Roman General Rhenus wrote that "little can be expected from men who must struggle with both the enemy and disease."

In other words, if we aren't fit, we can't fight.

Two years ago, General Jumper, our Chief of Staff, unveiled the Air Force's new program to improve fitness. The Fit to Fight initiative puts greater emphasis on physical fitness training to enhance not only the ability of Airmen to work in the challenging expeditionary environment, but also the ability to sustain significant injury and illness far from home and be able to survive field care and long-distance aeromedical evacuation. Fit to Fight is working. Across the Air Force, fitness center managers report that usage of their facilities is up 30 percent. The results: before the program started only 69 percent of Airmen passed their fitness test. Now, even with more stringent requirements, we have an 80 percent pass rate.

Additionally, a secure web site gives commanders up-to-the-minute reports on the status of their active duty, Guard, and Reserve troops' fitness levels. Now leaders know instantly what percentage of their troops are fit to fight.

True fitness is measured by more than strength and stamina—it involves a whole person concept that includes physical, dental, and mental health. Our Deployment Health Surveillance program gives us visibility over each of these important health factors.

We can never forget that we ask our fighting men and women to do so in harsh environments, far from home, far from sophisticated health care facilities. A healthy, fit warrior is much better able than a less-fit person to sustain a significant illness or injury and be stabilized for long distance travel.

Deployment Health Surveillance program

Our fitness and Deployment Health Surveillance programs complement each other. The first provides healthy troops to the fight, the second maintains and monitors their health. We are very proud of our Deployment Health Surveillance program that has resulted in our lowest Disease Non-Battle Injury Rates (DNBI) of all time, about 4 percent across the Department of Defense. The Air Force Medical Service conducts a variety of activities that ensure comprehensive health surveillance for our Total Force Airmen pre-, during, and post-deployment, and indeed, throughout their entire careers.

Annual Preventive Health Assessments ensure each Airman receives required clinical preventive services and meets individual medical readiness requirements. This data is conducted globally and recorded in an AFMS-wide database—therefore,

the health of each Airman, whether active duty, Guard or Reserve, can be tracked throughout his or her service and in any location. This is an invaluable medical readiness tool for commanders.

Pre-deployment medical assessments are performed on every Airman who deploys for 30 or more days to overseas locations without a fixed medical facility. While deployed, the member is protected by preventive medicine teams who identify, assess, control and counter the full spectrum of existing health threats and hazards, greatly enhancing our ability to prevent illness and injury.

These Preventive Aerospace Medicine teams, or PAM teams, are our unsung heroes. They are small units—usually only three or four people—including an aerospace medicine physician, bioenvironmental engineer, public health officer and an independent duty medical technician. They are among the very first boots on the ground whenever we build a base in theater. Before the fence is raised and the perimeter secured, these medics are securing the area against biological and chemical threats. PAM teams sample and ensure the safety of water, food, and housing. They eliminate dangers from disease-carrying ticks, fleas, and rodents. Ultimately, they can claim much of the credit for the extremely low Disease Non-Battle Injury Rate.

As our troops redeploy, post-deployment assessments are conducted for the majority of Airmen in-theater, just before they return home. Commanders ensure that all redeploying Airmen complete post-deployment medical processing immediately upon return from deployment, prior to release for downtime, leave, or demobilization.

During this process, each returning individual has a face-to-face health assessment with a health care provider. The assessment includes discussion of any health concerns raised in the post-deployment questionnaire, mental health or psychosocial issues, special medications taken during the deployment, and concerns about possible environmental or occupational exposures. The health concerns are addressed using the appropriate DOD/VA assessment tool such as the Post-Deployment Health Clinical Practice Guideline.

Since the first of January 2003, we have accomplished 100,000 post-deployment assessments for Air Force members, including almost 27,000 from our Air Reserve Component, or ARC, personnel. Of these assessments, we identified approximately 6,500—or 9 percent—active duty and about 3,000—or 11 percent—ARC personnel that required a follow-up referral. This equates to only 9.5 percent of our returning personnel that require follow-up due to deployment-related medical or dental health concerns.

To better ensure early identification and treatment of emerging deployment-related health concerns, we are currently working on an extension of our post-deployment health assessment program to include a re-assessment of general health with a specific emphasis on mental health. It will be administered within six months of post-deployment using a standard re-assessment process. The re-assessment will be completed before the end of 180 days to afford Air Reserve Component members the option of treatment using their TRICARE health benefit.

I am pleased to report that a recent Government Accountability Office audit on Deployment Health Surveillance concluded that our program had made important improvements and that from 94 percent and 99 percent of our Airmen were receiving their pre- and post-deployment assessments.

To address the mental health needs of deployed Airmen, the Air Force deploys two types of mental health teams: a rapid response team and an augmentation team. Mental health rapid response teams consist of one psychologist, one social worker and one mental health technician. Our mental health augmentation teams are staffed with one psychiatrist, three psychiatric nurses and two mental health technicians. Deployed mental health teams use combat stress control principles to provide consultation to leaders and prevention and intervention to deployed Airmen. The Air Force currently has 49 mental health personnel deployed for current operations, 31 of whom are supporting Army or joint service requirements. We currently use psychiatric nurses at our aero-medical staging facilities to better address emerging psychological issues for Airmen being medically evacuated out of the combat theater.

The Air Force is also in the process of standardizing existing redeployment and reintegration programs, which help Airmen and family members readjust following deployments. These programs involve collaborative arrangements among the medical, chaplain and family support communities. Airmen and their families can also take advantage of The Air Force Readiness Edge, a comprehensive guide to deployment-related programs and services, as well as Air Force OneSource, a contractor-run program that provides personal consultation via the web, telephone or in-person contacts. AF OneSource is available 24 hours a day, and can be accessed from any location.

After deployments, psychological care is primarily delivered through our Life Skills Support Centers, which deliver care for alcohol issues, family violence issues

and general mental health concerns. Staffing of more than 1,200 professionals includes a mix of active duty, civilian and contract personnel who serve as psychiatrists, psychologists, social workers, psychiatric nurses and mental health technicians. We currently offer ready access to mental health care in both deployed and home-station locations.

The Air Force also looked at several behavioral indicators from fiscal year 2000 to fiscal year 2004 to examine trends before and after initiation of OEF and OIF. Child abuse rates were virtually unchanged throughout the Air Force over the 5-year span, and spouse-abuse rates and alcohol-related incident rates actually declined somewhat over the past 5 years. To date, there have been no Air Force suicides in Iraq or Afghanistan during OEF and OIF. Since the onset of OEF (Oct. 7, 2001), there have been 125 suicides in the Air Force. Only four suicides involved personnel who had been previously deployed to Iraq or Afghanistan, representing a rate (4.2 per 100,000) much lower than the Air Force historical average over the last 8 years (9.7 per 100,000). The Air Force Chief of Staff has placed increased emphasis on adherence to existing Air Force suicide prevention policies in recent months, and the current very low rates so far for this fiscal year (7.1 per 100,000 as of March 2, 2005) are encouraging.

Our reviews indicate that deployed Airmen have faced less exposure to traumatic stress than their Army and Marine counterparts, and therefore have experienced less psychological impact during current operations. We must be prepared, however, for this to change. More recently, Air Force personnel have been called upon to support convoy operations. Additionally, future operations may place additional demands upon our Airmen, and we must be ready to respond. Initiatives to re-assess the mental health status of our personnel 90–180 days post-deployment will allow us to better monitor and address mental health needs as they emerge.

PREVENTING CASUALTIES

Today's Global War on Terrorism will be with us for years to come. Terrorism confronts us with the prospect of chemical, biological, and radiological attacks. Of those, the most disconcerting to me are the biological weapons. Nightmare scenarios involving biologicals include rapidly spreading illnesses, ones so vicious that if we cannot detect and treat the afflicted quickly, there would be an exponential onslaught of casualties.

Just as General Jumper talks about the need for our combatants to find, fix, track, target, engage and assess anything on the planet that poses a threat to our people—and to do so in near real time—so must medics have the capability to find biological threats, and to track, target, engage and defeat such dangers; whether they are naturally occurring—like Severe Acute Respiratory Syndrome, or ARS—or manmade, like weaponized smallpox.

The rapidly advancing fields of biogenetics may provide the technology that allows us to identify and defeat these threats. Many consider the coupling of gene chip technology with advanced informatics and alerting systems as the most critical new health surveillance technology to explore—and we are doing it now in the Air Force.

Silent Guardian

This evolving technology was tested recently in a Deployment Health Surveillance exercise in Washington, DC. The test started shortly before the inauguration and ended with the close of the State of the Union Address. The exercise, codenamed Silent Guardian, involved the military medical facilities that ring the National Capital Region. We placed teams in each of these facilities to collect samples from patients who had fever and flu-like illnesses. The samples were then transported to a central lab equipped with small, advanced biological identification unit—the “gene chip” I mentioned—capable of testing for, and recognizing, scores of common or dangerous bacteria and viruses. And when I say small, I mean that the gene-reading chip at the center of this system is smaller than a fingernail.

To run this many tests using the technology we normally use today would require a large laboratory, two to five weeks, numerous staff, and thousands of swabs and cultures dishes. But this new analyzer is closer in technology to the hand-held medical tricorder used by Dr. McCoy in Star Trek than it is to the swab-culture-wait-grow method currently used.

We knew the test results within 24 hours, not the days or weeks required in the past. All results were entered into a web-based program that tracks outbreak patterns on a map. Additionally, we had mechanisms in place to automatically alert medics and officials of potential epidemics or biological attacks.

Epidemic Outbreak Surveillance

The systems used in Silent Guardian are a small part of the Epidemic Outbreak Surveillance project, or EOS, an Air Force initiative that combines existing and emerging biodefense technologies by using a “system of systems” approach in a rigorous real-world testbed. This project is currently in the Advanced Concept Technology Demonstration phase, but we hope to eventually deploy this technology to military bases worldwide for near real-time, total visibility of biological threats to our troops. These threats are not just those of biological warfare, but I want this team to focus on threats to our troops from naturally occurring disease outbreaks, from adenovirus to influenza. Imagine the power of knowing when and who a disease was stalking!

When fielded, EOS will integrate advanced diagnostic platforms, bio-informatic analysis tools, information technology, advanced epidemiology methods, and environmental monitoring. Alone, none of these provide a defense against a biological attack, either natural or manmade. Woven together, they create a biodefense system that permits medics to rapidly identify threats, focus treatment, contain outbreaks, and greatly decrease casualties.

Another exciting advancement we expect to start transitioning this year is our technical ability to create an unlimited number of COHORTs of each Airman, which will provide occupational and medical surveillance from the time he or she joins the Air Force until retirement or separation, regardless of where the Airman serves or what job he or she performs. We will finally be able to tie together medical conditions, exposure data, duty locations, control groups, and demographic databases to globally provide individual and force protection and intervention, reducing disease and disability. These tools will be working in near real time, and eventually will be automated to work continuously in the background to always be searching for key sentinel events.

Diabetes is another enemy that takes lives, and it too can be defeated. We have been collaborating with the University of Pennsylvania Medical Center to create Centers of Excellence for diabetes care. Diabetes can affect anyone—in or out of uniform—so this effort promises to improve the lives of all beneficiaries. Together, we are seeking ways to prevent and detect the onset of diabetes while providing proven, focused prevention and treatment programs to rural communities, minority populations, the elderly and other populations prone to this disease.

RESTORE HEALTH

High Survivability Rate

We have enjoyed significant success in the third health effect we bring to the fight—that of restoring the health of our sick or injured warriors. Innovations in both technology and doctrine are dramatically improving survival rates of our troops on the battlefield.

During the American Revolution, a soldier had only a 50/50 chance of living if injured on the battlefield. From the Civil War through World War II, about 70 percent of the injured survived their injuries. Aeromedical evacuation in Vietnam is partly responsible for increasing the survival rate to nearly 75 percent. During Operation IRAQI FREEDOM (OIF), 90 percent of those injured in combat survived their wounds. We attribute this success to the combination of our rapidly deployable modular Expeditionary Medical units, excellent joint operations, and our transformed aeromedical operations.

EMEDS

The Expeditionary Medical Support concept, or EMEDS, has proven itself invaluable in OIF. EMEDS is a collection of small, modular medical units that have predominantly replaced our large, lumbering theater hospitals. Big things come in small packages, and there are at least three big benefits to these small EMEDS:

First, by breaking up our large deployable medical facilities, we can spread our resources geographically to locations around the globe where they are needed the most; an efficient use of our assets.

Secondly, EMEDS units are easier to insert far forward and integrate with other services, so our medics are closer to the action and closer to the wounded who need our lifesaving skills. For example, our Aeromedical Evacuation Liaison Teams and aeromedical staging facilities were loaded into humvees and provided direct combat service support to the Army V Corp and 1st Marine Expeditionary Forces convoys as they fought their way along the Tigris and Euphrates from northern Kuwait to Baghdad in 2003.

Finally, these units are small, light, and lean. How small? The people and equipment comprising the entire Air Force medical support in OIF have taken up less

than one percent of the cargo space of all assets headed to the war. EMEDS' small footprint allows us to pick them up and put them down anywhere quickly. We get to the fight faster. For example, in OIF, we opened 24 bases in 12 countries in a matter of months, each with a substantial EMEDS presence. That formidable presence served not only Air Force troops, but also ground forces throughout the region. To further ensure quality care, we deployed over-pressurized tents that are capable of keeping biological and chemical weapons from seeping into our medical facilities.

EMEDS' modularity allows its components to be mixed and matched effortlessly with other EMEDS units or even another Service's assets to create the package of medical care required. Whether it's a small clinic or a large 250-bed hospital that does everything short of organ transplants, the right level of medical care is prescribed and provided to our warriors.

The speed with which these EMEDS deploy is phenomenal. One of our first EMEDS units in theater was a 25-bed hospital based at the Air Force Academy in Colorado. The time elapsed from the moment EMEDS members got their telephone call notifying them of deployment, gathered and transported all 100 medics and their equipment, pitched their tents in Oman, and saw their first patient, was just 72 hours. Because of this capability, we are the medics of choice for Special Forces and for quick-reaction forces in the United States and abroad.

Less than one month after the September 11th, 2001, attacks, a medical team supporting Special Operations saved the life of the first soldier severely injured while supporting Operation ENDURING FREEDOM. Exactly 3 years later, on September 11th, 2004, Air Force medics accomplished the miraculous save of a horribly wounded Airman in Baghdad. I will share this story later in my statement. But in between and since these two remarkable medical events, there have been volumes of compelling stories reflecting the awesome capabilities of the Air Force Medical Service and our joint Air Force-Army-Navy medical team as we care for our troops.

Caring for Iraqis

Not all of our patients are American military members. Throughout this conflict, we have treated Iraqi civilians, our Iraqi allies, and even the enemy. After Saddam was toppled, we moved hospitals into places like Tallil, Baghdad International Airport, and Kirkuk, where we continue to treat all those caught in harm's way, whether friend or foe.

To emphasize that point, I have two very compelling stories concerning the care we provide Iraqi nationals. The first involves a horribly wounded detainee believed to have received his wounds while engaged in combat against our troops. He was going to be transferred to an Iraqi hospital, but begged to remain with American doctors until his wounds were resolved. His words to our Air Force surgeon were, "If I go, I will surely die. I trust only you."

This trust and faith in Americans plays a role in my next story, too. Air National Guard medics from the EMEDS at Kirkuk treated a group of badly injured Iraqis brought into camp by American soldiers. While the camp was under mortar fire, our medics worked to save the men. By morning, all were stabilized. They were transported to another medical facility the following day. Captain Julie Carpenter, a nurse, rode with one of the men, and because he was still in pain, she tried to provide some comfort. She would look in his eyes or hold his hand because, as she said, "I wanted him to feel he wasn't alone; I imagine it was scary for him."

She thought little of the incident until days later she learned that the thankful families of these injured Iraqis approached American troops and provided information that led our troops to the location and the capture of Saddam Hussein.

Expeditionary health care is a military tool that not only saves lives; it can turn confrontation into cooperation, revealing compassion to be the long arm of diplomacy.

Expeditionary Health Technology

Restoring health in the expeditionary environment requires that our dedicated medical professionals are equipped with cutting-edge technology. For example, we are seeking techniques to convert common tap or surface water into safe intravenous (IV) solutions in the field. We are also developing the ability to generate medical oxygen in the field rather than shipping oxygen in its heavy containers into the field.

Telehealth is another fascinating technology that enhances the capabilities of our medics. It allows a provider in Iraq to send diagnostic images such as X-rays through the Internet back to specialists located anywhere in the world, Wilford Hall Medical Center, for instance, for a near real-time consult. This insures that each Soldier, Sailor, Airman or Marine in the field has access to one of our outstanding specialists almost anytime and anywhere.

Aeromedical Evacuation

Restoring health also means bringing casualties back from the front as quickly as possible to sophisticated medical care. The Air Force Medical Service makes its unique contribution to the Total Force and joint environment through our aeromedical mission and the professionals who perform it. The job of Aeromedical Evacuation crewmembers is not easy. They must perform the same life-saving activities their peers accomplish in hospitals, but in the belly of an aircraft at over 20,000 feet. The conditions are sometimes challenging as crew members work under the noise of the engines or when flying through turbulence—but there is no place else they would rather be. TSgt Pamela A. Evanosky of the 315th Aeromedical Evacuation Squadron out of Charleston AFB said, “AE is exhausting duty. But I love it. I know everyday that I make a difference. This is the most honorable and rewarding work I could possibly ever do.”

It truly is rewarding, and I am very proud to report, that Sergeant Evanosky and her fellow AE crewmembers have accomplished over 55,000 patient movements since the beginning of OIF, and they have never lost a patient.

Critical Care Air Transport Teams

Occasionally, our AE crews transport a patient who is so ill or injured that they require constant and intensive care. When that happens, our AE medical capability is supplemented by Critical Care Air Transport Teams, or CCATTs. These are like medical SWAT teams that fly anywhere on a moment’s notice to retrieve the most seriously injured troops. Team members carry special gear that can turn almost any airframe into a flying intensive care unit (or ICU) within minutes. An in-theater EMEDS commander told me that CCATTs are a good news/bad news entity. He said, “The bad news is, if you see the CCATT team jumping on a plane, you know someone out there is hurt bad. The good news is, if you see CCATT jumping on a plane, you know that someone will soon be in the miraculous hands of some of the best trained medics in existence.”

No discussion of aeromedical evacuation is complete without recognizing the critical contribution of the Reserve Component. About 88 percent of AF Aeromedical Evacuation capability is with the Guard and Reserve. I am deeply proud of and awed by their dedication and self-sacrifice in delivering sick and often critically injured troops from the battlefield into the care of their families and our medics at the home front.

The Miracle of Modern Expeditionary Medicine

The seamless health care we provide with our Sister Services from battlefield to home station can be illustrated by the miraculous, life-saving story of Senior Airman Brian Kolfage.

Airman Kolfage suffered horrendous wounds when an enemy mortar landed near him. These mortars have a kill radius of 150 feet. Kolfage was about 10 feet away. The blast threw him half the length of a football field. It shredded both legs and his right arm. Normally, no one could survive such an injury, but an Air Force medic who was close by when the blast occurred was able to respond immediately.

The field surgeons had Airman Kolfage on the operating table in five minutes and were able to stabilize him. Aeromedical Evacuation crews and CCATT teams transported him halfway around the world to Walter Reed Army Medical Center.

Senior Airman Kolfage was airlifted from the site of injury over 6,000 miles away to a hospital just 6 miles from where we now sit. And this all happened in a time span of just 36 hours. That is something that could not have happened in previous conflicts.

Airman Kolfage lost both legs and his right hand. But he has definitely not lost his spirit. He arrived at Walter Reed flat on his back, but vows to walk out of there. I believe him. He takes vows seriously. As a matter of fact, he just exchanged them with his girlfriend—now wife—whom he recently married at Walter Reed.

This is a miracle of modern technology, seamless joint medical operations, and the resiliency of youth. In any other war, this young man would have lost his life; now he has it all before him.

Every day the Air Force Medical Service sees thousands of patients. We try to make a difference with each individual; in Airman Kolfage’s case, we know for sure we made the ultimate difference.

ENHANCE HUMAN PERFORMANCE

The fourth health effect we contribute to warfighting is the enhancement of human performance. Helping Airmen perform to the best of their abilities means we must have people who are highly trained, competent, and equipped with advanced technology that can both help them do their jobs and protect them while

doing so. We are seeking to enhance human performance for our troops through cutting-edge research and development that will improve the safety and performance of our troops in the expeditionary Air Force.

For example, we continue to pursue methods of enhancing our member's eyesight. Obviously, good vision has always been important to our troops, particularly pilots whose eyes may be their navigators. But detecting and protecting our troops' eyesight is especially critical now that Directed Energy Weapons, or Lasers, are widely available and capable of inflicting great injury to the eye.

A laser pointed into an eye can temporarily or even permanently damage an Airman's vision, so we seek special lenses for eyewear and helmet shields that can block harmful laser rays. Detecting laser eye injuries can be difficult; treating such injuries is currently next to impossible. Consequently, we are fielding retinal surveillance units in high-threat areas to accomplish eye exams, always looking for evidence of laser damage. We are searching for valid therapies to treat these types of newly recognized injury patterns. No such therapy currently exists.

Finally, we'll push the envelope on ocular technologies by trying to create vision devices that will allow our Airmen to see to the theoretical limit of the human eye, which some say is 20-over-8. If successful, this will provide our pilots and warriors the ability to see twice as far as an adversary.

The Changing AFMS Construct

The AFMS faces the challenge of delivering these four health effects in times of significant change in the two constructs in which we operate; that of medicine and of military operations planning—how we fight wars.

Changes in Health Care

Health care has changed radically in the past 15 years. In my tenure as a physician, advances in pharmaceuticals, diagnostics—like the CAT scan and MRI—fiber optic techniques such as laparoscopy, arthroscopy, and the use of stents for blocked arteries, and anesthesia breakthroughs have radically altered our military treatment facilities. In the private sector, small, full-service hospitals have gone the way of the eight-track tape, replaced by more efficient medical complexes that focus on outpatient care and ambulatory surgery.

The same pressures that prompted civilian health care facilities to move to outpatient surgery have influenced transitions in the Air Force delivery of health care as well. Historically, we structured ourselves to have hospitals at most bases. We now have substantially transitioned our facilities to the point where fewer than 30 percent of our bases have hospitals. In fact, if you look today, we have fewer hospital beds in the entire Air Force, 740, than existed at the Air Force's Wilford Hall Medical Center in 1990, which had 855.

Another important way the military has adapted to the changing health care construct is to operate much more closely with sister service and civilian hospitals to provide comprehensive patient care. For instance, the Landstuhl Army Medical Center in Germany—the first stop for many of our wounded returning from Afghanistan and Iraq—has a contingency of almost 300 permanent-party Airmen working side-by-side with their nearly 900 Army counterparts.

We enjoy a similar sharing opportunity with the University of Colorado at Denver. Most of nearby Buckley Air Force Base's patient care assets are now located at the University's Fitzsimmons medical campus. Our close working relationship with the university hospital and its president, Dennis Brimhall, are responsible for the efficient and innovative use of medical resources and quality care for our beneficiaries.

Strong relationships with civilian agencies—like that of our Center for Sustainment of Trauma And Readiness Skills, or C-STARs program—have benefited both our peacetime TRICARE and wartime AEF missions. The Air Force has three of these centers, one each in the Cincinnati University Hospital Trauma Center in Ohio, Saint Louis University Hospital in Missouri, and the R. Adams Cowley Shock Trauma Center in Baltimore. Military medics work in tandem with their civilian counterparts there to care for seriously ill or traumatically injured patients, patients seldom seen in military MTFs. These programs prepare our providers for deployment by exposing them to the wounds they will treat in combat. In the future, we will be looking for new ways to partner with these civilian institutions, such as in education and research and development.

Changes in War-Fighting

The second construct change is that of the Air Force mission itself. When I entered the Air Force in the late 1970s, we planned, trained, and equipped our medics on the basis of the threats faced in two major operational plans of short duration.

That construct is no longer valid, as can clearly be seen with the Global War on Terrorism.

The Air Force created its Air Expeditionary Force structure, in part, in response to this new construct. The AFMS needed to restructure itself, too, so that it could face multiple commitments overseas of both short and long duration. Our nation requires that medics field combat support capabilities that are very capable, rapidly deployable, and sustainable over long periods. This has driven three additional changes to our medical system. Our people must be trained, current, and extractable to support the warfighter. Medics must be placed at locations where they can maintain the skills they need for their combat medicine mission. It is also vital that these locations must allow the medics to deploy easily without significantly interrupting the care they provide the base or TRICARE beneficiaries, especially at those locations with sustained medical education training programs.

This is exactly the challenge that the Air Force Chief of Staff Gen. John P. Jumper issued to me in creating expeditionary medics: medics who are focused on developing the skills for the field and eager to deploy for four of every 20 months.

We are assigning medics at large facilities into groups of five so that one team can be deployed at any one time while the other four remain to work and train at home stations. We are also reviewing the ratio of active-to-reserve medics and asking ourselves important questions: What mix of the active duty to reserve component will ensure the best balance between the ability to deploy quickly and the capability to surge forces when necessary?

Finally, we are actively reviewing the total size of the AFMS to make sure that over the next few decades we can successfully fulfill our wartime mission while still providing the peacetime benefit to our members, retirees, and their families.

TRICARE

The next generation of TRICARE contracts is now completely deployed. The transition was smoother than that experienced in the last contract transition in the 1990s. Service contracts are now in place to fully support the benefit enhancements to our active and reserve forces that were temporary in 2004, but made permanent by the fiscal year 2005 National Defense Authorization Act. Although we experienced some challenges with referral management, both the government and our contractors are working to find solutions and we have seen improvement over the past several months. We will continue to work this issue aggressively as access both in the direct care system as well as the network continues to be closely monitored.

The TRICARE benefit is generous, and many retirees who have the choice between our care and that offered by their civilian insurers are opting for the military's medical system. In spite of the increase in benefits and the ever-growing population to whom it is delivered, the TRICARE system continues to receive satisfaction ratings superior to that of civilian health care systems.

Working with the Department of Veterans Affairs

Our concern about the care of our beneficiaries continues even after they have left the DOD system; therefore, the DOD/VA Resource Sharing Program continues to be a high priority for the Air Force Medical Service. The new Health Executive Council is making promising steps toward removing barriers that impede our collaborative efforts. We constantly explore new areas in which we can work to jointly benefit our patients and are currently finding these opportunities in information technology, deployment health medicine, pharmacy, and contingency response planning and patient safety programs. We are particularly proud of progress toward improving transitional services and the delivery of the benefit to our separating service members. These combined, cooperative efforts are a win-win-win for United States, the VA, and most importantly, our beneficiaries. Of course, I remain very proud of our numerous joint VA-Air Force operations, from Anchorage to Las Vegas, from Albuquerque to Travis Air Force Base California, we continue to team well with the VA.

Recruiting and Retention

The AFMS continues to face significant challenges in the recruitment and retention of physicians, dentists, and nurses; the people whom we depend upon to provide care to our beneficiaries. The special pays, loan repayment programs, and bonuses to our active and reserve component medics do help, and I thank you for supporting such programs. Nearly 85 percent of nurses entering the Air Force say they joined in large part because of these incentives.

We also recognize the importance of maintaining a modern and effective infrastructure in our military treatment facilities, from clinics to medical centers. The atmosphere in which our medics work is as important as any other retention factor. We have wonderful patients, patriotic and willing to sacrifice. They deserve not only

the most brilliant medical and dental minds, but first class equipment and facilities. Every day, I strive to make that happen.

Conclusion

The Air Force Medical Service is proud to be part of a joint medical team that provides seamless care to America's heroes, no matter what Service they are from. We can boast of a full-spectrum, effects-based health care system. Our focus on a fit and healthy force coupled with human performance enhancement strategies and technologies, promotes maximum capability for our Total Force warriors. Our health surveillance programs keep them and their units healthy day to day, ready to take on the next challenge. When one of our warriors is ill or injured, we respond rapidly through a seamless system from initial field response, to stabilization care at our expeditionary surgical units and theater hospital, to in-the-air critical care in the aeromedical evacuation system, and ultimately home to a military or VA medical treatment facility. Across service lines, at every step, we are confident that our Soldiers, Sailors, Airmen and Marines—active duty, Guard and Reserve—are receiving the high level of medical care they deserve, from foxhole to home station.

As we work to improve upon this solid foundation, the men and women of the Air Force Medical Service, at home or deployed, remain committed to caring for our troops. We appreciate your support as we build to the next level of medical capability.

Thank you.

Senator STEVENS. Thank you very much, gentlemen.

We have had enormous response as a volunteer military in terms of those people who have been coming in, particularly the younger people. What success have you had in terms of increasing enlistment of medical professionals and retaining them after they come in? For instance, are our bonuses and other initiatives giving you good enough tools to assure a sufficient number of reenlistments? No one is really talking about this so far as I can see. But it has got to be different now than it was back in the days of the draft. How are you doing in terms of recruitment and retention? General Kiley.

MEDICAL PROFESSIONALS RECRUITING AND RETENTION

General KILEY. Sir, thank you for the question. I think there are two parts to it. Our enlisted combat medic recruiting and retention appears to be going pretty well. As you know, our combat medics are emergency medical technician-basic (EMT-B) certified, and that seems to have been a draw for many young men and women to get the opportunity to get that certification.

The area we are concerned with, which I think you are also asking about, is the area of our professional officer corps, recruiting and retaining them, both physicians and nurses. We are still short, in terms of our authorizations, against what we have on hand for both corps. Specifically, we project this year to be close to 200 nurses short in terms of our total end strength.

Senator STEVENS. What about doctors, physicians?

General KILEY. Sir, we are probably close to that same number short in physicians. The dynamics are slightly different for the two corps. I think Colonel Bruno will tell you that there is a nationwide shortage of nurses and nursing starts in terms of young men and women who would like to go into nursing as a profession, a lot more that would like to than can get into school. That is one problem.

We have not offered, until recently, the same level of scholarship opportunities that we are offering now, and we are starting to get some interest in scholarships in nursing school and also in ROTC.

We have had some difficulty in retaining nurses. This is for the same reasons as we have with physicians. This is hard duty and deployment for 1 year. It is relatively new, even though we have been in the global war on terrorism since 9/11. For some, the potential for repetitive deployments has been a little bit of an issue.

I am encouraged. We are taking some steps recently to increase bonuses and to look at other opportunities to get nurses on board.

For physicians, recently the Congress increased the ceilings on retention bonuses for physicians. We have not fully funded those inside the services to the maximum for all physicians. There has been an effort between the three services to balance the amount of bonuses per specialty, focusing on combat-relevant specialists. I think the personnel tempo (PERSTEMPO), the deployment tempo, the long deployments have also been a challenge for some of our physicians also. About half of the physicians in our Army that are not in training as interns and residents have had at least one deployment, and many are on the second deployment. We have got some of our general surgeons that are on a third deployment now between the Bosnia and Kosovo, Afghanistan, and now Iraq operations.

I think it is a little too early to tell in terms of long-term retention for physicians what the personnel tempo of the physicians in terms of deployments and redeployments will be on retention. I am still encouraged. I just talked to a young physician the other day who took great pride in the fact that he spent 1 year with combat troops in Iraq and is now back in a training position, training the next generation of physicians. We have increased the bonuses and we continue to work that.

We are also working to get clearer data which, believe it or not, tells us each physician, as they arrive at a point where they can actually make the decision do I get out or do I sign up for another bonus. We do not actually know the numbers. We have got a fair number of continuation data, how many doctors continue to stay on, and those numbers look relatively good. But I am authorized to 43-47 I believe, and I am at about 41-50, plus or minus. The cycle changes. Over the summer we lose and gain, and then in the fall we lose and gain again.

So I am concerned. I think we have been at our global war on terrorism and this deployment challenge for physicians and nurses long enough that those that have had bonuses that they are letting run out are now at the point where they are starting to let them run out.

Our certified nurse anesthetists. We increased the bonuses for certified nurse anesthetist recognizing that we had a real retention problem. And the preliminary indications are that they have responded to those increased bonuses and that we have signed up a fairly large number of our critical nurse anesthetists.

So it is a mixed picture right now. We are watching it pretty carefully. We have got a whole host of new plans and programs working with our recruiting command getting physicians and nurses engaged in going to facilities and talking to doctors and medical students as a way to bring them on board. So I think we do not have the final answer yet, but I remain concerned about that.

Senator STEVENS. You mentioned homeland security. Are you prepared to take on the problems of homeland security through your Reserve and Guard? Do you have enough medical people in those areas?

General KILEY. Well, that also is an area of concern. As you know, we have a policy now, a 90-day boots on the ground, for physicians and dentists, so that they can preserve their private practices. I do think it is a challenge for the Reserves. The nature of health care in the private sector is such that physicians cannot afford in their practices to leave for 6 months or 1 year, and so they are very reluctant to sign up.

We do watch the numbers very closely, and depending on the nature of the mission, we may be stretched very thin using medical reserves to support significant homeland defense operations. I do not have any more specific answer to that question. I know it is a concern for us.

Senator STEVENS. Do you have any comment on those questions, Admiral?

RECRUITMENT AND RETENTION

Admiral ARTHUR. Yes, sir. Thank you. I think that was a very good, comprehensive answer, and I echo many of those sentiments. I would like to add just a couple of other things.

I think there is a tremendous value to having an all-volunteer service. I have talked with many veterans whose sons have died in combat, and one of the things they tell me is they are very proud of their son, that he—and in some cases a she, but not for us in the Navy—volunteered to go there, wanted to serve his country, and that he felt that he died in an honorable way. I do not think that that same sentiment is echoed for people who are conscripted to service.

One of the great things, I think, about our medical system is the camaraderie that we have with other health care professionals who share the same core values that we have, the great training that we give, but the greatest benefit that I have seen is that we never ask any of our patients how sick they can afford to be. We give the right care every single time. I think it is those things that keep people in the Navy, the Army, the Air Force medical systems because it is a job satisfaction not only their professional lives, but they feel that they are not just not successful, but significant in their contributions to their Nation. So I think the voluntary service is of great value.

Like the Army, we have difficulty in retaining those specialties who tend to have more deployments than others: the surgeons, the nurse anesthetists, the perioperative nurses, the combat medic equivalents in the Navy. But I think so far we are doing pretty well because people want to serve, and that is the volunteer aspect.

I have gone over there in December and January and talked to thousands of our medical department folks out there. They all would like to be home, but when their time and their duty is done. They know what they are doing over there is important.

Thank you.

Senator STEVENS. General Taylor.

General TAYLOR. Sir, just a couple of points. From the Active duty side, we continue to be challenged in the Dental Corps and the Nurse Corps with sustaining the right number of folks. I believe we have most of the tools to shape the force properly and build the force properly. It is just putting these things in effect takes time. A lot of the cycling, particularly for the nurses, is in relation to the outside communities' shortage of nurses and the capability of nurses. So we are in competition for many of these and it makes it more difficult. I am sure that General Brannon will come in behind and talk about some of the efforts in pay, ROTC, and other activities that we are trying to do to recruit and retain nurses.

I have to say one of the things that we have worked real hard on is placing our medics in an air expeditionary force structure so that they go out 120 days every 20 months. It is a system that can sustain itself. It is very enthralling to talk to medics, either in Iraq or Afghanistan or upon return, and how excited they are being able to participate in the activities and supporting the armed forces forward. This experience of deploying forward for most of our medics is a very important part of their life and their contribution to the service.

From the Medical Corps perspective, we tend to be challenged in certain specialty types. We are working to adjust that specialty mix, but by and large, you know that most of the Medical Corps we get are through two very wonderful programs. The Uniformed Services University and our Health Services Professional Scholarship program continue to provide outstanding physicians for each of us in the services.

From the Reserve component perspective, the Air National Guard is taking up the challenge of homeland security. Their greatest challenge, as they reform the Air National Guard to create military medical capabilities aligned along the FEMA regions, is getting the equipment, getting the training, and then getting the staff aboard to move into creating the capabilities to provide rapid medical response to a homeland security event. So I am working very hard with the Guard to try and help them restructure their medics in a way that provides not only capability for the Federal forces, as we deploy out, but provide a wonderful asset for the States and the Governors to use in case of a homeland security strike.

Senator STEVENS. We were disturbed when we heard that the Uniformed Services University of Health Sciences (USUHS) might be closed and equally disturbed when we heard that Walter Reed might be closed. We are monitoring both of those rumors.

But one thing that disturbs me is the feeling that there just are not enough physicians, doctors, professionals who are willing to volunteer and stay in the service. Many of those in your profession have received substantial Federal assistance in their education. We used to have a requirement if the person got such assistance, a certain amount of time had to be dedicated to service in the military. That has been eliminated from our laws. What would you think about reinstating it? Is it still there? I do not think it is still there. Well, I will ask the staff.

My information from home is we used to have a provision that said that they had to spend some time in places where there were

not enough physicians in the civilian community, and that was one of the commitments that they made if they got their financial assistance during their medical education. But I do not think we still have the requirement of military service for those who have the assistance.

General TAYLOR. Sir, as far as I understand it, in the Health Professions Scholarship program (HPSP), you owe 1 year for every year of training, and for those who go to the Uniformed Services University, they owe 7 years after their training.

Senator STEVENS. But is that military service?

General TAYLOR. Military service.

Senator STEVENS. All right. We will get a report on that. Thank you.

Senator Inouye.

Senator INOUE. If I may follow up on that, is it not true that of the 3,600 graduates of USUHS, the retention rate is extraordinary? For example, the medium length of unobligated retention for physician specialists, not including USUHS grads, I believe is 2.9 years, but for USUHS grads, the unobligated service retention is about 9 years. Is that not correct?

General TAYLOR. Senator, I do not think we know the specific numbers there. It is true it is universally understood that those who attend USUHS, because of their long commitment, stay longer in the service. You must complete USUHS, complete your medical residency training, and then the clock starts ticking on your 7 years of service. Certainly that is longer than the HPSP where they only owe 4 years. So it is true that they will stay longer.

Senator INOUE. I am told that beyond the unobligated, there are 9 years for USUHS grads, medium rate.

And further, we have been advised that if we compare USUHS to the four major physician accession centers, USUHS is cost effective. It sounds astounding, but I suppose it is correct.

Does Walter Reed still maintain 40 medical specialty programs?

General KILEY. To the best of my knowledge, yes, Senator, they do.

Senator INOUE. Because I have been told that that is one of the major attractions for physicians in the military.

TRAINING PROGRAMS

General KILEY. Yes, sir. What Walter Reed really is is the linchpin for Army medicine. There are very robust training programs across the entire spectrum, many of which are combined with training programs at the National Naval Medical Center. Many students in medical school that get an opportunity to rotate at Walter Reed really get excited about being in Army medicine and having an opportunity to serve at Walter Reed. Some of our best, not all, physicians in the military will actively seek to be assigned at Walter Reed because of its prestige, not only its location in Washington, DC, but the prestige of the research that goes on, the robustness and the size of the training programs that allow them to do research to train the next generation of physicians and certainly nurse and also enlisted personnel, all of whom train at Walter Reed.

It is a very big, complex organization. It delivers very sophisticated tertiary level, university, academic level health care. And as you know, it is also our major receiving facility in the continental United States for combat casualties that are coming back where we apply those skills.

So it has a recruiting and retention capability. It is recognized worldwide as are the prestigious Navy and Air Force facilities. So it is not without significance as it relates to not only that, but longevity, the same discussion you just had with continuation rates of physicians. Certainly many of the USUHS grads get an opportunity to rotate as medical students, like my daughter, and see that as a career potential for them. So there are significant second and third order effects to this facility, yes, sir.

Senator INOUE. Admiral Arthur, during the ancient war, the one that the chairman and I were involved in—there was much talk about what we called section 8, mental cases. In this war we see pictures of amputees and blinded veterans and such, but very seldom hear about so-called section 8. What is their status? Do we have a lot?

COMBAT STRESS

Admiral ARTHUR. Section 8 is the psychiatric. Okay. I think that is an Army term.

We are, I think, just seeing the results of combat stress in our veterans. I think we have not truly had a major combat that our Nation's armed forces have been associated with since Vietnam. I think Desert Storm, Bosnia, Grenada, Panama—we have been in conflict, but not in such a sustained way.

Having been in combat, I feel that 100 percent of the people who experience combat are in some way affected, some a little, some a lot more. I think we as the services need to be very sensitive to picking up the combat stress not because the children are affected or the spouses are affected or the jobs are affected, but because we are sensitive enough in our post-deployment screening tools to see the effect and to treat it at its lowest level, by that I mean in garrison rather than sending someone to a hospital, if they go to a hospital to do the treatment as a outpatient rather than an inpatient and to return people to function.

I think one of the best things that all three services have done is to enlist their retirees and other people in the communities so that we do not lose track of anyone who does not just return to garrison, but actually gets out of the service or goes back to Reserve duty and may not have the support that an Active duty member has. I think we are all very, very concerned about what I would call combat stress to ensure that we properly honor the services of the veterans and understand it.

As I said in my opening statement, I think this is in the purview of the military. We know what combat stress is about because we have been there and we understand it. I think the more we can do that keeps our veterans from having to go to civilian centers where they are not as well prepared the better we will be, and that includes our Veterans Administration hospitals as we partner with them to treat veterans.

Senator INOUE. Do you believe that we are adequately demonstrating this concern and sensitivity?

Admiral ARTHUR. I believe that we adequately have attention being drawn to it. I think renewed collaboration that DOD has with the Veterans Administration in treating combat stress is refreshing. We have a lot of programs and I am encouraged by the amount of effort and attention that we are bringing to bear on this, all three services, right now.

Senator INOUE. Thank you.

General Taylor, we have just received a report that the Air Force is short in a large array of medical and dental fields. For example, the Air Force is now short in dentistry, anesthesiology, gastroenterology, rheumatology, pulmonary, cardiology, oncology, hematology, internal medicine, and it goes on and on. Is that a correct picture?

General TAYLOR. Sir, we are short in certain areas. We are shorter in other areas than in some other ones. The way we have tried to adjust for that, of course, is to work on the pay and compensation for those specialties that are in the career field. We have been working actively with the recruiting services to recruit people, and then we have continued to work hard to mold new accessions into those specialty areas.

Some of the ways that we have adjusted to that is to try and ensure that we place our military specialists in those locations where they can best maintain their skills. Concentrating internists in hospitals and moving them from the smaller clinics and into the hospitals has been one way to adjust for that. That would allow those small clinics then to contract for internal medicine referrals locally rather than to put a military internist in a small clinic forward.

So most of these are trying to adjust to the correct size while we continue to press for new entries into the career field and that the pay and incentives remain intact. The other part of this is to try and ensure that people in those areas of expertise are practicing the full spectrum of their health care in our larger facilities.

Senator INOUE. Are you noting success in your programs?

General TAYLOR. Sir, I believe we are seeing success in that program. It is going to take time, as was mentioned by my colleagues here, to see how those incentives work. We appreciate what Congress has given us in terms of pay and retention and scholarship programs to recruit and retain these people, and we believe we have the adequate tools to do the work.

Senator INOUE. Well, as one Member of the Congress, I would like to thank all of you for your service. Thank you very much.

Thank you, Mr. Chairman.

Senator STEVENS. Senator.

Senator MIKULSKI. Thank you very much, Mr. Chairman, and to our Surgeons General.

First of all, as the Senator from Maryland, we are very familiar with military medicine in our State and so honored to have Naval Bethesda in our State. Walter Reed, though next door, we view as part of—we do not want to say part of our State, but certainly close to that. The hospital ship *Comfort* is based in Baltimore, and of course, we have USUHS, the uniformed services medical school, and up Route 270, of course, is Fort Detrick, though not literally

under your command, certainly is coming up with the research that is so important in what you are doing. So we feel very strong about it.

We too are really proud of what you are doing in battlefield medicine, acute care, and also the primary care that you provide to families. So we are on your side, and even my own primary care physician gave me an article from the Journal of American Medical Association (JAMA), the American medical journal, talking about the stunning results in what you have been able to do in battlefield medicine. It is beyond all expectation and all hope. I know gratitude will come to you the rest of your life in this.

I am worried about the shortages that you are talking about with the physicians, and I too have been troubled about the rumored closing of both USUHS and Walter Reed.

In terms of USUHS, I would like to be able to ask you, General Kiley, a couple of questions. First of all, is it true, picking up on Senators Stevens and Inouye, that the USUHS graduate serves a longer time than someone who has come through a conventional medical school, and could you share with us how committed they stay? All medicine is 24/7, but military medicine is 36/7. You work a 36-hour day.

General KILEY. Senator, that is a great question. Thank you.

PROGRAMS FOR ASSESSING PHYSICIANS

I think as General Taylor referenced, there are two general programs for assessing physicians, and the Uniformed Services University has the students go through an Active duty status with pay allowances and privileges. In exchange for those 4 years as a medical student, the young doctors graduate and are commissioned as Medical Corps captains. And then they have a 7-year obligation. The internship year right after medical school or, in many cases now, just the residency, internal medicine being 3, general surgery being 5 years, OB-GYN being 4 years, as an example—those 3, 4, or 5 years do not count in working off the obligation.

Senator MIKULSKI. So they do not count toward the 7 years.

General KILEY. That is correct. But they do count toward retirement. So these young physicians get through their training, and then they have a 7-year commitment. The intent, as I understand it, was pretty clear. I hear this routinely from my daughter, who is a USUHS graduate and finishing her second year of medicine residency, that they will get out to 10, 11, 12, 13 years before they reach that first unobligated decision point. Many of them—and I cannot give you a number, but clearly early on and so some of the more senior physicians—many had prior service. So they already had some commitment into retirement.

Senator MIKULSKI. But the bottom line is do they serve longer? Do you know that?

General KILEY. Our best estimate is yes, Senator, they seem to because the HPSPers—the larger group, by the way, at least for the Army—we get 60 doctors every year from the Uniformed Services. We get between 250 to—

Senator MIKULSKI. Well, I am not saying it is not a substitute for—

General KILEY. No, ma'am. I understand.

Senator MIKULSKI. So, in other words, USUHS—the Naval Academy does not do all of the officer corps for the Navy.

General KILEY. But if you are a West Point graduate with a 5-year obligation from West Point and you are a USUHS graduate with a 7-year obligation, those two are additive. So you are close to retirement before you can even decide—

Senator MIKULSKI. Yes, but you might not be coming from West Point.

General KILEY. That is correct.

Senator MIKULSKI. You might be coming a different route.

General KILEY. But the HPSPers—those only owe 4 years. They only owe 4 if they do a full 4-year scholarship.

Senator MIKULSKI. So the HPSP is the scholarship program. Is that correct?

General KILEY. Yes, ma'am.

Senator MIKULSKI. Now, in terms of the scholarship program, as I understand it, last year you had less than one applicant per slot, while USUHS had 10 initial applicants for every slot getting into USUHS. Are you aware of that?

General KILEY. I do not believe that the number was less than one applicant per slot. I believe it was about 1.1 to 1.2 applicants per slot, which is down from what it used to be.

Senator MIKULSKI. Yes, but that is not a lot.

General KILEY. No, ma'am, it is not.

Senator MIKULSKI. That is not a lot. And when you think that there are 10 people lining up to get into one slot in USUHS and we are talking about closing it, but it is barely one on one for the DOD HSP program, then I think we need to evaluate the scholarship program and find out why. But it is also a lesson saying let us not close USUHS.

Now, we understand the military doctors are a military doctor rather than a doctor who is currently in the military.

But as I understand it, first of all, you have got about 1,000 vacant physician positions, and not only are you competing with those at Hopkins or *Mercy*, like in our own State, Suburban, which you just referenced, Admiral, but you are also competing with the VA. The VA can pay more than the military. Am I correct?

General KILEY. I believe they can, yes, ma'am, at least in some specialties.

SCHOLARSHIP PROGRAM

Senator MIKULSKI. Well, see, I think these are the issues that we need to look at, and they would not be necessarily the scope of this hearing. But I think we do need to look at the scholarship program.

Senator STEVENS. Would you say that again, Senator?

Senator MIKULSKI. Well, today the Department of VA, as I understand it from my old work on the VA Subcommittee before we were reorganized, sir, can pay its civilian physicians more than DOD can under title 38. Therefore, not only are you competing with academic centers of excellence and community-based medicine, but you are also competing even against the VA in many of the same geographic areas where people are serving. Again, I come back to military medicine being a 36/7 calling.

So we do not want to short change the VA exactly because this seamless transition that you are developing and we are so enthusiastic about, but at the same time, if you are trying to get a surgeon, these specialties, but even in the primary care area, this would seem to be a challenge. And also VA is offering scholarships in nursing, scholarships in medicine and so on. So I think we need to look at this and how you are going to be competitive.

My advice is that we should not close USUHS because USUHS might bring not only medical skill but a military culture as compared to simply training a doctor to be in the military. I think the military doctor has an influence on the doctor in the military to grasp this very unique culture that you are the leaders of.

Do you see where I am? So I think we need to look at that.

I would also think that we should look at perhaps debt reduction. When someone has completed their medical school, their debt in many instances is over \$100,000. It is breathtaking for some. Then they think, I want a different life here and they are ready to think about this perhaps, but we should think about forgiving their debt as they entered the military. We already know then they have gotten through medical school. So it is not a crap shoot to know if they are going to make it. So I think we need some new thinking. Have you thought about this?

Senator STEVENS. That is a good idea. We ought to all think about that, Senator. That is a very good idea.

Senator MIKULSKI. Yes. And then when they come in, essentially we swap debt for duty.

General KILEY. Yes, ma'am.

General TAYLOR. Yes, ma'am. We do have certain tools that fit that category. The question is whether we are effectively using them or do we have the wide range of authority to fully execute those. We do have some debt relief tools. We do have some recruiting tools, and I think it is a very good question as to whether we are effectively using them or we are limited in size and scope because of finances or congressional caps. I think it is worthy for us to look at it.

General KILEY. I think you hit on it, \$100,000 in debt. If you are coming out of Georgetown or George Washington (GW), you may be closer to \$200,000 in debt based on the estimates of the cost. These young physicians then look at an Army salary with this debt on them, and it is very hard. Every year we have a couple physicians that come on Active duty, having incurred an obligation in ROTC in undergraduate, who have those kind of debts. They can sometimes struggle.

We do have some programs that recognize some of that debt reduction, but the programs are not nearly robust enough to address some of the issues you have had.

The second piece about the VA receiving more. One of the things the VA physicians, as I understand it, have as part of their retirement package is that these bonuses that they are given as physicians in the VA are all calculated into their retirement pay. They are not calculated into the military retirement pay.

Senator MIKULSKI. Well, I think we need to then look at how the VA is doing it and perhaps some lessons learned.

But the point of debt forgiveness is that perhaps when someone has completed their internship, they have got all this debt, this could be another recruitment time, or even when they have completed their residency. Some young people do not now want the hassle, the malpractice issues and the health maintenance organization (HMO), the insurance stuff, and the idea of being in the military would be very attractive to them.

I know my time is up, but I am very keen on this recruitment and retention.

Senator STEVENS. I want to ask the three witnesses here if they will confer and give us a suggestion on how to flesh out the Mikulski plan. We have several provisions in Federal law that it is really payment rather than forgiveness because those loans are not made by the Federal Government primarily. I think they are mostly reinsured by the Federal Government. But I do think that you ought to give us a plan that would allow the services to entice young doctors and professionals to come into the services with an addition to their salary to repay those loans.

MEDICAL PROFESSIONALS LOAN REPAYMENT

We do that here in the Senate to a certain extent. I do not know if you know that. It is not very much. We give the authority to a Senator to add to the salary an incentive payment for retention of employees who do have these debts. I have seen them come to my office with more than \$100,000 and the lawyers coming in with almost \$200,000.

So I think this is probably one of the things that is a deterrent to enter Government service, and particularly military medical service. You ought to give us a plan. We will flesh it out and see if we cannot get the money for it this year.

Senator MIKULSKI. Very good.

Senator STEVENS. We will call it the Mikulski plan.

Senator MIKULSKI. Okay.

Senator STEVENS. Well, Sonny Montgomery had his plan. You have got yours.

Senator MIKULSKI. Sounds good to me.

[The information follows:]

MEDICAL PROFESSIONALS LOAN REPAYMENT

The Health Professions Loan Repayment Program (HPLRP) has been a very important accession and retention tool to the Air Force Medical Service in certain areas. During the four year history of the current program, it has helped sustain the Nurse Corps Accession program, accounting for nearly half of the Nurse Corps accessions. It has also helped the Air Force Dental Corps to slightly improve the retention of general dentists (non-residency trained). Although HPLRP has been successful in some of our accession and retention endeavors, there is a low rate of HPLRP takers among physicians and residency-trained dentists.

Physicians, dentists, and certain Biomedical Sciences Corps specialists tend to have larger debt burdens than other health professionals and, due to salary differences, have a greater potential for quickly paying off these loans working in the civilian sector versus the military. Physician and dental officer average debt load is \$100,000-\$120,000 with some even approaching \$350,000. Health professionals have cited high student debt load as a major factor in their decision to separate from the Air Force.

A few recommendations to improve the effectiveness of the health professions loan repayment program are: (1) make HPLRP tax free, perhaps mirroring the Indian Health Service Loan Repayment Program; (2) allow HPLRP service obligation to run concurrent with any other service obligation; (3) receive HPLRP appropriation to

provide adequate quotas to improve the current program; and (4) establish an adequate accession bonus for physicians and dentists to augment the HPLRP as a more attractive accession tool. These improvements would help the military services attract and retain fully qualified health professionals especially in those extremely hard to recruit specialties.

Senator STEVENS. Thank you very much, gentlemen. We appreciate very much your service and your testimony here today. We look forward to hearing from you further about this idea, and I think it is a good one to pursue.

We will now turn to the Nurse Corps. Thank you again for coming.

We are now going to hear from the nursing corps. This subcommittee's view is that the nursing corps are vital to the success of our military medical system. We thank you for your leadership and look forward to your comments and telling us your challenges. From the Army, we will hear from Colonel Barbara Bruno, who is the Deputy Chief of the Army Nurse Corps. We welcome you here, Colonel. We will also hear from Admiral Nancy Lescavage, Director of the Navy Nurse Corps, and Major General Barbara Brannon, Assistant Surgeon General for Nursing Services for the Air Force.

Your patron saint is my friend here from Hawaii, so I will yield to him.

Senator INOUE. Welcome. Is this not Nurses Week?

General BRANNON. This is indeed.

Colonel BRUNO. It is.

Senator INOUE. I think it is most appropriate that you are here, and I want to congratulate all of you and thank you for the service you are rendering to our country. It is very essential. We would rather listen to you than listen to me. So, Mr. Chairman.

Senator STEVENS. Senator Mikulski, comments?

Senator MIKULSKI. I believe that the issues of recruitment and retention are actually severe in nursing because of the issues in the larger community. But again, for everybody who is at Naval Bethesda and we have seen you on the hospital ship *Comfort*, we are so appreciative of what you do, and want more of you.

Senator STEVENS. Colonel Bruno.

STATEMENT OF COLONEL BARBARA J. BRUNO, AN, DEPUTY CHIEF, ARMY NURSE CORPS, UNITED STATES ARMY

Colonel BRUNO. Thank you very much. Good morning, Chairman Stevens, Senator Inouye, and Senator Mikulski. Thank you for your unwavering support to provide the best nursing care possible to American soldiers, their families, and eligible beneficiaries.

I am Colonel Barbara Bruno, Deputy Chief of the Army Nurse Corps. It is a real honor and a privilege to speak to you this morning on behalf of Major General Gale Pollock, the Chief of the Army Nurse Corps. She is hosting an historic military medical conference in Hanoi, Vietnam today. She sends her regards and wishes she could be here.

I am going to highlight specific achievements and concerns that relate to the ability of the Army Nurse Corps to serve a Nation at war. As of March 2005, 765 nurses have deployed to 17 countries, in addition to Operation Enduring Freedom in Afghanistan and Iraqi Freedom.

Caring for critically injured soldiers can be incredibly stressful to the deployed staff and to the staff within our medical treatment facilities. Nursing research conducted at Walter Reed showed that nurses' feelings and emotions, while caring for returning injured soldiers, mirrored their deployed nursing counterparts. Yet they experience them in different and more long-lasting ways. Whereas deployed nurses have short and intense exposures to patients with severe and devastating trauma, nurses in our fixed facilities have prolonged and much more personal experience. They experienced high levels of empathy with the injured and their families. This empathy is common amongst all health care providers and is described as compassion fatigue. Soldiers involved in health care receive awareness training and educational material regarding compassion fatigue.

The shortage of nurses in the civilian sector does have a direct impact on the entire Federal nursing force. We continue to leverage available incentives and seek additional creative avenues to recruit nurses. To remain viable in a very tight labor market, we have to be competitive.

One extremely successful recruiting tool we have used in the Army is the Army Medical Department enlisted commissioning program. This is a 2-year education completion program for enlisted soldiers who have acquired the appropriate prerequisites. The Reserve component has expressed interest in a similar program.

Another successful initiative directed at civilian Federal nurses is the direct hire authority. With this program, the time delay between finding a candidate and acceptance of a job offer has been significantly reduced. We are optimistic that the National Security Personnel System will alleviate the obstacles to hiring civilian nurses.

While recruiting is an obvious challenge, retention is of greater concern and a much less conspicuous one in nature. As the incentive gap with the civilian sector widens, it will be increasingly difficult to retain qualified nurses in military service, and for the Army this loss is twofold. We lose a superb soldier and a highly trained, experienced nurse.

Successful retention of nurses is a combination of financial compensation, deployment equitability, and military benefit preservation. With the support of General Kiley, as he mentioned earlier, we have been very successful in the incentive specialty pay program for nurse anesthetists. The preliminary numbers reveal that 72 percent of the eligible nurse anesthetists have signed a multiyear contract since the increase in incentive pay. This information suggests a positive correlation between the increased pay and retention and provides us with good research for future retention strategies of other specialties.

Our commitment to nursing research remains strong. Walter Reed Army Medical Center has partnered with Mount Aloysius College in Pennsylvania as part of a congressionally funded nursing telehealth applications initiative. This relationship provides a quality learning experience to nursing students in a rural environment. While students and faculty remained at Mount Aloysius, two Army nurses took care of various patients in the medical intensive care unit (ICU) at Walter Reed, bringing that clinical setting to

rural Pennsylvania. Our commitment to addressing the nursing education insufficiencies exemplifies Army Nurse Corps leadership, innovation, and new approaches to solve problems.

Nursing research is invaluable to excellent, evidence-based nursing practice. We thank you for your dedicated funding and continued support of the TriService nursing research program.

PREPARED STATEMENT

The Army Nurse Corps continues to move forward with initiatives to improve the best nursing organization in the world. Our research is changing nursing practice globally, and Army nurses are highly valued throughout the world. With the continued support of Congress, Army Nurse Corps compassion and leadership will ensure that we are able to take care of our military men and women and that they receive the finest health care anytime anywhere.

I thank you for this opportunity to speak to you today.

[The statement follows:]

PREPARED STATEMENT OF COLONEL BARBARA J. BRUNO, AN

Mr. Chairman and distinguished members of the committee, thank you for your unwavering support to provide the best nursing care possible to American Soldiers, their families and eligible beneficiaries. In today's unprecedented environment of global, joint and collaborative military medical operations, we continue to see success in the Global War on Terrorism, and have made numerous improvements in nursing care delivery at home, abroad and on the battlefield.

I am Colonel Barbara Bruno, Deputy Chief, Army Nurse Corps (ANC). It is an honor and privilege to speak to you today on behalf of Major General Gale Pollock, the 22nd Chief of the Army Nurse Corps. MG Pollock is hosting an historic military medical conference in Hanoi, Vietnam.

Military forces engage in security cooperation activities to establish important military interactions, building trust and confidence between the United States and its multinational partners. The visible and purposeful presence of U.S. Military capabilities is an integral part of an active global strategy to ensure security and stability. The Asia Pacific Military Medicine Conference (APMMC) is one of the critical tools used to accomplish this.

The APMMC is the premier medical conference in the Pacific Command (PACOM) area of responsibility. This conference provides a forum for U.S. Military health care providers and leaders to collaborate with Allied and friendly countries in the Asia-Pacific region. Topics of military medical significance such as interoperability, medical readiness, illnesses, battle injuries, medical technological advancements, force health protection, and disaster/consequence management are the primary foci of the APMMC.

As the U.S. Army, Pacific Surgeon, MG Pollock will conduct bilateral discussions with senior delegates from over thirty countries attending the APMMC. These bilateral discussions provide a forum to plan future medical events with regional partners, and enhance influence and access to these nations in order to combat terrorism, transform alliances, and build coalitions for the future. This year's APMMC is in Hanoi, Vietnam. This is particularly significant as it is the first time the U.S. Military has ever co-hosted a conference of this magnitude with the country of Vietnam.

The ANC is actively engaged in strategic planning to allow us to achieve the greatest benefit, both human and monetary. During this congressional hearing I will take the opportunity to highlight specific achievements and concerns that relate to the ability of the ANC to serve a Nation at war.

Army Nurses possess the expert clinical skills, compassion, and leadership acumen requisite to execute the most challenging missions in austere environments. As of March 2005, 419 Active Component (AC) and 151 Reserve Component (RC) nurses were currently deployed to 17 different countries including Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF). An additional 95 Army Nurses have supported other medical training missions as subject matter experts, trainers, or medical augmentees. Since our last testimony, our deployments total over 74,045 person-days.

The 31st Combat Support Hospital (CSH) from Ft. Bliss, TX and the 67th CSH from Wuerzburg, Germany transitioned at the end of the 2004 calendar year with the 86th CSH from Ft. Campbell, KY and the 228th CSH (a combined AC/RC unit) from San Antonio, TX. The 115th Field Hospital from Ft. Polk, LA, is also in Iraq as medical support for Abu Ghraib Prison. The RC continues to take the lead in the medical support mission in Afghanistan with the 325th Field Hospital from Los Angeles, CA being replaced by the 249th Field Hospital from Independence, MO. In addition to the CSHs, 45 nurses deployed on eight Forward Surgical Teams (FST) in support of OEF/OIF and two RC CSHs deployed to Germany as backfill.

Army Nurses are serving critical roles in direct support of the War on Terrorism at all ranks and skill levels. At the company grade level, nurses are instrumental in the leadership and direct supervisory training that combat medics receive during their Advanced Individual Training at Fort Sam Houston, Texas. This training provides combat medics with the critical knowledge they need to care for battlefield casualties. Often, the diverse clinical experience of the nurse is the only conduit between training and the trauma of war for these young medics. In addition, 44 Army Nurses are embedded with Divisions and Brigade Combat Teams providing direct nursing care to Soldiers in the field while also providing advanced training to combat medics prior to and during deployment.

The value of the Advanced Practice Nurse (APN) has never been as evident as it is in today's Army. Their expanded roles in the health care delivery system make them a highly prized commodity. APNs in varying specialties utilize their expertise to ensure patients transition smoothly from point of entry through the healthcare system based on each patient's individual needs.

The positive impact Army APNs are having on patient outcomes has created a tremendous demand for their services in various healthcare settings. Trauma Registry Coordinators, Nurse Practitioners, Nurse Anesthetists, Psychiatric Clinical Nurse Specialists, and senior-level Case Managers are just a few of the roles in which these highly educated nurses are serving.

In late 2004, six Army APNs deployed to Iraq to serve as Trauma Registry Coordinators. These Army Nurses have been an integral component of the Army Medical Department's (AMEDD) Theater Trauma System. This demonstration project adopted the American College of Surgeons Committee on Trauma's model for civilian trauma care into the current theater of operation. The Theater Trauma System initiative has multiple components: pre-hospital care coordination, utilization of clinical practice guidelines for trauma management and patient movement, trauma research and integration of clinical information systems for care delivery, and command and control. The overarching goal has been to ensure "the right patient, to the right provider, at the right location and right time."

A cornerstone of the Theater Trauma System is the Joint Theater Trauma Registry (JTTR). The JTTR application is used to capture data from non-integrated clinical and administrative systems within the AMEDD, our sister Services and the Department of Defense. The Trauma Registry Coordinators ensure that critical clinical data is collected in theater and incorporated into the JTTR to provide a comprehensive picture of trauma patients from point of injury through rehabilitation. To date, the JTTR contains more than 7,000 records of battle and non-battle injuries of United States, Allied and enemy combatants. Our support of this initiative remains steadfast, for as the Theater Trauma System matures, JTTR data will be used to improve the overall quality of care provided to our injured Soldiers.

An unprecedented move for Family Nurse Practitioners (FNP)—substituting for Physician Assistants at Echelon II medical companies—begins during the next rotation of OIF. These FNPs will provide primary care in field environments and initiate treatment for wounded soldiers.

Our RC Army Nurses continue to demonstrate excellence in health care management. In addition to deploying nurses to theater, numerous others are serving in a backfill capacity in our Medical Treatment Facilities (MTF). Most noteworthy are the APNs serving as senior-level Case Managers at the Regional Medical Commands. These nurses are credited with the development of medical holdover case management and a patient tracking tool. They supervise 158 Army Reserve and National Guard nurses serving as Case Managers in MTFs and Community Based Healthcare Organizations located close to Soldiers' homes.

These RC nurses functioning as Case Managers assist their physician colleagues to aggressively manage highly complex wartime patients to achieve positive outcomes for the 21,500 Soldiers who have required medical care following mobilization. Of the 16,453 Soldiers processed since the establishment of the medical holdover management program, 10,868 Soldiers have returned to their units. This success, a direct result of compassionate care and attention to detail, clearly demonstrates the need for nurses in the ambulatory healthcare setting.

Combat is demanding and taxing. Estimates are that between 3 percent and 4 percent of the general adult population in the United States suffers from Post Traumatic Stress Disorder (PTSD) (Narrow, Rae, Robins & Regier, 2002). Among Gulf War veterans, estimates are that between 2 percent and 10 percent suffer from PTSD (Iowa Persian Gulf Study Group, 1997; Kang, Natelson, Mahan, Lee & Murphy, 2003). In a systematic review of 20 studies that compared the prevalence of psychiatric disorders in Gulf War veterans to a comparison group of veterans previously deployed for other conflicts not including current operations, Gulf War veterans were three times more likely to develop PTSD (Stimpson, Thomas, Weightman, Dunstan & Lewis, 2003). More recently, in a cross-sectional study of 3,671 Soldiers and Marines surveyed 3 to 4 months after returning from deployments to Afghanistan or Iraq, between 6 percent and 13 percent of the participants suffered from PTSD (Hoge et al., 2004). The prevalence of PTSD increased linearly with the number of firefights Soldiers experienced and being wounded.

The Department of Defense and the Department of Veterans Affairs are taking a proactive approach to monitoring and treating PTSD. One of the 26 clinical practice guidelines jointly developed by the Army, Air Force, Navy, and Veterans Affairs addresses the management of Post-Traumatic Stress. An Army nurse leads the clinical practice guideline effort at the Army Medical Command (MEDCOM) disseminating these evidence-based practice recommendations across the AMEDD.

Caring for critically injured soldiers can be incredibly stressful for the deployed staff and the staff within our fixed MTFs. Nursing research conducted at Walter Reed Army Medical Center showed that nurses' feelings and emotions while caring for returning injured soldiers mirrored their deployed nursing counterparts, yet they experienced them in different and more long-lasting ways. Whereas deployed nurses have short and intense exposures to patients with severe and devastating trauma, nurses in our fixed facilities have prolonged and much more personal exposure. They experienced high levels of empathy with the injured and their families. This empathy is common among all health care providers and is described as "compassion fatigue." Soldiers involved in healthcare receive awareness training and educational material regarding compassion fatigue.

The shortage of nurses in the civilian sector continues to have a direct impact on the federal nursing force, both military and government service requirements. The AC accession mission for Army Nurses has not been met since 1998 while the RC has not met mission since 2002. At the end of fiscal year 2004, the AC ANC was 203 officers below its budgeted end strength of 3,415 and missed its goal of accessing 385 new officers by 48. The RC ANC also missed its accession goal of 507 new officers by 141.

A recent study commissioned by the United States Army Accession Command, determined that specific offers and messages can improve the accession rate and help to relieve our shortages. The sample population included registered nurses, graduate nurses, and nursing students. Reducing minimum service obligations, adjusting deployment length, ensuring assignment preferences, and increasing financial incentives have the most potential impact on nurse accession. As a result of these findings, the Chiefs of Nursing for U.S. Army Cadet Command (USACC) and U.S. Army Recruiting Command (USAREC) have developed several initiatives aimed at increasing overall nurse recruitment.

The first initiative from USACC is the Centralized Nurse Scholarship program. It was implemented to focus additional Reserve Officer Training Corps (ROTC) battalions on the nurse mission. They accomplished the initiative by increasing the number of schools actively recruiting nursing cadets from 47 to approximately 200 and using the nurse mission as a quantifier of success. They also consolidated Nursing Scholarships at USACC Headquarters, centralizing funds, and providing responsive access to scholarship resources wherever qualified nurse applicants are located. The new program also allows students to choose how their scholarship dollars are used. This benefits those students who may have received additional academic scholarships that are specified for tuition only. In addition, the tuition cap and book stipend were increased by \$3,000 and \$300 per year respectively.

The second initiative from USACC is an expanded ROTC Nurse Educator Tour and Nurse Summer Training Program (NSTP). Showcasing ROTC's Leadership Development and Assessment Course (LDAC) and NSTP are significant recruiting tools available to Army Nursing. During the summer of 2004, 150 nurse educators were invited to attend the LDAC at Ft. Lewis, WA, in an effort to display the versatility of our nursing cadets in both the field training and clinical environments. The nurse educators who participated in this program witnessed nursing students during leadership training at the LDAC and then received a tour of Madigan Army Medical Center where they observed nursing students in the clinical setting during NSTP. Nurse educators participating in the tour left with a new-found dedication

to Army ROTC and a better appreciation for the ANC as a whole. As a result of their positive experiences, many of these educators now require students returning from LDAC and NSTP to provide a presentation about the experience to their classmates, inviting more queries about the ANC as a career option. Most schools are now encouraging qualified students to consider Army ROTC and many are giving academic credit for NSTP completion. The success of this program has already made a significant impact in nursing student recruitment at these universities.

In light of this success, USACC has experienced a greatly improved collegial relationship with all universities in attendance. In an effort to improve recruiting efforts while promoting the positive image of Army Nursing, focus has shifted this year to universities who have been less than supportive in the recent past. One hundred representatives from these universities have been invited to attend this year's Nurse Educator Tour. This type of networking and partnering will increase a positive view of Army Nursing in the civilian community.

While USAREC recruiting initiatives are similar in nature to those of USACC, their targeted population is larger and more diverse. They are solely responsible for recruitment of RC nurses and all other nurses and nursing students not eligible for ROTC.

The Health Professional Loan Repayment Program (HPLRP) was instituted in fiscal year 2003 and targeted new accessions to provide nurses with an educational loan repayment benefit up to \$29,000. Prior to HPLRP implementation, USAREC was limited to a sign-on bonus as their only financial incentive tool. To date, 345 AC nurses have benefited from this program.

The Army Nurse Candidate Program (ANCP) targets nursing students prior to graduation who are not eligible for ROTC but are still fully qualified as a direct accession nurse. It provides a \$1,000 monthly stipend and a \$10,000 bonus paid in two increments. The ANCP provides USAREC the ability to recruit nursing students as early as their sophomore year. This program will give us the leverage to offer accession incentives to students much earlier in their education program which is essential when competing with the civilian market.

The Army Enlisted Commissioning Program (AECPP), used by AC enlisted Soldiers, is an extremely successful recruiting tool. The program provides a 2-year education completion program for enlisted Soldiers who have acquired the appropriate prerequisites. Currently 75 Soldiers are funded annually to obtain their Bachelor of Science Degree in Nursing.

The last AC recruiting initiative we want to highlight is the accession bonus. Money is programmed through fiscal year 2008 to implement this plan. The current accession bonus is \$15,000. The proposed increase is \$5,000 per year through fiscal year 2008. With these targeted increases, USAREC believes we will become comparable to the standard sign on bonus of our civilian competition.

Reserve Component accessions are a concern. Although their overall strength remains good, accession percentages have declined in the past 2 years.

While recruiting is an obvious challenge, retention is of greater concern, and much less conspicuous in nature. Unlike recruitment, the inability to retain a mid-level officer comes at a much higher expense. For the military, the loss is two-fold—a superb Soldier and a highly trained and experienced nurse.

Nurses have continually answered the call to service and it is critical that we develop appropriate retention strategies to ensure an adequate force structure exists to support our fighting forces. Their successful retention is a combination of financial compensation, deployment equitability, and military benefit preservation.

The critically low density area of concentration that is most severely affected by attrition is the Certified Registered Nurse Anesthetist (CRNA). CRNA actual end strength has fallen to 70 percent. With the support of Lieutenant General Kiley, The Army Surgeon General, Health Affairs and the Army, the ANC was successful in implementing a major restructuring of the Incentive Specialty Pay (ISP) program for CRNAs that addressed two issues important to this population. First, it provided the first increase in ISP in nearly 10 years to officers fulfilling their initial Active Duty Service Obligation (ADSO). This change was central to our retention strategy as disparity in pay for this population was identified as a major source of dissatisfaction. Additionally, the revised ISP structure provided the option to receive significantly higher annual ISP payments in exchange for incrementally longer service obligations, one to 4 years, after completing their initial ADSO.

Preliminary numbers reveal that of the 116 CRNAs eligible to sign for multi-year contracts, 84 (72 percent) have done so. The information suggests a positive correlation and retention of other nursing specialties may require ISP programs. Our next specialty concerns are the operating room, intensive care unit (ICU), and emergency room (ER) nurses who are in high demand both in the Army and the civilian healthcare market.

Financial compensation is also a retention initiative for our government service employees. Several civilian personnel initiatives are focused on alleviating government nursing shortages. Nursing has benefited from Direct Hire Authority (DHA). The time delay between finding a candidate and acceptance of a job offer was reduced from over 100 days to an average of 19 days under DHA.

Madigan Army Medical Center is participating in the first iteration of the National Security Personnel System (NSPS). This system recognizes the need to modernize the personnel system for the Department of Defense. The NSPS must significantly improve the personnel system for healthcare occupations.

One initiative that demonstrates promise is the Army Civilian Training Education Development System (ACTEDS). This program is an Army Requirements-based system that ensures development of civilians through a blending of progressive and sequential work assignments, formal training, and self-development for individuals as they progress from entry level to key positions. ACTEDS provides an orderly, systematic approach to technical, professional, and leadership training and development similar to the military system. It provides civilian employees base documents specific for career development within their chosen profession. Several ACTEDS plans are now available to government civilian nurses.

Another retention strategy currently implemented focuses on intrinsic rewards. The role of the Nursing Consultants to the Surgeon General is expanding to include input into the personnel deployment system and involvement with the officer distribution process for all critical wartime specialties. This strategy coupled with implemented policies to ensure equitable utilization of our deployment pool will assist us in the retention of highly educated professional nurses. Limiting the unknown for nurses by providing adequate notification of impending deployment and providing a predictable period of family separation should improve retention.

Walter Reed Army Medical Center has partnered with Mount Aloysius College in Cresson, Pennsylvania as part of a phased 4-year Nursing Telehealth Applications Initiative. This relationship, which provides a quality learning experience to improve the academic preparation of nurses, will assist to alleviate the critical nursing shortage.

The purpose of this study was to determine if the concept of a "Virtual Clinical Practicum TM" was a viable venue for nursing students to gain clinical skills in the absence of physically visiting clinical sites. Nursing students attending Mount Aloysius College, a rural community, have no opportunity to experience an ICU environment. Using Telehealth Technology, nursing students observed and learned about the nursing care of complicated adult medical patients and experienced an ICU clinical experience remotely. While students and faculty remained at Mount Aloysius, the nurse experts, two ANC Officers, took care of various patients in the Medical ICU at Walter Reed.

The professionalism and clinical expertise of the ANC officers was enthusiastically embraced by both the students and faculty. There are follow-on studies planned with this technology. Our commitment to address nursing education insufficiencies exemplifies ANC leadership, innovation, and new approaches to solve current problems.

Nursing research, like the Nursing Telehealth Applications Initiative, is invaluable to excellent, evidence-based nursing practice. We thank you for your dedicated funding and continued support of the TriService Nursing Research Program. Army nurses along with their Federal and civilian colleagues are dedicated to the dissemination of knowledge and improvement of professional nursing practice.

Army Nurses are conducting and participating in a number of studies specific to the care of deployed troops. Nurses at Walter Reed Army Medical Center are collaborating with their Air Force colleagues to assess aeromedical evacuation needs of war injured service members. At Brooke Army Medical Center, Army and Air Force Nurses are determining best methods to teach nurses how to care for chemical casualties and how to facilitate long term skills retention.

Nurse researchers at several locations are investigating deployment experiences of AMEDD personnel to seek information on improving quality of care for wounded service members and the emotional health of nursing personnel. Compassion fatigue of nurses who are working at our fixed facilities is another area of ongoing inquiry.

Nurses at Madigan Army Medical Center are enhancing Combat Medic skill sustainment using simulated battlefield conditions and SimMan, life-sized, computer-linked robots. This study will validate and standardize Combat Medic evaluation scenarios and template evaluator competencies.

Madigan Army Medical Center is also studying the impact of head nurse leadership on retention of junior ANC Officers. This research will provide information about essential leadership competencies and performance expectations from ANC Officers.

Nurses at Walter Reed Army Medical Center, Madigan Army Medical Center, and the Army Medical Department Center and School are coordinating the multi-site Military Nursing Outcomes Database (MilNOD) study being conducted at six Army, three Air Force, and four Navy facilities. This study is investigating the relationship of staffing to various nurse and patient outcomes. The study team continues to collaborate with the California Nursing Outcomes Coalition and the Veteran's Administration Outcomes Database Project (VANOD), building upon each other's collective experience in this unique work. The research team and collaborators, including the American Nurses' Association's National Database for Nursing Quality Improvement (NDNQI), created the National Nursing Quality Database Consortium and held an invitational methodology conference this past fall. The purpose of the conference was to learn from and work with researchers from other disciplines, who are at the cutting edge of new methods to analyze these types of data. The National Nursing Quality Database Consortium is hosting its first national conference this spring to share the knowledge gained from this collaboration with other colleagues in the nursing field.

Recognizing the benefit of nursing research departments staffed with Doctorally prepared nurse researchers conducting militarily relevant nursing research, I am pleased to announce we have opened a research department at Tripler Army Medical Center, the fourth in the Army Medical Department. These nurses are working with the Hawaii Nursing Taskforce and Queen's Medical Center on a grant submission to study the Effect of Magnet Environments on Patient and Nursing Outcomes. Other research initiatives include evidence-based practice projects to develop standards of practice for pressure ulcer prevention and preparing children for surgery. Additionally, working with Pearl Harbor Naval Base and Hickam Air Force Base clinic nurses, military nurse researchers at Tripler will utilize research findings to standardize and implement the most appropriate nursing interventions and document measurable nursing outcomes for specific inpatient and outpatient military beneficiaries.

Anesthesia students are very involved in research activities studying pain and warming techniques following surgery, and the effects of different anesthetic medication and adjunct therapies on patient outcomes. New technologies, such as piezoelectric technology, are also being studied. This technology allows a Soldiers' vital signs to be continuously monitored while being transferred from the field to a definitive care setting.

In addition to our research activities, the ANC is dedicated to Soldier training and professional military education. Preparing our Soldiers to provide relevant, competent and professional care in any environment requires a robust training program. The ANC is constantly adapting our training programs to prepare Soldiers for their primary occupational specialty and go-to-war skills.

The Department of Nursing Science (DNS) at the Army Medical Department Center and School (AMEDDC&S) is using research and lessons learned from our deployed colleagues to improve training. Among the many initiatives over the last year, trauma and burn care was incorporated into the ANC Officer Basic Course. Combat stress education was added to the Army Nurse Captains Career Course. Ethical treatment of all patients is highlighted in all of our courses. In addition, components of Warrior Ethos Training and simulation experiences are being incorporated into the program to better prepare Soldiers for combat survival. The U.S. Army School of Aviation Medicine is piloting a Joint Enroute Care Course to prepare ICU and ER Nurses and improve care for patients evacuated from the battlefield via rotary wing aircraft.

The ANC extends our appreciation and recognizes the faculty leadership of the Uniformed Services University of the Health Sciences (USUHS) for their academic achievements and initiatives. The Graduate School of Nursing has been instrumental in providing highly trained, FNPs, CRNAs, and Doctorally prepared nurses. Graduates from these programs continue to enjoy a higher than average national pass rate on certification exams. We look forward to the May graduation of their first Peri-operative Clinical Nurse Specialist Course and the addition of a Military Contingency Medicine course.

The ANC continues to move forward with initiatives to improve the best nursing organization in the world. Our research is changing nursing practice globally and the officers of the ANC are highly valued throughout the world. With the continued support of Congress, the clinical excellence, compassion, and leadership strengths of Army Nurses will ensure our military men and women receive the world's finest healthcare anywhere, anytime.

Senator STEVENS. Admiral Lescavage.

**STATEMENT OF REAR ADMIRAL NANCY J. LESCAVAGE, NAVY NURSE
CORPS, UNITED STATES NAVY**

Admiral LESCAVAGE. Good morning, Chairman Stevens, Senator Inouye, Senator Mikulski. I am Rear Admiral Nancy Lescavage, the 20th Director of the Navy Nurse Corps and Commander of the Naval Medical Education and Training Command in Bethesda, Maryland. It is indeed an honor and privilege to speak before you about our outstanding 5,000 Active and Reserve Navy nurses who continue to provide preeminent health care in all operational, humanitarian, and conventional settings. I want you to know our military and civilian nurses continue to proudly demonstrate professional excellence in promoting, protecting, and restoring the health of all entrusted to our care anytime and anywhere.

I would like to address five specific areas.

Number one, as our Surgeon General addressed, is readiness. In this area, Navy medicine's first priority, Navy nurses remarkably deliver superb medical care throughout the battlefield continuum. We have recorded over 125,000 mission days in operational and training exercises. Navy nurses have deployed this past year throughout the world to Kuwait, Iraq, Djibouti, Afghanistan, Bahrain, the Philippines, Thailand, and Guantanamo Bay. As you know, humanitarian efforts have been provided to tsunami and Haitian relief countries, as well as in our homeland in Pensacola after Hurricane Ivan.

Some examples of our readiness training are the following. Through the Navy trauma training course with LA County/University of Southern California Medical Center in Los Angeles, our Navy nurse instructors provide participants real-life exposure while integrating with the hospital's trauma staff to provide specialized care. Our nurses who are training there are part of a team of physicians and corpsmen who soon will go in harm's way. The newly established Navy EnRoute Care Corps has trained 22 Navy nurses at Camp Lejeune, North Carolina prior to their deployment to Iraq. This course includes a training pipeline involving the Air Force critical care air transport course, Navy trauma training course, and helicopter egress and water survival training. We also continue to contract with civilian trauma centers in close proximity to our medical treatment facilities for additional training and real-life experiences in trauma.

To optimize the readiness capability of our sailors and marines, we have placed nurse practitioners on board our aircraft carriers *Nimitz*, *Kennedy*, and *Enterprise*. In addition to rendering traditional episodic care on those carriers, our nurse practitioners promote wellness through post-deployment health assessments, tobacco cessation, and medical exams. A nurse practitioner with two other health care team members was recently deployed to the *Nimitz* to assist 6,000 of our sailors, who were just coming back from the Middle East, which resulted in the most efficient completion of the post-deployment health assessment evolution known to any vessel.

The second area I want to address is quality health services. In sync with Navy medicine's second priority of delivering quality and cost-effective health care, our Navy nurses span the continuum of care from promoting wellness to maintaining the patient's optimal

performance. Innovative examples include the mental health nurse outreach program with the Marine Corps School of Infantry at Camp Lejeune, the Partnership for In-Garrison Health and Readiness in Camp Pendleton, and the Nurse Managed Welcome Center at Pearl Harbor. Through a comprehensive referral network with the VA transition program, our nurse case managers are right in there assessing rehab specialists in collaboration with other specialties for our returning casualties to get the best care possible.

Other initiatives include the Nurse Run Medevac Transport Team at Bethesda and our specialized wound care clinics throughout our medical treatment facilities (MTF).

In an age of cost containment, our nurses are savvy in business planning and continuously evaluate best health care business practices. Nurses in the ambulatory care setting have implemented clinical business rules and performance goals to guide their daily practice. Disease management programs for asthma, diabetes, breast cancer, and cardiac care have improved the patient screening rates. They have recaptured network costs and they have maximized provider productivity and guaranteed exceptional continuity of care, which is what it is all about.

To enhance our quality of care, a sample of research topics includes clinical knowledge development from care of the wounded during Operation Iraqi Freedom, retention of recalled Nurse Corps Reservists, the effects of oxidative stress on pulmonary injury in our Navy divers, and factors associated with post partum fatigue in our Active duty women in the military. Several of these studies are funded by the TriService Nursing Research Program, which fosters military nursing excellence and promotes collaboration between not only military nurse researchers but with academia as well.

In support of One Navy Medicine concept, which Admiral Arthur spoke to, the integration of our Active, Reserve, and civilian nurses renders a more efficient, effective, and fully mission-ready nursing force. With the deployment of over 400 of our Active duty Navy nurses, along with the mobilization of our reserve Navy nurses to support our military treatment facilities, there has been neither a reduction of inpatient bed capacity nor an increase of disengagements to the network.

Together, as an example, we have also optimized joint training opportunities such as the chem-bio-radiological Defense training program between Navy Health Care New England, the Rhode Island National Guard and the marines at their local Reserve center. In addition, while our Active duty nurses attend the EnRoute Care course, our Reserve nurse officers participated in a pilot program of the Joint EnRoute Care course in the U.S. Army School of Aviation at Fort Rucker.

Never have opportunities been greater for all of our corps to be in executive positions. To meet the mission in all care environments through Navy medicine's fourth priority of shaping our force, it is critical we specifically shape Navy nursing with the right number of nurses with the right education and training in the right assignments at the right time. Our Active duty component is presently 96 percent manned, with 2,979 of our almost 3,100 positions filled. However, for the first time in over 10 years, we only attained

68 percent of our fiscal year 2004 Active duty recruitment goal, acquiring 63 out of 92 nurses.

Of note, though, we recently increased our nurse accession bonus to \$15,000 to be competitive with the other services. In addition, since the inception of the Nurse Candidate Program, this is the first year we were able to essentially double the accession bonus from \$5,000 to \$10,000 and their monthly stipends doubled as well from \$500 to \$1,000.

Regarding our Reserve recruiting goal, we may experience challenges in attaining specific specialties. Of particular note, the hospital corpsmen professional development option was initiated last year for Reserves as part of a 3-year pilot program. In this scenario, our Reservists are provided drill credits while attending a bachelor of science in nursing curriculum. This upward mobility program will serve as an accession source for junior Nurse Corps officers.

We also, in five of our military treatment facilities, are doing a pilot program where nurses are paid similar to VA nurses for on-call, holiday, weekend, and shift differential, and that is registered nurses (RNs) and in the future our licensed practical nurses (LPNs).

Promoting retention, we have several initiatives to retain our talented professional nursing force. Our graduate education scholarship program is our number one retention tool. We give about 90 of those scholarships every year. We carefully identify our graduate education programs and we are trying to take the specialties that are most used in wartime and train to them. We strongly support our nurses to attend USUHS.

Another significant first-time accomplishment. We were able to increase the certified registered nurse anesthetist incentive special pay to a multiyear contract this year. As part of a 1-year pilot program, we also have initiated special pays similar to the VA hospitals, as stated. After 1 year, we will evaluate these programs to see what that does for our retention and increasing salaries.

To maximize our joint medical capabilities, as our final priority, we collaborate and integrate with the other services, as well as with local, State, and Federal agencies. As nurses function in significant roles in homeland security within Navy medicine, we also participate in joint programs for chemical and biological defense, and in many of our treatment facilities, nurses are at the forefront for emergency preparedness.

In conclusion, the Navy Nurse Corps has been consistently dynamic in this ever-changing world. Our Navy nurses are using the latest technology, as you well know. We are conducting cutting-edge research and creating health policies across military medicine to advance our practice and improve all of our delivery systems.

It has been an honor to serve as the 20th Director of the Navy Nurse Corps. I am very proud of our distinguished corps and of our great history. The Nurse Corps this Friday on May 13 turns 97 years old. As I move on to a new assignment as Director of TRICARE Regional Office West in San Diego, I remain committed to the Navy Nurse Corps, our great Navy, and the Marine Corps team, and the Department of Defense. Like many of our Navy nurses and my professional colleagues who function in pivotal exec-

utive roles, I will continue to support our efforts to impact legislation, health care policy, and medical delivery systems. I hand the Navy Nurse Corps over to the very capable leadership of my successor, Rear Admiral (Select) Christine Bruzek-Kohler.

My greatest gift every day lies in working with the fine officers and civilians who support our military and in collaborating with my splendid colleagues, not only in the armed forces, but across academia and in our Federal and international governments. I want you to know we give our best always to the heroes, past and present, who keep this country free and our best to their families who support them so well.

Thank you. As always, we appreciate your great support.

Senator STEVENS. Thank you, Admiral.

Admiral LESCAVAGE. You are welcome, Senator.

[The statement follows:]Lescavage.txt

PREPARED STATEMENT OF REAR ADMIRAL NANCY J. LESCAVAGE

Good morning, Chairman Stevens, Senator Inouye and distinguished members of the Committee. I am Rear Admiral Nancy Lescavage, the 20th Director of the Navy Nurse Corps and Commander of the Naval Medical Education and Training Command. It is indeed an honor and privilege to speak before you about our outstanding 5,000 Active and Reserve Navy Nurses who continue to provide preeminent health care in all operational, humanitarian and conventional settings.

As key members of the Navy Medicine team, our military and civilian nurses proudly demonstrate operational readiness and personal excellence in promoting, protecting and restoring the health of all entrusted to our care anytime, anywhere. Aligned with our Surgeon General's five priorities, we continuously monitor our capabilities and embrace innovations to meet challenges head-on during these rapidly changing times. I will address each priority and illustrate how Navy Nursing meets our unique dual mission in the support and protection of our operational forces, while at the same time providing health care to family members and retirees.

READINESS

In the area of readiness, Navy Medicine's first priority, Navy Nurses continue to readily adapt and remarkably deliver superb medical care throughout the battlefield continuum in support of our operational and humanitarian mission via Surgical Companies, Surgical Teams, Shock Trauma Platoons, the Forward Resuscitative System, Fleet Hospitals, Expeditionary Medical Facilities, on Navy and Hospital Ships, and our Military Treatment Facilities at home and abroad. In addition to the services provided by our nurses assigned to operational billets, we have recorded more than 125,000 mission days in operational and training exercises. Operational platform and intensive trauma training formulate the framework for our nurses to capably provide immediate and emergent interventions and perform safely in any situation or austere environment.

In meeting our mission requirements, we continuously shape our Force Structure with emphasis on critical care, emergency, trauma, perioperative, medical-surgical, anesthesia and mental health nursing specialties. Navy Nurses have deployed this past year throughout the world to Kuwait, Iraq, Djibouti, Afghanistan, Bahrain, the Philippines, Thailand and Guantanamo Bay, Cuba. Humanitarian efforts have been provided to Tsunami and Haitian relief countries, as well as Pensacola after Hurricane Ivan. Together with our Canadian and British active and reserve colleagues, we have also been involved in several large combined joint task force exercises. To achieve all of this and more, our mobilized Reserve Nurses have spectacularly integrated with our military and civilian staff and have dedicated themselves to providing exceptional care to our service members and beneficiaries on the homefront.

To enhance our mission-ready capabilities, joint training opportunities have been maximized with our military and civilian medical communities which involves hands-on skills training, the use of innovative state-of-the-art equipment, and the proliferation of web-based programs for multi-system trauma casualties. Through the Navy Trauma Training Course (NTTC) with the LA County/University of Southern California Medical Center in Los Angeles, Navy Nurse instructors provide participants "real life" exposure while integrating with the hospital's trauma staff to provide specialized care. Our 46 nurses who rotated through the program this past

year have stated that they were better prepared to treat our trauma casualties. The newly established Navy EnRoute Care Course recently trained 22 Navy Nurses at Camp Lejeune, North Carolina, prior to deploying them to Iraq. This course includes a training pipeline involving the Air Force Critical Care Air Transport Course, Navy Trauma Training Course, and Helicopter Egress/Water Survival training. This highly specialized care is essential to our Forward Resuscitative Surgery System in order to transport and provide required medical care to patients who are at risk of sudden, life threatening changes prior to their transport to a higher echelon level of care. Through the Tri-service Combat Casualty Course, our nurses train in simulated combat conditions. For specific nursing specialty needs, the Services have supported each other. One fine example is the coordination of intensive care unit training with Landstuhl Medical Center for our nurses in Naples, Italy. We also continue to contract with civilian trauma centers in close proximity to our Military Treatment Facilities for didactic training and "hands-on" care. In addition, our Nurse Internship Programs at several of our teaching facilities continue to facilitate the transition of our new nurses into the Navy.

To optimize the readiness capability of our Sailors and Marines, we have placed nurse practitioners onboard the aircraft carriers NIMITZ, KENNEDY, and ENTERPRISE. In addition to rendering traditional episodic care, they promote wellness through post-deployment health assessments, tobacco cessation, and medical exams. Additionally, the nurse practitioners conduct medical training (e.g. Basic Life Support and Deckplate Health Promotion Courses). They also update medical supplies, equipment and practice guidelines while underway. A nurse practitioner with two other health care team members was deployed to the aircraft carrier NIMITZ to assist 6,000 sailors returning from Iraq, resulting in the most efficient completion of the Post Deployment Health Assessment Evolution of any vessel as hallmarked by the Commander of the Naval Air Force, United States Pacific Fleet.

QUALITY HEALTH SERVICES

In sync with Navy Medicine's second priority of delivering quality and cost-effective health care, our Navy Nurses span the continuum of care from promoting wellness to maintaining the optimal performance of the entire patient.

Innovative health services programs and joint partnerships across our military treatment facilities help us to maintain a readiness focus for our patient population. Examples include the Mental Health Nurse Outreach Program with the Marine Corps School of Infantry at Camp Lejeune; the Partnership for In-Garrison Health and Readiness in Camp Pendleton; and the Nurse-Managed Welcome Center at Pearl Harbor, Hawaii. Nurses in the Case Management Department at the National Naval Medical Center have programs supporting the continuum of care for our returning casualties. Through a comprehensive referral network with the Veteran Affairs' Transition Program, our nurses can access collaboratively-developed clinical practice models such as traumatic brain injury and post traumatic stress guidelines. They additionally utilize rehabilitation specialists and are now able to identify the best available health care while the patient is on convalescent leave or is between rehabilitation stays. There are many other military member initiatives, such as the Nurse Run Medevac Transport Team at Bethesda, Maryland that cares for returning casualties. We have specialized Wound Care Clinics throughout our military treatment facilities and we, now more than ever, utilize our mental health nurses.

The Nurse Call Center at Jacksonville, Florida is the benchmark for other military treatment facilities and provides 24/7 triage and advice coverage, emergency room follow-up calls, and a direct link to the patient's primary care manager or specialist. Disease Management Programs for asthma, diabetes, breast cancer, and cardiac care have improved screening rates; recaptured network costs; maximized provider productivity; and guarantee exceptional continuity of care at Patuxent River, San Diego, and Cherry Point. Other innovative programs include the Health Lifestyle Choice Program for children and teens at San Diego and the Post Partum Clinics in Bremerton, Pensacola, Guam, Twenty-Nine Palms, and Yokosuka. In concert with the Armed Forces Center for Child Protection, the Shaken Baby Syndrome Prevention Program is now being piloted at six of our hospitals with additional emphasis on parent training.

In an age of cost containment while promoting high quality of patient care, it is essential that nurses are trained in business planning and continuously evaluate best health care business practices. For example, one of our nurses developed a survey to evaluate disease (asthma and diabetes) and condition management measures as part of a Navy-wide "Disease and Condition Management Report Card" which is comprised of clinical and financial metrics. At Bethesda, nurses in the ambulatory care setting have implemented clinic business rules and performance goals to guide

daily practice. At Naval Hospital Jacksonville and the Naval Medical Center Portsmouth, nurses have collaboratively developed an electronic patient tracking system which integrates the Emergency Department with Ancillary Services. Through the use of information technology, patient status and movement within the facility are closely monitored; clinical data is more expeditiously recalled; and personnel resources can be adjusted for well-justified reasons.

Research priorities are focused on workforce retention, clinical practice, deployment experiences, outcomes management, and the gaining of specific competencies. A sample of research topics includes: clinical knowledge development from care of the wounded during Operation Iraqi Freedom; the perinatal depression screening program; retention of recalled Navy Nurse Corps Reservists; the effects of oxidative stress on pulmonary injury in Navy divers; retention criteria for military health system nurses; and factors associated with post partum fatigue in Active Duty military women. Several of these studies are funded by the TriService Nursing Research Program, which fosters military nursing excellence and promotes collaboration between not only military nurse researchers but with academia as well.

Our nursing research has been disseminated through countless professional forums worldwide, such as at distinguished conferences sponsored by the National Nursing Honor Society Sigma Theta Tau, the Association of Military Surgeons of the United States (AMSUS), TRICARE, Royal College of Nursing of the United Kingdom, and the Micronesian Medical Symposium. Numerous publications by Navy Nurses can be found in prestigious professional journals, such as the *Journal of Trauma*, *Critical Care Nurse*, *Journal of the American Association of Nurse Anesthetists*, *Military Medicine*, *Geriatric Nursing* and many more. In addition, many of our nurses have received esteemed awards at University Annual Research Day presentations, as well as at the Phyllis J. Verhonick Army Research Conference which acknowledged a joint service study called, "A TriService Integrated Approach to Evidence Based Practice."

ONE NAVY MEDICINE

In support of the One Navy Medicine concept as a third priority, the integration of active, reserve and civilian nurses renders a more effective, efficient and fully mission-ready nursing force both at home and abroad. With the deployment of over 400 Active Duty Navy Nurses along with the mobilization of Reserve Nurses to support our Military Treatment Facilities, there has been neither a reduction of inpatient bed capacity nor an increase of network disengagements.

Together, we have also optimized joint training opportunities, such as the Chemical, Biological and Radiological Defense (CTR-D) Program training between the New England Naval Health Care Ambulatory Clinics, the Rhode Island Air National Guard, and the Marines at their local Reserve Center. Expert instructors deliver both classroom and confidence chamber training, including exercises involving the use of gas masks and chemical suits. While our Active Duty Nurses attend the Navy EnRoute Care Course, our Reserve Nurse Corps Officers recently participated in a pilot program of the Joint Medical EnRoute Care Course at the U.S Army School of Aviation Medicine at Fort Rucker, Alabama. This program combines medical skills and rotary wing training to create a cadre of joint service, multidisciplinary team members to provide an advance level of care during transport.

SHAPING TOMORROW'S FORCE

To meet the mission in all care environments through Navy Medicine's fourth priority of shaping tomorrow's force, it is critical that we continuously focus on our human capital strategy. Our goal here is to specifically shape Navy Nursing with the right number of nurses with the right training in the right assignments at the right time, and become the premier employer of choice for active, reserve and civilian nurses. We accomplish this through several interdependent processes. With nurse executive leadership, we have identified specific nursing specialties for each deployable assignment to meet operational requirements. Personnel with the right clinical expertise are assigned to deployable platforms. When not deployed, these nurses serve in our Military Treatment Facilities to meet our peacetime mission. We carefully identify graduate education programs that best meet our specific requirements, such as our wartime specialties in critical care, emergency, trauma, perioperative, anesthesia, medical-surgical and mental health. Finally, while closely monitoring the national nursing shortage, we continue to pursue available authorities to recruit and retain our exceptionally talented nurses.

Our Active Duty component is presently 96 percent manned with 2,979 of our 3,094 positions filled. As a result, our recruitment efforts are focused on maintaining adequate staffing to continue to meet our mission, particularly in our critical war-

time specialties. Our pipeline scholarship programs help contain our annual recruiting goals. However, for the first time in over 10 years, we only attained 68 percent of our fiscal year 2004 Active Duty recruitment goal, acquiring 63 out of 92 nurses. We recently met with success in increasing our Nurse Accession Bonus to \$15,000; we continue to maintain our presence at national nursing conferences and tap Navy Nurses at all levels to market our career opportunities to their professional associations. Since the inception of the Nurse Candidate Program, this is the first year we have essentially doubled the Accession Bonus from \$5,000 to \$10,000 and the monthly stipend from \$500 to \$1,000.

Regarding our reserve recruiting goal, we may experience challenges in attaining our specific specialty in some areas. Of particular note, the Hospital Corpsman/Dental Technician Professional Development Option was initiated last year for the Reserves as part of a 3-year pilot program. Reservists are being provided drill credits while attending a Bachelor of Science in Nursing curriculum. This upward mobility program will serve as an accession source for junior Nurse Corps Officers.

Promoting retention, we have several initiatives to retain our talented professional nursing force. As mentioned earlier, our graduate education scholarship program is a primary motivator for recruitment and our number one retention tool. Within our education plan, we strongly support nurses who choose to attend the Graduate School of Nursing at the Uniformed Services University of Health Sciences. At present we have sixteen students in the Nurse Anesthesia, Family Nurse Practitioner, Perioperative Clinical Nurse Specialist, and Doctoral Programs with an additional eleven students slated to begin in the coming academic year. As we continue to collaborate and identify our mission requirements, the faculty leadership has refined their curricula to meet our needs. Two classic examples include the development of the Military Contingency Medicine/Bushmaster Program to optimize mission readiness and the focus of research efforts towards relevant military nursing topics.

Another significant first-time accomplishment to assist in our retention efforts, we were able to increase the Certified Registered Nurse Anesthetist Incentive Special Pay or ISP to a multi-year contract program. For all Nurses, we continue to focus on quality of professional life by granting appropriate scopes of practice and giving them challenging leadership positions.

To recruit civil service nurses, we continue to use Special Hire Authority to expeditiously hire nurses into the federal system. We sometimes can supplement these new hires with recruitment, retention and/or relocation bonuses depending on staffing requirements and available funds. As part of a 1-year pilot program, we have initiated Special Pays for registered nurses at five of our Military Treatment Facilities for such things as on-call, weekend, holiday, and shift differential with increased compensations. We will soon pilot the program for Licensed Vocational Nurses at the same sites. After 1 year, we will evaluate the effectiveness of these programs in retaining these clinical experts.

JOINT MEDICAL CAPABILITIES

In continuously shaping our human capital work force of nurses, we are better able to collaborate and integrate with the other Services, as well as local, state and federal agencies to maximize our joint medical capabilities within our final priority of working jointly. Nurses now function in significant roles in Homeland Security within Navy Medicine by developing policy, plans and a concept of operations and then managing programs that focus on the security of our customers and our bases. The challenges of today have created a need to evolve the nursing role into a greater perspective that crosses the joint service and interagency world at all levels. As one example, a Navy Nurse is one of two medical representatives working with the Joint Program Executive Office for Chemical and Biological Defense to assess and analyze installations to identify appropriate levels of CBRN (chemical, biological, radiological, nuclear) equipment distribution and support for 59 Navy installations. Nurses at Bethesda, Maryland have been at the forefront with the first collaborative emergency preparedness exercise involving military, federal and civilian health care facilities in the National Capitol Region. In addition, in many of our Military Treatment Facilities, nurses are assigned disaster preparedness and homeland security responsibilities. Noted for our clinical expertise, operational experiences and solid leadership qualities, I can assure you that our Navy Nurses are collaborating at all levels.

CONCLUSION

The Navy Nurse Corps has been consistently dynamic in this ever-changing world, remaining versatile as visionary leaders, innovative change agents and clin-

ical experts in all settings. Our Navy Nurses are at the forefront using the latest technology in the operational setting and in our Military Treatment Facilities; conducting cutting edge research; performing as independent practitioners; and creating health care policies across Military Medicine to advance nursing practice and to improve delivery systems.

I appreciate the opportunity to share the accomplishments and issues that face Navy Nursing. It has been an honor to serve as the 20th Director of the Navy Nurse Corps. I am very proud of our distinguished Corps and of our great history. As I move on to a new assignment as Director of TRICARE Region West in San Diego, I remain committed to the Navy Nurse Corps, our great Navy and Marine Corps Team, and the Department of Defense. Like many of our other Navy Nurses and my professional colleagues who function in pivotal executive roles, I will continue to support our efforts to impact legislation, health care policy and medical delivery systems. I hand the Navy Nurse Corps over to the very capable leadership of my successor, Rear Admiral (Select) Christine Bruzek-Kohler.

My greatest gift everyday lies in working with these fine Officers and Civilians and in collaborating with my splendid colleagues across the services, across academia and in our federal and international governments. I want you to know we give our best always to those heroes and families who keep this country free. There is no greater honor than to serve. Thank you.

Senator STEVENS. General Brannon.

**STATEMENT OF MAJOR GENERAL BARBARA C. BRANNON, ASSISTANT
AIR FORCE SURGEON GENERAL FOR NURSING SERVICES, DE-
PARTMENT OF THE AIR FORCE**

General BRANNON. Chairman Stevens, Senator Inouye, and Senator Mikulski, I am delighted to once again represent your Air Force nursing team. This year marks my sixth report to you, and it is amazing how quickly the years pass by.

Our Air Force Medical Service has persevered in providing outstanding health care in a very dangerous world. Air Force nurses and aerospace medical technicians are trained, equipped, and ready to deploy anywhere anytime at our Nation's call. It has been an honor to care for so many heroes.

In support of Operations Enduring Freedom and Iraqi Freedom, 2,160 Air Force nurses and technicians deployed this past year. Our aeromedical evacuation (AE) system has proven to be the critical link in the chain of care from battlefield to home station.

In 2004, Air Force nursing AE crews completed 2,866 missions supporting 28,689 patient movement requests around the world. Critical care air transport teams (CCATT) were used in 486 of the AE operations.

CRITICAL CARE AIR TRANSPORTATION TEAMS

The synergy of combining our AE crews with these critical care air transportation teams has enabled us to transport more critically ill patients than ever before. Additionally, advances in technology and in pain management have greatly enhanced patient comfort and patient safety.

SPECIALTY PROVIDERS

The success of deployed medical care depends on having specialty providers available when needed. Certified registered nurse anesthetists fulfilled 100 percent of their deployment taskings, plus 47 percent of the anesthesiologist taskings. They have ably met all mission requirements and patient care needs.

Lieutenant Colonel Bonnie Mack and Major Virginia Johnson deployed to Tallil Air Base in Iraq as the only anesthesia providers

for 20,000 United States and coalition forces. On one occasion Colonel Mack and Major Greg Lowe provided 24 hours of anesthesia for six Italian soldiers who were severely wounded in a terrorist bombing. These men survived only because expert anesthesia and emergency surgery was close at hand.

Air Force mental health nurses have also played an important role in caring for our wounded and for our health care teams. Sixteen mental health nurses were deployed to the Ramstein Air Base contingency air staging facility to support patients from all services. They provide early intervention to ameliorate long-term emotional effects and in some cases even facilitate return to duty in theater. We recently incorporated mental health nurse practitioners into our provider teams, and they can also substitute for psychiatrists and psychologists in the deployed setting.

332ND EXPEDITIONARY MEDICAL GROUP

Our largest group of Air Force medical "boots on the ground" is at the 332nd Expeditionary Medical Group at Balad, which transitioned from Army to Air Force staffing last September. Its multinational team currently includes 148 Active duty Air Force nursing personnel, and they have many stories to tell. They provided lifesaving surgery for a 65-year-old Iraqi woman who triggered an explosive device as she answered her front door. Her daughter was a translator for the U.S. forces. They cared for the wife of an Iraqi policeman and her two children, all badly burned, when a grenade was thrown into their home. Since September, this team has supported 10 mass casualties, 3,800 patient visits, and 1,550 surgeries.

Air Force nurses are outstanding commanders in both the expeditionary environment and at home station. This past year, 3 nurses have deployed as commanders of expeditionary medical units, and at home there are 16 nurses commanding Air Force medical groups, 45 nurses command squadrons and 1, Colonel Laura Alvarado, is serving as a Vice Wing Commander.

The nurse shortage does continue to pose an enormous challenge and we need to maintain robust recruiting to sustain our Nurse Corps. This year we have brought 110 new nurses on to Active duty, which is slightly more than at this same point last year.

NURSE RETENTION

Retention, of course, is the other key dimension of force sustainment, and while monetary incentives play the key role in recruiting, quality of life issues become important as career decisions are being made. We continue to enjoy excellent retention in the Air Force and we ended fiscal year 2004 close to our authorized end strength.

In 2004, the services were directed to identify non-wartime essential positions for conversion to civilian jobs. Initially we targeted almost 400 nursing positions for conversion over the next 3 years, primarily in our outpatient areas. This allows us to concentrate our Active duty nursing personnel in areas that will sustain their wartime skills. As force shaping continues, we will identify additional positions, but recognize that the nursing shortage may present hiring challenges.

TRISERVICE NURSING RESEARCH PROGRAM

The TriService Nursing Research program continues to support major contributions to the science of nursing. This year 25 Air Force nurses are engaged in studies covering topics from expeditionary clinical practice to retention. For example, Reserve nurse Colonel Candace Ross is the principal investigator for a study on the impact of deployment on military nurse retention. Her findings should provide a road map for more effective retention strategies.

The Graduate School of Nursing at the Uniformed Services University is very responsive to developing programs to meet our military nursing requirements. The school graduates its first class of perioperative clinical nurse specialists in May and the inaugural Ph.D. class will complete its very successful second year. Our certified registered nurse anesthetists (CRNAs) program at USUHS continues to graduate top-notch providers who score well above the national average on their certification exam. In 2004, 9 out of the 13 graduates earned a perfect score on the examination. This program is also unique in that it provides hands-on experience in field anesthesia.

PREPARED STATEMENT

Mr. Chairman and distinguished members of the subcommittee, it has certainly been a tremendous honor to serve our Nation and to lead the more than 19,000 men and women of our Active, Guard, and Reserve total Air Force nursing force. I have increasingly treasured your support and your advocacy during this very challenging time for nursing and for our Nation.

Thank you for inviting me once again to tell our Air Force nursing story. No one comes close.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL BARBARA C. BRANNON

Mr. Chairman and distinguished members of the committee, it is an honor and great privilege to again represent your Air Force nursing team. This year marks my sixth report to you and I am amazed how quickly the years pass by. It has been an honor to support and care for so many heroes—military men and women ready to sacrifice their lives for the cause of freedom, national security and a safer world.

Our Air Force Medical Service has persevered in providing outstanding healthcare in a very dangerous world. Terrorist organizations continue to challenge our peace and security and natural disasters have taken a huge toll in death and devastation. Air Force Nurses and Aerospace Medical Technicians are trained, equipped and ready to respond anytime, anywhere at our nation's call.

EXPEDITIONARY NURSING

In support of Operations ENDURING FREEDOM and IRAQI FREEDOM, 2,160 nurses, and technicians deployed this past year as members of 10 Expeditionary Medical Support Units, two Contingency Aeromedical Staging Facilities (CASF), and five Aeromedical Evacuation (AE) locations. Three nurses commanded expeditionary medical facilities and provided outstanding leadership. Today, Air Force nursing personnel are serving in a large theater hospital in Balad, smaller hospitals at Kirkuk and Baghdad International Airport, and in other deployed locations.

The 332nd Expeditionary Medical Group at Balad is currently home to 70 nurses, 6 licensed practical nurses and 99 medical technicians. This multi-national group includes 148 nursing personnel from the Air Force active duty team. During this current rotation, they have already supported 3,800 patient visits with 1,600 hospital admissions and 1,550 surgeries. Some patients with massive trauma require surgical teams that include up to seven different surgical specialties simultaneously. They have responded to at least 10 mass casualty surges and have many stories to

tell. They provided lifesaving surgery and cared for a 65-year-old Iraqi woman who triggered an explosive device when she answered her front door. Her daughter was a translator for U.S. Forces. They cared for a young mother, her two-year old child, and her two-month old baby, all badly burned when a grenade was thrown into their home. Her husband is an Iraqi policeman. The team in Balad is our largest group of Air Force medical "boots on the ground," providing life-saving surgery, intensive care and preparation for aeromedical evacuation.

I have had the opportunity to watch our tremendous Air Force nursing team in action as they provide world-class healthcare to wounded soldiers, sailors, marines and airmen. Military medics are saving the lives of people with injuries that would have been fatal in other wars. During World War I, 8.1 percent of the wounded died of their wounds. Today, lifesaving medical capability is closer to the battlefield than ever before, and in Iraq only 1.4 percent of the wounded have died.

Aeromedical Evacuation has proven to be the critical link in the chain of care from the battlefield to home station. The availability of aircraft for patient movement is fundamental to the Aeromedical Evacuation system. Patient support pallets and additional C-17 litter stanchions have increased the number of airframes that can be used for aeromedical evacuation.

In 2004, our Air Force nursing AE crews have flown 2,866 missions supporting 28,689 patient movement requests around the world. The majority of our AE missions are crewed by members of the Air National Guard and Air Force Reserve; it is a seamless, total nursing force capability.

The synergy of combining aeromedical evacuation crews with critical care air transport teams (CCATT), additional high-technology equipment, advances in pain management and more extensive crew training has enabled us to transport more critically-ill patients than ever before. In 2004, CCATT teams were used in 486 patient movement operations. For example, Major Gregory Smith from Wright-Patterson Air Force Base was deployed as the nurse on a three-person CCATT. The team cared for nine casualties who required intensive care and were wounded during the Battle for Fallujah. Six of these patients had lifesaving surgery within six hours of injury and were evacuated from the field hospital within 48 hours of injury. Eight of the nine patients required mechanical ventilation during the flight. CCATT capability makes early air transport possible, reducing the requirement for in-theater beds and delivering injured troops to definitive care within hours rather than days.

There are many, many examples of the tremendous capability and endurance of the AE crews. In one instance, Major Marianne Korn, a reserve flight nurse from the 452nd Aeromedical Evacuation Squadron, March Air Force Reserve Base, and her AE crew transported 82 patients from Ramstein Air Base to Andrews Air Force Base in response to Operation PHANTOM FURY. Overall, during this time the squadron surged to support a 35 percent mission increase and transported more than 1,400 patients between the CENTCOM, EUCOM and NORTHCOM theaters.

Another integral part of the aeromedical evacuation system is the Aeromedical Staging Facility (ASF) that serves as both an inpatient nursing unit and passenger terminal for patients in transit. They are staffed primarily by nursing personnel from the reserve, guard and active component of the Air Force. The level of activity is tied closely to the intensity of the conflict. ASF nurse Lieutenant Karen Johnson and her team cared for 296 patients from 13 separate missions within a three-day period following fierce fighting in Operation PHANTOM FURY.

About that same time, Colonel Art Nilsen, Chief Nurse of the Air Force Squadron at Landstuhl Regional Medical Center, wrote to me and highlighted the tremendous accomplishments of the Army and Air Force team working together in that hospital. He invited me to visit and, in early December, barely three weeks later, I landed at Ramstein Air Base in Germany. My first stop was the 435th CASF at Ramstein, celebrating its first anniversary. Major Todd Miller, Chief Nurse, shared the amazing successes of the CASF over the past year. Deployed personnel have staffed the CASF on a rotational basis; a total of 391 nursing personnel from 55 Air National Guard, Air Force Reserve and active duty units. The team cares for every patient that transits Ramstein, a total of more than 22,000 in 2004. In the CASF, an empty bed is a welcome sight and means another patient is a step closer to home.

It was already dark when I went out to the aircraft with the CASF team. I had a chance to talk with each patient as they were transferred from the aircraft to the waiting ambulance bus. It had been a long and uncomfortable flight, but it was obvious that they had been well cared for and were anxious to continue their journey home. Many talked about the wonderful medical care they had received and gave special praise to the Air Force team at the theater hospital at Balad Air Base and to the AE crews.

I met many of these young men again when I visited Landstuhl Regional Medical Center. My visit was shortly after the battles in Fallujah, and the hospital and AE

system were at surge capacity, as busy as in the early months of war. I will never forget the wounded marines and soldiers at Landstuhl. I was humbled by their acts of courage, their unwavering loyalty and sense of duty to their buddies. The nursing team on the units looked tired but energized. Everyone was working long hours and extra days. But when word came that an aircraft was arriving from Iraq, they came in to help—on days off and even after finishing a long shift. Many said they thought this would be the sentinel experience of their lives and careers. Those who had worked in large civilian trauma centers said they had never before cared for patients with injuries as severe.

Two days later, I was headed home on a C-17 with eighteen litter patients, another twenty who were ambulatory and an AE crew from the 315th Reserve Squadron at Charleston, SC and the 94th Reserve Squadron at Dobbins, GA. The medical crew director was Major Joyce Rosenstrom, a reserve nurse with the 315th. There was also a critically wounded marine on board who was accompanied by an active duty CCATT from the medical center at Keesler Air Force Base, MS., led by pulmonologist, Col Bradley Rust. The other team members were critical care nurse, Capt Erskine Cook and cardio-pulmonary technician SrA Laarni San-Agustin. The ten-hour flight was relatively uneventful with the medics working non-stop to ensure each patient received great care with particular attention to pain management. At the Andrews Air Force Base flight line, medical personnel from the Air Force hospital, Walter Reed Army Medical Center and Bethesda Naval Medical Center transferred patients to waiting ambulance buses. The patients' journey from the battlefield back to the United States was complete.

The success of deployed medical care depends on having specialty providers available when needed. Anesthesiologists are key members of surgical teams, but significant shortages on active duty have left gaps on deployment packages. Certified Registered Nurse Anesthetists (CRNAs) have filled deployment requirements for anesthesia providers forty-seven percent of the time and have ably met all mission and patient care requirements.

Lieutenant Colonel Bonnie Mack and Major Virginia Johnson are CRNAs deployed to Tallil Air Base in Iraq as the only anesthesia providers for over 20,000 U.S. and coalition forces, and civilian contract personnel. During their deployment, a terrorist bomb ignited an Italian police compound just 10 kilometers from their facility. Colonel Mack and Major Greg Lowe provided anesthesia during the surgeries of six severely wounded Italian soldiers, working continuously for almost 24 hours. These men survived because emergency surgical intervention and anesthesia were there to support them.

During her deployment, Colonel Mack also served on a Critical Care Expedient Recovery Team assembled at Tallil to provide medical care on combat search and rescue missions when a para-rescue team is not available. Their role is to provide care during transport of recovered crew members to a medical facility. A mission can take the team into dangerous territory, but she willingly volunteered. In her words "it is a great honor to be involved in the safe return of even one airman." Her team flew training missions and launched in response to a bombing in Karbala, but fortunately did not have to respond to a downed airman.

Major Delia Zorrilla, a perioperative nurse, was awarded the Bronze Star in recognition of her tremendous service while deployed to Manas Air Base, Kyrgyzstan in support of Operation MOUNTAIN STORM. She served as the Chief Nurse of the facility and established a resupply system that ensured critical surgical supplies were available 24/7.

Our mental health nurses have played an important role in caring for patients during Operation IRAQI FREEDOM and Operation ENDURING FREEDOM. Sixteen mental health nurses deployed to Ramstein Air Base to support Army troops returning from Iraq. They first interact with patients in the CASF and screen for Post-Traumatic Stress Disorder. They also provide patient education and strategies for coping with emotional distress and life-altering injury. Having this capability far forward enables early intervention and can ameliorate long-term emotional effects and, in some cases, even facilitate return to duty in theater.

In the last sixteen months we have recognized the importance of mental health nurse practitioners and inserted the capability into deployment packages. They can also substitute for psychiatrists and psychologists in the deployed setting. We currently have five working in our facilities and five more will begin their practitioner programs this summer.

In addition to providing service in Operation IRAQI FREEDOM, Air Force Nursing supports humanitarian relief around the world. Lieutenant Colonel Diana Atwell from Beale Air Force Base, CA led a team of 14 Air Force and 30 Salvadorian military and Ministry of Health medics in a humanitarian mission to San Salvador. The team planned and set up healthcare at five sites in impoverished districts with-

in the city. They provided primary care, internal medicine, pediatric, optometry and dental services to more than 8,000 patients. Patients lined up for hours and more than 11,000 patient care services were provided, double what the team had anticipated. General Carlos Soto Hernandez, military Chief of Staff, visited one of the sites and praised them for their dedication and commitment.

In another humanitarian effort, Major Tina Cueller, a reservist and Professor at the University of Texas, launched an initiative to assist Iraqi nurses. During her annual tour at Ramstein AB, Maj Cueller learned that over the years, looting in Iraq had stripped nursing schools of all textbooks. When she returned to the University of Texas, she arranged a book drive, collecting over 3,000 nursing textbooks. They were delivered through the aerovac system from Lackland AFB, Texas, to Ramstein Air Base Germany, to their final destination, Kuwait City. Major Cheryl Allen, an Army nurse, received the books in Kuwait and forwarded them to Baghdad where Colonel Linda McHale, deployed to work with the Iraqi Ministry of Health, coordinated their distribution.

Humanitarian relief is not confined to far-away places, and the Air Force has been called to lend a hand in support of Homeland Medical Operations. Capt Ron Leczner from the 81st Aeromedical Staging Facility (ASF) at Kessler, MS coordinated the transfer of 47 local nursing home patients after the governor of Mississippi declared a mandatory evacuation of the Gulf Coast in anticipation of Hurricane Ivan. A skeleton crew at the ASF, including medical technician students, moved 41 non-ambulatory and six ambulatory geriatric patients to Keesler Medical Center during 69 mile per hour winds. The nursing home residents were returned to their facilities by ASF staff and local ambulances within 12 hours after the hurricane passed.

Skills Sustainment

Lessons learned from the field and after-action reports have led us to reevaluate clinical currency and sustainment training for our nursing personnel. Our Readiness Skills Verification Program has been refined and is web-based with embedded links to specific training materials. Units are encouraged "to think outside the box" and establish training agreements as needed with Army, Navy, VA or civilian institutions to keep their members clinically current.

Air Force nurse and medical readiness officer Major Lisa Corso from the 704th Medical Squadron at Kirtland, NM, found new ways to improve the readiness skills of her reserve unit. For their annual field training and mass casualty exercise, Major Corso invited the local Army reserve unit to participate. Both groups were part of the planning process and the Army medics had a wealth of first-hand experience from members previously deployed. They provided expert instruction on skills that were identified for refresher training. The exercise was a huge success, and both units look forward to more joint training exercises in the future.

Recruiting and Retention

The nurse shortage continues to pose an enormous challenge nationally and internationally. This year, the Bureau of Labor Statistics projected registered nursing would have the largest job growth of any occupation through the year 2012, and it is now estimated that job openings will exceed the available nurse pool by 800,000 positions. The crisis is complicated by an increasing shortage of masters and doctoral-prepared nursing faculty across the country. Although the number of enrollments in entry-level baccalaureate programs rose 10.6 percent last year, the National League for Nursing reported that more than 36,000 qualified students were turned away due to limitations in faculty, clinical sites, and classrooms. Employer competition for nurses will continue to be fierce, and nurses have many options to consider.

A robust recruiting program is essential to sustain the Nurse Corps; our fiscal year 2005 recruiting goal is 357 nurses. As of March 22, 2005, we have brought 110 new nurses onto active duty, 31 percent of our goal and more than at the same point last year. The Air Force continues to fund targeted incentive programs to help us attract top quality nurses. We have increased our new accession bonuses from \$10,000 to \$15,000 for a four-year commitment and our highly successful loan repayment program was again available this year. Last year we awarded 134 loan repayments, and this year funds were available for 26. Both of these programs have been very successful in attracting novice nurses but not as successful in attracting experienced nurses, particularly in critical deployment specialties. To further support recruiting, we have increased nursing Air Force ROTC quotas for the last two years and filled 100 percent of our quotas. We added additional ROTC scholarships for fiscal year 2005, increasing our quota from 35 in fiscal year 2004 to 2041.

We continue to advertise our great quality of life, career opportunities and strong position on the healthcare team. I also take advantage of any occasion to highlight

the tremendous personal and professional opportunities in Air Force Nursing. I encourage nurses to visit their alma mater and nursing schools near their base. Our slogan, "we are all recruiters" continues to reverberate, and active duty nurses enthusiastically tell our story and encourage others to "cross into the blue". We have also expanded media coverage of Air Force Nursing activities and accomplishments to attract interest in the civilian nurse community. The cover of the December 2004 Journal of Emergency Nursing featured Air Force nurse Major Patricia Bradshaw and Technical Sergeant Patricia Riordan, respiratory therapist. They deployed to the 379th Expeditionary Aeromedical Evacuation Squadron and were shown caring for a wounded IRAQI FREEDOM soldier. The article showcased the unique role of critical care nurses in the aeromedical evacuation environment. Nursing Spectrum magazine honored Lieutenant Colonel Cassandra Salvatore as the Greater Philadelphia/Tri-State Nurse of the Year and Capt Cherron Galluzzo, Florida Nurse of the Year for 2004 and Air Force Company Grade Nurse of the Year.

Retention is the other key dimension of force sustainment. While monetary incentives play a key role in recruiting, quality of life issues become very important considerations when making career decisions. We continue to enjoy excellent retention in Air Force nurses and ended fiscal year 2004 close to our authorized end strength of 3,760.

We conducted a survey in 2004 to identify positive and negative influences on nurse corps retention. The top two factors influencing nurses to remain in the Air Force were a sense of duty and professional military satisfaction. Our nurses clearly enjoy the unique opportunity to serve our country and to care for our troops. Local leadership and inadequate staffing were the two primary detractors identified. We are clarifying their concerns and are providing better leadership development programs. We are also putting senior, experienced nurses back at the bedside to guide and mentor our junior nurses and support their professional development and satisfaction.

It has been three years since we initiated our Top Down Grade Review to correct our imbalance of novice and expert nurses. We have identified a number of company grade authorizations for conversion to field grade based on requirements and continue to pursue adjustments of authorizations among other career fields. We also identified the significant positive impact civilianizing a larger percentage of company grade positions would have on grade structure and career progression. Serendipitously, the services were directed by the Office of the Secretary of Defense to identify military positions not wartime essential that could be converted to civilian jobs. In our initial evaluation we identified 305 Nurse Corps and 75 enlisted Aerospace Medical/Surgical Technician billets to convert to civilian authorizations over the next three years. These changes will primarily be in the outpatient setting, concentrating our military personnel in our more robust patient care areas to maintain clinical currency in wartime skills. We will continue to identify nurse positions which do not provide expeditionary capability or support our wartime training platforms for civilian conversion.

Research

Air Force nurse researchers continue to excel at expanding the science of military nursing practice thanks to the strong support from the TriService Nursing Research Program (TSNRP). This year, Air Force nurses are again leading the way in advancing our understanding of the effects of wartime deployment on today's military force. Twenty-five Air Force nurses are currently engaged in research covering priorities from clinical practice and training to recruitment and retention issues.

Colonel Penny Pierce is an Air Force Reserve Individual Mobilization Augmentee assigned to the Uniformed Services University of the Health Sciences (USUHS) Graduate School of Nursing (GSN). She is conducting research to determine the effects of deployment experiences and stressors on women's physical and mental health, and their likelihood to remain in military service. Colonel Pierce received the 2004 Federal Nursing Services Award at the 110th Annual Meeting of the Association of Military Surgeons of the United States for her pioneering research on factors that influence the health of military women.

Colonel Candace Ross, a reserve nurse at Keesler Air Force Base in Biloxi, Mississippi is heading up a TSNRP-funded study on the Impact of Deployment on Nursing Retention. The study is designed to identify factors associated with retention of nursing personnel in the military service in hopes of identifying actionable areas for retention efforts.

Colonel Laura Talbot, an Air Force reservist with the 440th Medical Operations Squadron at General Mitchell Air Reserve Station in Milwaukee, Wisconsin, and nursing faculty member at USUHS, is conducting research to test two different approaches to prosthetic rehabilitation for soldiers with below-the-knee amputations.

This research is vital because 2.4 percent of all wounded-in-action during Operation IRAQI FREEDOM and ENDURING FREEDOM have suffered traumatic amputations. This is almost double the 1.4 percent during the Korean Conflict. Her research may promote accelerated rehabilitation for amputees and facilitate return to active duty for those who are able.

Education

The Graduate School of Nursing at the Uniformed Services University (USUHS) supports military clinical practice and research during war, peace, disaster, and other contingencies. The PeriOperative Clinical Nurse Specialist program will graduate its first class of six in May 2005. The students are conducting research to identifying organizational characteristics that promote or impede medication errors across the surgical continuum of care. Fewer medication errors will save lives and shorten hospital stays. They will be presenting their work at the National Patient Safety Foundation Conference later this spring.

The graduates of the Nurse Anesthesia Program in 2004 once again scored significantly higher than the national average on their certification examination. Nine of the 13 CRNA graduates scored the maximum score of 600 and three scored 595 or higher, well above the national average of 551.5.

In addition, the Air Force is currently funding two full-time students and another Air Force nurse is enrolled part time in the USUHS PhD program.

Nursing Force Development

The USAF Nurse Transition Program (NTP) marked its 27th year in 2004. The NTP is an 11-week, 440-hour course designed to facilitate the transition of novice registered nurses to clinically competent Nurse Corps officers. The program provides clinical nursing experience under the supervision of nurse preceptors and training in officership and leadership. There were several key changes this year, among them the addition of our first overseas NTP training site at the 3rd Medical Group, Elmendorf Air Force Base, Alaska. Last November, under the guidance of NTP Coordinator, Major Deidre Zabokrtsky, we successfully graduated our inaugural class of four nurses from the program.

Our nurses provide outstanding leadership in the expeditionary environment, in military treatment facilities, and in positions not traditionally held by Nurse Corps officers. We currently have 16 nurses commanding Medical Treatment Facilities and 45 nurse Squadron Commanders. Col Laura Alvarado is the first nurse to serve as a Vice Wing Commander, and is at the 311th Human Systems Wing, Brooks City Base, TX. Maj Kari Howie is a CRNA and the first nurse to serve as the Deputy Chief of Clinical Services for a major command headquarters.

This year, for the first time in history, two active duty nurses are serving concurrently as general officers in the Air Force. Brigadier General Melissa Rank joins me, and was promoted to her current grade on January 1, 2005.

Colonel John Murray was the first military nurse to be appointed full professor at the Uniformed Services University of the Health Sciences. Colonel Murray was also selected by the Assistant Secretary of Defense for Health Affairs to serve on the National Advisory Council for Nursing Research.

Mister Chairman and distinguished members of the Committee, it has been my tremendous honor to serve our nation and to lead the more than 19,000 men and women of our active, guard and reserve total Air Force Nursing team for the last five years. I have increasingly treasured your support and advocacy during this challenging time for nursing and for our Air Force. Thank you for inviting me to tell our story once again. No one comes close!

Senator STEVENS. Well, thank each of you very much. It is delightful to have you back with us again this year.

I only have one question, and I am going to usurp Senator Mikulski's role. You have heard her suggestion. Would that suggestion have any role in the nursing corps, Colonel?

Colonel BRUNO. Yes, sir, I think it certainly would. We currently have a program in place to loan repay, but it is a short-term, funded-this-year program to loan repay up to \$30,000 for Nurse Corps officers, one time. It has been a useful tool in our recruiting. It was implemented at a time when we also increased the accessions bonus for those nurses. So they could come on to active duty and get a longer obligation if they took the accessions bonus and the

loan repayment. So it has been useful, and we think that a continued use of that would be great.

Senator STEVENS. Admiral.

RECRUITMENT AND RETENTION

Admiral LESCAVAGE. I believe it is a great idea. As I observe recruiting and retention in the Navy Nurse Corps and all across military medicine, as the Surgeons General stated, it is not necessarily about monetary resources. We stay in for certainly greater reasons. However, monetary resources help and I believe that we need to be equitable.

And as I watch recruiting, I can tell you it is difficult to be at a recruiting booth where either our sister services or other Federal entities or in the civilian arena are all offering different options. We all have different programs, and perhaps it is time that we all get aligned and we are on the same song sheet.

The idea that Senator Mikulski had is a very good one. As I stated, we are doing a pilot program in five of our military treatment facilities for the civilian nurses and trying to retain them. But as mentioned, you go to the VA, and there are different options down that road too. So we are looking for anything out there, any ideas. So thank you.

Senator STEVENS. General.

General BRANNON. I would like to make two points. First of all, our loan repayments have been the most successful tool to bring new graduates into our Nurse Corps.

Senator STEVENS. How much can you repay the debt?

General BRANNON. This year we were repaying \$29,000. Last year it was \$28,000, a one-time thing. We gave 134 loan repayments. This year we had 26 to offer, and they went very quickly. The \$15,000 accession bonus is helpful, but the loan repayment is more popular. People come out with a tremendous amount of debt from nursing school.

The one point I would like to make, however, as our accession bonus and loan repayment is successful, we do have problems attracting experienced nurses in some of the critical specialties. Both of these incentives tend to bring people who are brand new out of school. So we do spend time molding and shaping them.

Senator STEVENS. Thank you very much.

Senator Inouye.

Senator INOUE. If I may, I would like to follow up on that without getting into Senator Mikulski's territory.

According to the Department of Labor Statistics of the United States, by the year 2012, there will be a demand for over 1 million new and replacement nurses, and it appears that we will not be able to meet that demand. So obviously it is not just in the services but throughout this Nation. I do not know what the solution is, but it is a very critical one and something has to be done, otherwise we will have great problems not in just recruiting nurses but in recruiting military personnel.

I would like to ask a couple of questions. Most Americans look upon nurses as being female, but I know that in the military there are a lot of men. What proportion of the Nurse Corps in the Army is male?

MALES IN NURSE CORPS

Colonel BRUNO. About 34 percent.

Senator STEVENS. And in the Navy?

Admiral LESCAVAGE. One-third.

General BRANNON. We are about the same, sir, about 32 to 33 percent.

Senator STEVENS. Do you make a special effort to recruit men or it is the same?

General BRANNON. It really is the same in the Air Force, sir.

Admiral LESCAVAGE. They seem more than interested in joining the military services. Many, I notice, do go on to be nurse anesthetists or critical care nurses and operating room nurses.

General BRANNON. You know, I do notice that probably a larger percentage of the men do have prior service, and I think they see nursing as a wonderful career opportunity, they get their education, and then they join the Nurse Corps.

Senator INOUE. General Brannon, what is this air expeditionary force concept that you employ in your recruiting?

General BRANNON. You mean as far as—

Senator INOUE. Deployment.

General BRANNON. In deployment. Well, really the Air Force's air expeditionary forces consist of essential teams that are on call to deploy and manage our medical facilities in the case of medical and to provide patient care for a period of time. We have five teams that are in what are called the Air Expeditionary Force (AEF) window. So we have one team that is deployed at any time.

We use that combined with our expeditionary medical system which is our very capable, small facilities, up to the size of a theater hospital that we deploy far forward in kind of a hub and spoke arrangement. So we have teams of people that come into these areas, take over for the crew that is ready to rotate back home, and provide that in-theater care. So it is a great system.

I think now we have all developed the mind set that as medics, we are expeditionary. Deployment is no longer something that you might be called to do. It is a part of your service and you can anticipate and look forward to your opportunity to serve. It has created a lot of enthusiasm, I think, for that military aspect of service.

VA NURSES

Senator INOUE. Admiral Lescavage, in your presentation I got the impression that VA nurses are paid better than Navy nurses. Is that correct?

Admiral LESCAVAGE. Yes, sir, and the VA doctors in many cases.

Senator INOUE. I thought it was the other way around.

Admiral LESCAVAGE. Well, if you add our retirement, perhaps that may change the numbers a bit, but as you know, not everyone stays to retirement.

Senator INOUE. At this moment, the pay of VA nurses is higher than military nurses?

Admiral LESCAVAGE. It depends on the grade level, but many times, yes.

Senator INOUE. Is that the situation in the Army?

Colonel BRUNO. Yes, sir, it certainly is. We can use special pay rates that equal what the VA is if the VA is in the area, but they are difficult to implement. You have to do studies, but we do utilize them effectively.

Senator INOUE. Is that the situation in the Air Force?

General BRANNON. Well, sir, I do not think there is a significant discrepancy in our Active force and the VA nurses. What becomes of great concern is the VA nurses and our civilian Air Force nursing force. As we look to increase our number of civilian nurses, the competition with the VA will be significant. So we are seeking to establish pay rates that are comparable with VA nursing pay.

DEPLOYMENT POLICY

Senator INOUE. Is the deployment policy among the services the same or do they differ in every service?

Colonel BRUNO. I think they are different, sir. In the Army, if you deploy, you deploy for 1 year, and you are stabilized for as long as possible afterwards, but the deployment is 1 year.

Senator INOUE. What about the Navy?

Admiral LESCAVAGE. We are about 6 months, depending on the mission.

General BRANNON. We have 16 months at home and then a 4-month deployment, then 16 months at home, 4-month deployment, for the most part.

Senator INOUE. What would happen if the Army adopted the Air Force plan?

Colonel BRUNO. Well, I think it might be helpful with our retention of some nurses. We have an exit poll that we conduct when nurses leave, and one of the issues that has come forward in the last 2 years has been the length of deployment. It is very difficult to be away from home for that length of time.

Senator INOUE. What about the Navy?

Admiral LESCAVAGE. Well, I think our people are pretty happy with the 3 to 6 months. We support the marines, as you know, and we are sending mostly operating room nurses, critical care, and nurse anesthetists. So up to 6 months seems to do the trick.

Senator INOUE. Have your problems increased now that sailors are doing ground duty in Iraq?

Admiral LESCAVAGE. I'm sorry.

Senator INOUE. The sailors are now doing infantry work in Iraq.

Admiral LESCAVAGE. Yes, sir.

Senator INOUE. Has that complicated your problems in Iraq?

Admiral LESCAVAGE. No, sir. We are there to support the sailors and the marines and any others.

Senator INOUE. Thank you, Mr. Chairman.

Senator STEVENS. Thank you.

Senator Mikulski.

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

We are very much on your side. In addition to being on this excellent subcommittee, I have a civilian life both on the Labor/HHS Committee, and working with Senator Sue Collins, we have been working on the civilian nursing shortage. So we know that you are in a war for talent with community-based hospitals and academic centers of excellence where the nurses themselves are being

trained. As you know as nurses, you tend to stay where you get your training. It is just part of the culture. So we understand that. And then VA is competing with them, and now we have got all this competition. So we understand the challenges that you face.

One of my first questions is the retention issue and what does it take to be able to retain. Now, Senator Inouye raised the issue of the OPTEMPO which you are facing, and I think we would encourage an evaluation of that. Also, how we could be supportive in that evaluation as you have to go up with your brass. So you are not functioning by yourself here as independent agents.

Second, I was fascinated, General Brannon, where on page 16 of your testimony you said two things affected them. It was not only money and OPTEMPO, but it was local leadership and inadequate staffing. What does local leadership mean? Is that the general over the base? Is this the nurse on the floor that the young nurse reports to?

General BRANNON. Well, that is a very good question and one I have asked myself. We need to go back and survey that. Anecdotally when I talk to some of the junior nurses, we tend to have a pretty junior staff, and we have very junior folks often working together. I think they lack that closer contact with the more seasoned, experienced nurses who provide the professional development, the support, and really the nurturing that every nurse needs. We are looking at changing our system a bit to put some of the more senior experienced nurses back into direct patient care so they can be the mentors and leaders to our promising young officers.

INADEQUATE STAFFING

Senator MIKULSKI. Also, what about the inadequate staffing? It seems like one goes against the other.

General BRANNON. Sure, and I think inadequate staffing derives from—our staffing ratios are pretty good, and I know you are familiar with that, knowing what is going on in nursing around the Nation, but when you have people who are deployed off the units or out of the facility, everybody picks up a little bit additional duty.

Senator MIKULSKI. So there is a lot of stress.

General BRANNON. There is a lot of stress.

Senator MIKULSKI. So your nurses, male and female, are saying, number one, there is the pay issue.

Second, there is the deployment, but when you are in the military, you know you are going to be deployed, but there are different deployment schedules within the services. The question is should we have a uniform deployment policy. I do not know that. I would look to you and your wise heads.

And then the other, though, is the staffing. There is the staffing in battlefield conditions, or in your riveting story about traveling from Iraq all the way back to Andrews, this was a very poignant story that you tell in your testimony.

But the question is what about the use of other kinds of nurses. At the hospitals, does everyone have to be a bachelors degree nurse to be with you? Can you use community college nurses? Can you look at medical corpsmen who have a background and perhaps use that medical background, a military background, but get an asso-

ciate of arts of degree in nursing and move them quicker into the field? Because if they are enlisted, they tend to be older and, quite frankly, cannot take time off while they are in school.

EDUCATIONAL LEVEL

General BRANNON. Well, frankly, Senator Mikulski, I think one of the things that makes our military nursing force so strong is our educational level. As you know, we are across the services an all-baccalaureate force on Active duty, with about one-third having masters degrees.

It is very difficult to present evidence that says that makes a difference. However, this past year in the Journal of the American Medical Association there was a great study by Professor Linda Aiken in Pennsylvania actually showing that in surgical patients, the higher percentage of the baccalaureate prepared nurses, the fewer complications and the lower the incidence of morbidity and mortality. So I think we are beginning to see some substantive evidence that education does make a difference—

Senator MIKULSKI. I am in no way minimizing the bachelor of science (B.S.) or whatever, but we are facing a crisis here. And what we are looking at is, in some ways, subsets of who does what where. I think I am confused between your use of the terms “military nurses” and “civilian nurses.” Do you have civilian nurses?

General BRANNON. We do, indeed, and they are not all baccalaureate.

Senator MIKULSKI. What do they do?

General BRANNON. They provide nursing care in many of our areas, and, as I mentioned, primarily in some of the areas where there are critical specialties where experience makes a big difference.

Senator MIKULSKI. I am going to jump in. I know our time is short, but I do not think we understand it. I am new to this subcommittee. It is a spectacular subcommittee with astounding leadership, and on the 60th anniversary of the Victory in Europe (VE) Day, we know we want to salute these guys here, one who will forever remember the battle of Monte Cassino.

But what we are seeing is different pay, and even among all of you, different deployment schedules. Then the use of nurses, both the military nurses and the civilian nurses. I wonder if you could submit to me and to the subcommittee kind of a chart on some of these issues as we look at it and then maybe perhaps a comparison to VA and other Federal counterparts so we can work with you on what we need to do to help you and also then to sort out where other talent could be used in the military but not at this highly unsophisticated level.

[The information follows:]

PAY SCALE COMPARISONS

The chart below compares the civilian pay grades assigned to inpatient registered nurses at a representative sample of our medical treatment facilities (MTFs). The MTFs queried all Bachelor of Science in Nursing requirements for their civilian nursing staff. Contract employees may hold an Associate Degree in Nursing if it is written into the contract. Eglin AFB and Wilford Hall Medical Center pay the standard General Schedule (GS) rate while other locations are authorized locality

pay. The civilian pay rates were obtained from Salary.com and are current as of June 1, 2005.

The grade for our nursing positions is predetermined; however, the VA does not advertise positions in the same manner. Each successful applicant is reviewed by a Nursing Professional Standards Board to determine grade and salary based on the individual's education and experience. Once the grade is determined, the pay scale for that particular locality is used. As a result, the VA rates could not be included.

Location	Facility	GS Level/Pay	Civilian—Local Pay
Anchorage, AK	Elmendorf AFB	GS 9 (\$50,476)	\$67,757
Dayton, OH	Wright-Patterson AFB	GS 11 (\$54,389)	\$57,299
Pensacola, FL	Eglin AFB	GS 11 (\$57,000)	\$51,694
San Antonio, TX	Wilford Hall Medical Center	GS 11 (\$53,841)	\$53,306
San Francisco, CA	David Grant Medical Center	GS 9 (\$49,841)	\$66,352
		GS 10 (\$54,886)	
Washington DC	Malcolm Grow Medical Center	GS 11 (\$55,652)	\$59,941

Senator MIKULSKI. I just say to my colleagues and to everyone listening, starting on page 4 is Major General Brannon's story about these thousands of flights that you have made and how they made a difference. So let us just kind of work together, but we have got a very big job.

Good luck to you, Admiral. So you are going to be running TRICARE.

Admiral LESCAVAGE. Yes, ma'am.

Senator MIKULSKI. Well, that is called jumping out of the fat and into the fire.

Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. Thank you very much, Senator.

I thank you very much for your testimony. Senator Mikulski is right. We all remember your services very well from our days in World War II. It is a few days after the 60th anniversary. So none of you were there, but we thank you anyway for being part of the group that helped us so much. We look forward to working with you in trying to find additional ways to give incentives for your recruitment. Thank you very much.

Colonel BRUNO. Thank you, sir.

Admiral LESCAVAGE. Thank you, sir.

General BRANNON. Thank you, sir.

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

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL KEVIN C. KILEY

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

SUPPORTING TRANSFORMATION

Question. Would each of you please describe some of the new technologies and tactics that have proven most effective in caring for our front line troops?

Answer. The adoption of new trauma doctrine, called Tactical Combat Casualty Care (TC³), has incorporated additional emphasis on care far forward, be it self aid, buddy aid, or medic aid. With an emphasis on early intervention, this doctrinal change has had a significant effect in reducing deaths and limiting subsequent necessary treatment and rehabilitation. This doctrine is empowered through the use of new products, such as tourniquets, hemostatic bandages, and the newly reconfigured first aid kit.

Another doctrinal change over the past several years has been the speedy removal of patients through evacuation chains to definitive care within our medical centers and hospital in Europe and the United States. There are definitive benefits to the patient who can begin treatment routines sooner, but it also reduces the medical footprint in theater and thereby medical Soldiers at risk. This doctrinal change could not have occurred without a broader scope of evacuation support medical devices, such as Codman neurological monitors, Chillbuster patient warmers, Belmont fluid warmers, or KCI wound vacuums.

Question. What tools and equipment are still required to improve the care provided to combat casualties?

Answer. A recent study of all available resuscitative fluids and volume expanders was concluded, and the study found the use of hexextend as the most efficacious in clinical outcomes. This product is being worked into our Rapid Equipping Force Initiative for quick fielding to the theater for full scale adoption.

The use of recombinant factor VII as a clotting agent for surgical patients as well as internal bleeding from blunt trauma could have an incredible effect. This product, which is approved in Europe, is in a Phase III clinical trial for a trauma indication and if successful, it will be rushed to full scale use. Because it does not have FDA approval, it is only used in an off-label, compassionate manner which limits its potential value.

Oxygen remains a consistent treatment component of combat casualty care, and many actions are being taken to reduce the need for cylinders in theater. Today, oxygen is the largest logistical burden for the medics. In an adaptation of industrial oxygen generators, used for welding and manufacturing processes, new medical generators are being developed in smaller scale and greater oxygen content. This downsizing has gotten to the point that wards and operating room tables can be supported through these ambient air oxygen generators. Continued development is ongoing to reduce them to individual patient sizes that will support evacuation patients.

QUESTION SUBMITTED BY SENATOR PETE V. DOMENICI

ACCESS TO MENTAL HEALTH SERVICES

Question. I understand from your statements that you are diligently pursuing incidences of mental health issues such as depression, anxiety and post-traumatic stress disorder. I commend you for that. It is my understanding that to date the Department of Defense has done a good job reaching out to soldiers upon their return.

My concern is for mental health services for rural Guard and Air Guard members in particular. Those Guardsmen in places like Springer, New Mexico are far from metropolitan areas and do not have access following demobilization to military mental treatment facilities with mental health services.

I understand that this rural demographic is a small portion of your total population, but do you share my concerns about mental health access for rural Guard and Reserve members and if so can you give me your thoughts on how we might best address this issue?

Answer. Providing mental health services for rural Guard and Air Guard members is a recognized challenge. Reserve component Soldiers, who have been activated, are entitled to all of the behavioral health services offered to active duty personnel. After demobilization, reserve component Soldiers are entitled to the TRICARE benefit for six months. Veterans who have served in OEF/OIF are entitled to care at the Veterans' Administration for two years. However, rural Reserve component soldiers may not live near military or VA providers. The Military One Source program was developed in October 2003 for Soldiers and Army civilians redeploying from combat. It includes a 24-hour, seven-days-a-week toll-free phone information and referral telephone service and a website with links to information and assistance. Initially developed by the Army for both active and reserve component Soldiers and family members worldwide, it has now been adopted by the Department of Defense for all service members, families, and civilian employees. In January 2005, the Department of Defense announced a Post-Deployment Health Reassessment to screen all Soldiers 90 to 180 days after deployment. One of the reasons for this additional screening is that many Soldiers will not recognize or report mental health symptoms at the time they return home, but may later. These reassessments are scheduled to begin on September 1, 2005.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

ANTHRAX VACCINATIONS

Question. Pursuant to the order of a federal district court, the anthrax vaccination program has been suspended. However, this past December Secretary Wolfowitz requested an emergency authorization to resume use of the anthrax vaccine. Considering all the documented health risks, does the panel feel it is in the best interest of the military to resume vaccinating our troops? And why?

Answer. Anthrax spores can kill or incapacitate American troops if used against us as a weapon. It is clearly in the best interests of our troops to use the only round-the-clock protection available against this lethal threat. The sudden deaths from inhalation anthrax among U.S. Postal Workers and other Americans during the fall 2001 anthrax attacks on Senator Daschle and Senator Leahy and other targets demonstrate how easy it is for people to breathe in anthrax spores without realizing they have been exposed. In April 2002, the National Academy of Sciences released a Congressionally commissioned report that reviewed all available scientific evidence and heard from people concerned about anthrax vaccine. The National Academy of Sciences then concluded that the anthrax vaccine licensed by the Food and Drug Administration protects against all forms of anthrax and is as safe as other vaccines.

COMBAT STRESS CONTROL TEAMS

Question. General Kiley, in your testimony you state there are a wide array of mental health assets in theater including Combat Stress Control teams and other personnel assigned to units and hospitals. Can you provide some numbers and tell us how many teams and personnel make up this program? Are there any current plans to increase your numbers of mental health assets in theater?

Answer. Since the beginning of Operation Iraqi Freedom, combat stress units and other mental health assets have been deployed into theater. Personnel include psychiatrists, psychologists, social workers, psychiatric nurses, occupational therapists and enlisted technicians. As well as the combat stress control teams, there are mental health assets organic to the division and combat surgical hospitals. They work in close conjunction with the chaplains. The combat stress teams work closely with leaders and Soldiers to help them cope with both the stresses of combat and the challenges of being away from families for long periods of time. Their role is to provide education, preventive services, and restoration and treatment services. Typical educational activities include combat and operational stress control and suicide prevention classes, and preparation for reunion with their families. Clinical work includes individual and group evaluation and treatment. There are 10 combat stress control teams in theater, with a total of 224 mental health personnel. This number is appropriate for the number of U.S. forces deployed in the CENTCOM Theater. To add more to the theater would not add significant benefit and would detract from the staff available in CONUS and OCONUS providing care to other Soldiers and their families.

RECRUITING AND RETENTION

Question. In your testimony, General Kiley, you note that you are concerned about the retention of health care professionals and that you are working with the Commander of Army Recruiting to reverse the current trends. How far from your desired retention and recruiting rate are you currently? What steps are you taking to address the situation?

Answer. The Global War on Terrorism and Army transformation make recruitment and retention of Army Medical Department personnel challenging. Transformation has provided a new set of requirements which, given the long training tail for medical personnel, cannot be immediately met through recruitment and student programs. The only way to meet this need, in the near term, is to retain individuals to fill these positions. At the same time, members of the Army Medical Department have some of the most "exportable" skills in the Army and some skills, like the Nurse, are in short supply and high demand in the civilian market place. The lure of lucrative employment coupled with no deployments is having its effect on retention. A comparison of three year average continuation rates for 1999 to 2001 (pre 9/11) against 2002 to 2004 shows significant changes. At the 7th year of service, Nurses are down from 87 percent to 84 percent and at the 5th year, 93 percent to 90 percent; Physician Assistants have demonstrated a remarkable drop in the 12th, 13th and 14th year of service (92 percent to 76 percent, 85 percent to 77 percent and 88 percent to 72 percent respectively).

Direct accessions of medical personnel have also proved to be challenging. The chart below shows current fiscal year 2005 recruitment for both Active and Reserve component medical personnel.

	Active Duty	Percent	Army Reserve	Percent	National Guard	Percent
Medical Corps	18 of 40	45	64 of 201	32	12 of 104	12
Dental Corps	10 of 30	33	7 of 48	15	0 of 32 .....	.....
Nurse Corps	75 of 170	40	225 of 485	46	13 of 55	24

The backbone of medical recruiting is our student programs (scholarships and stipends). Recruitment for these student programs is more difficult than expected. The Army has requested additional Health Professions Scholarship Program allocations. We believe that these additional scholarships are needed and as individual influencers learn that more scholarships are available, they will be filled by quality individuals who will shape the medical department of the future.

Increases in Incentive Special Pays, Accession Bonuses, Loan Repayment Programs and other incentive pays are all tools which can be utilized by the recruiters and Commanders to influence recruitment and retention decisions. In February 2005, the Army increased Incentive Special Pays for Certified Registered Nurse Anesthetists retroactive to January 1, 2005. As of June 2005, 88 percent of the eligible Nurse Anesthetists elected to sign a new Incentive Special Pay contract. Twenty-two percent of these nurses opted for 1-year contracts and 78 percent opted for multi-year contracts.

The Surgeon General approved the utilization of Active Duty Health Professions Loan Repayment as an accession tool to assist U.S. Army Recruiting Command (USAREC) in meeting their recruitment mission for Physician's Assistants in fiscal year 2006. This will be the first year that USAREC has been tasked to directly recruit Physician's Assistants. Anecdotal evidence suggests that the ability to offer recent graduates from civilian Physician's Assistants programs the opportunity to have the Army assist in the repayment of their educational loans will make a difference in their propensity to serve. This is a new program for this group; however it has proven to be very successful with Pharmacy officers and Registered Nurses in the past.

Finally, USAREC signed a contract with Merritt Hawkins in June 2005 for a 6-month trial period to recruit Army Reserve Physicians. Merritt Hawkins is the top-ranked civilian Healthcare Professional recruiting firm in the country. The trial period is to run from July to December 2005.

ANTHRAX VACCINATIONS

Question. During the height of the Iraq invasion, concern, and more specifically controversy, surrounded vaccinating our armed forces for anthrax. This debate has not died down. The FDA has reported that there are over 50 side effects to the anthrax vaccination, and this is taking into account that former FDA Director David Kessler has stated that only 10 percent of reactions ever get reported. In 1998 the former Secretary of the Army Luis Caldera acknowledged the anthrax vaccine was linked to "unusually hazardous risks." There have been documented cases of DOD continuing shots after major reactions, which violates vaccine instruction and documented cases of DOD administering shots from expired lots. Further, Senate Report 103-97 stated that the vaccine has still not been eliminated as a cause of the Gulf War Syndrome. In the past 5 years, thousands of cases of adverse reactions, causing serious health problems, have been linked to the anthrax vaccine. Several soldiers have even died from the shots. In light of the inherent risks in the program, I would appreciate hearing the panels' views as to why are we still mandating that our servicemembers receive these shots?

Answer. Anthrax spores can kill or incapacitate American troops if used against us as a weapon. It is clearly in the best interests of our troops to use the only round-the-clock protection available against this lethal threat. The sudden deaths from inhalation anthrax among U.S. Postal Workers and other Americans during the fall 2001 anthrax attacks on Senator Daschle and Senator Leahy and other targets demonstrate how easy it is for people to breath in anthrax spores without realizing they have been exposed.

In April 2002, the National Academy of Sciences (NAS) released a Congressionally commissioned report that reviewed all available scientific evidence and heard from people concerned about anthrax vaccine. The National Academy of Sciences then concluded that the anthrax vaccine licensed by the Food and Drug Administration protects against all forms of anthrax and is as safe as other vaccines.

While some individuals have expressed concern about anthrax vaccine, a detailed analysis of 34 peer-reviewed medical journal articles shows that people vaccinated or unvaccinated against anthrax have the same health experiences. It is well recognized that minor temporary side effects are underreported (which is the point Dr. Kessler was making); however, serious adverse events are reported, especially in a well-monitored integrated health system, such as the Military Health System.

With reference to adverse events, Defense policy requires anyone who presents to medical personnel with a significant adverse health condition after receiving any vaccination (e.g., anthrax, smallpox, typhoid) to be evaluated by a physician to provide all necessary care for that event. The physician must determine whether further doses of that vaccine should be given, delayed, or a medical exemption—either temporary or permanent—be granted. Military medical personnel are trained how to manage perceived or actual adverse events after vaccination with any vaccine.

As of July 2005, anthrax vaccinations are voluntary, under an Emergency Use Authorization issued by the Food and Drug Administration.

As for links between anthrax vaccinations and illnesses among Gulf War veterans, two publications by the civilian Anthrax Vaccine Expert Committee concluded that multi-symptom syndromes among some veterans of the Persian Gulf War were not reported more often among anthrax vaccines than expected by chance. As explained in these articles, the vast majority of adverse-event reports involve temporary symptoms that resolve on their own. While one death has been classified as “possibly” related to a set of vaccinations, these civilian physicians did not attribute other reported deaths to anthrax vaccination.

Secretary Caldera’s actions are quoted out of context. His finding related to the risks to the manufacturing enterprise (the only manufacturer licensed by the Food and Drug Administration to produce anthrax vaccine) if the manufacturer was subjected to multiple lawsuits. He was not referring to the risks of the vaccine itself. In a Congressionally commissioned report, the National Academy of Sciences concluded in April 2002 that anthrax vaccine is as safe as other vaccines.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

SUICIDE PREVENTION

Question. What is the process for assuring our troops and their leadership are well trained in suicide prevention and intervention protocols as they relate to both the peacetime and wartime missions?

Answer. Suicide prevention is a Commander’s program. The proponent for the program to include training is Army G-1. In general, Army units typically have an annual requirement to conduct suicide prevention training. This is usually conducted by installation Chaplains or Behavioral Health personnel. Many units and installations sponsor Applied Suicide Intervention Training (ASIST) that provides specific intervention skills to noncommissioned officer leadership and selected Soldiers. Formal investigations are done after every active duty suicide focusing on lessons learned and prevention. Additional training is also provided to support agency staff, including Chaplains and healthcare providers, on how to identify signs of suicide and how to effectively screen and intervene with service members who are having suicidal thoughts. Leaders, both officer and non-commissioned officers, receive training on how to take care of their troops in the area of suicide.

HEALTH ASSESSMENTS

Question. How does the AMEDD determine if soldiers are both psychologically and physically healthy enough to be deployed? What improvements should be made in the current pre-deployment evaluation?

Answer. The Pre-Deployment Health Assessments (DD 2795) falls within the overall framework of Force Health Protection, which provides comprehensive health surveillance. All Soldiers identified as having psychological and/or physical health related concerns are screened by medical personnel for further evaluation. Medical personnel make recommendations to Commanders concerning whether or not Soldiers are healthy enough for deployment. Identifying Soldiers who are at risk for physical injury before deployment is an area for improvement in pre-deployment evaluation. In addition, an annual preventive health assessment has been developed and will be fielded in the coming year. This annual requirement specifically includes assessment of domains relevant to medical readiness, both physical and psychological. The implementation of this annual assessment will help to maintain the health of our troops across the deployment cycle, not just immediately before.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. You have been working for four years with congressional support to develop a robust, mobile hospital solution to replace the Deployable Medical Systems you've had in place for nearly thirty years now. With the research and development phase of this work now near its end, is it not time to move this effort to the next stage and develop a procurement program for these hard-shelled, mobile hospital units?

Answer. The research and development phase has not been completed for hard wall shelters. In fact, the Army only recently received just one set of first prototype shelters with the most recent being provide in the spring of this year. Though the shelters exhibit promise, there are some shortcomings from our initial review and have yet to gather the most meaningful data, operational user tests. At this moment, there are two competing designs at work with an expected down select in the late fiscal year 2006, early fiscal year 2007 timeframe. We anticipate that the Army will find separate technologies within each prototype system that has value and will compete a requirement that builds upon combined characteristics. At present, the further developmental and procurement quantities have been programmed as requirements into our budget, but higher priority requirements preclude its funding at this point in time.

COMPOSITE HEALTH CARE SYSTEM

Question. I have followed the evolution of CHCS II and Tricare Online with interest, and it strikes me that there is a confluence of maturing technologies that can be leveraged to empower the patient to improve health care quality while reducing health care costs. If Department of Defense servicemembers and beneficiaries are given the ability to securely enter data about themselves and their medical problems into CHCS II via Tricare Online, it will solve a huge problem facing the military health system, namely how to get standardized clinical information into the medical record without using expensive and scarce medical personnel. Physicians would get better information about their patients, and patients would get immediate guidance from the tools mounted on Tricare Online to help them with their problems. I know there are knowledge tools in CHCS II, but I would like each of you to comment on any plans your service has to offer them to beneficiaries on Tricare Online. What are your thoughts about using Tricare Online to help populate subjective clinical information into CHCS II?

Answer. The Health Assessment Review Tool (HART) and Personal Health Record (PHR) are two such tools that are projected for a TOL interface with CHCS II. A web-enabled HART is by far the most effective and efficient method of making HART available to all populations (TRICARE Standard, TRICARE Prime, Reserve/National Guard, civilian employees of DOD activities). The successful implementation of this web-enabled functionality is a positive step toward empowering the patient to participate in his or her own health care.

The E-Health Personal Health Record (PHR), accessible via TOL, addresses the Military Health System's (MHS) need for a secure portal for beneficiaries to access their electronic medical record. The MHS is working with commercial organizations and the Veterans Health Administration to define optimal business processes and to develop industry leading functional and technical requirements. This structured response capability is scheduled for deployment in fiscal year 2008, capabilities will allow the patient to review or enter allergies, past medical history and to review test results and other information that must be either posted or verified by the medical staff. This will help to ensure that the information was received by the patient and prevent unnecessary visits to check lab results that were normal.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

POST TRAUMATIC STRESS DISORDER

Question. The New York Times recently reported that an Army study shows that about one in six soldiers in Iraq report symptoms of major depression, serious anxiety or post-traumatic stress disorder, a proportion that some experts believe could eventually climb to one in three, the rate ultimately found in Vietnam veterans. (NY Times, Dec. 16, 2004). (Reference for the above Army study is: New England Journal of Medicine, Vol. 351, No. 1, pg. 13).

According to the Times and the Army report, "through the end of September, the Army had evacuated 885 troops from Iraq for psychiatric reasons, including some who had threatened or tried suicide. But those are only the most extreme cases.

Often, the symptoms of post-traumatic stress disorder do not emerge until months after discharge³. (NY Times, Dec. 16, 2004).

The Times also referenced a report by the GAO that found similarly alarming results: "A September report by the Government Accountability Office found that officials at six of seven Veterans Affairs medical facilities surveyed said they 'may not be able to meet' increased demand for treatment of post-traumatic stress disorder." (NY Times, Dec. 16, 2004).

However, despite this well-documented crisis, I am concerned that we are not doing enough to combat PTSD.

In light of these very serious concerns, what is the Department of Defense doing to address well-documented examples of PTSD in our men and women returning from the battlefields of Iraq, Afghanistan and elsewhere?

Answer. The Department of the Army complies with a series of Department of Defense policies which govern the Pre- and Post-Deployment Health Assessment process. A February 2002 Joint Staff Policy details the procedures for Deployment Health Surveillance and Readiness. The Pre- and Post-Deployment Health Assessments (DD 2795 and DD 2796) are designed to provide comprehensive health surveillance for service members affected by deployments. The overarching goal of the Army is to provide countermeasures against potential health and environmental hazards to include Post Traumatic Stress Disorder (PTSD) for optimal protection to our troops. Early detection and management of all deployment-related health concerns, including PTSD, can reduce long-term negative health consequences and improve the quality of life for those with deployment concerns. All Soldier's identified with PTSD and/or other mental health symptoms are referred to mental health providers for further evaluation and follow-up. The Post-Deployment Health Assessment provides ongoing identification and management of later emerging deployment health concerns. Copies of all Pre- and Post-Deployment forms are kept in a central database at the U.S. Army Medical Surveillance Activity.

This system of identification and treatment is being further enhanced through implementation of a Post-Deployment Health Reassessment to be conducted at the 3-6 month period after service members return from an operational deployment. This program will provide an opportunity for identification and treatment of health concerns, including mental health concerns, that emerge over time. In addition, DOD and VA have also collaborated in the development and dissemination of an evidence-based clinical practice guideline for identification and treatment of acute stress and PTSD in both primary care and specialty mental health care settings. The guideline supports the Post Deployment Health Evaluation and Management Clinical Practice Guideline that was fielded for mandatory implementation in every military primary care clinic in 2003. Because PTSD is not the only mental health concern resulting from deployment and because PTSD is often related to physical health symptoms, additional guidelines have been developed and disseminated throughout the military health system to include a DOD/VA Clinical Practice Guideline for Major Depression, Substance Use Disorder, and Ill-defined conditions and concerns.

Question. Are clinical trials being conducted in conjunction with our nation's pharmaceutical industry?

Answer. The Army Medical Department is not currently conducting clinical trials in conjunction with the pharmaceutical industry.

Question. Is the Department aware that there exists a not-for-profit organization in Maryland that is committed to pulling together all developing new technologies for the treatment of PTSD?

Answer. The Army is aware that the Department of Defense, in collaboration with the Department of Veteran's Affairs, has contracted with the Samueli Institute for Information Biology (SIIB) to conduct the program entitled Integrative Healing Practices for Veterans (VET HEAL). SIIB is a non-profit, non-affiliated medical research organization, based in Maryland, supporting the scientific investigation of healing processes with Information Biology and its application in health and disease.

Question. What is the Department doing to identify these and other innovative approaches to the treatment of PTSD?

Answer. The Army Medical Department, in conjunction with the Department of Defense and the members of the National Center for PTSD partnered to develop The Iraq War Clinician Guide, which is now in its second edition (June 2004). This guide was developed specifically for clinicians and addresses the unique needs of veterans of the Iraq war. Topics include information about the management of PTSD in the primary care setting, caring for veterans who have been sexually assaulted, and the unique psychological needs of the amputee patient. Similarly, the Veterans Health Administration and the military services developed the VA/DOD clinical practice guideline for the management of post-traumatic stress. In addition,

the Department of Defense has partnered with the Department of Veterans Affairs to conduct two randomized clinical trials, including one focused on effective treatment for military women and one focused on prevention and education for early intervention through a technology enhanced program called DESTRESS. These studies aid us in ensuring our treatments are the most effective they can be and they are provided at the appropriate time. DOD and VA have also collaborated in the development and dissemination of an evidence-based clinical practice guideline for identification and treatment of acute stress and PTSD in both primary care and specialty mental health care settings. The guideline supports the Post Deployment Health Evaluation and Management Clinical Practice Guideline that was fielded for mandatory implementation in every military primary care clinic in 2003.

QUESTIONS SUBMITTED TO VICE ADMIRAL DONALD C. ARTHUR

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

SUPPORTING TRANSFORMATION

Question. Would each of you please describe some of the new technologies and tactics that have proven most effective in caring for our front line troops?

Answer. The Navy is involved in the following projects and programs to care for our front line troops:

- The introduction of Body Armor, the Forward Resuscitative Surgical System, and reduced evacuation times has had a substantial impact in reducing members killed in action (KIA) compared to prior conflicts.
- The introduction of Quikclot for controlling hemorrhage.
- Fielding of a Patient Tracking Device in OIF and OEF, the Tactical Medical Coordination System (TacMedCS).
- Combat Trauma Registry (CTR). This registry has made a major contribution to understanding of casualties. Data summarized from the CTR forms have been used in theater to provide medical situation updates. The CTR is being used for ongoing studies and analyses which include: head, neck and face injury study, extremity injury study, and shunt efficacy study.
- Field Oxygen Concentration Units, reducing need for cylinders.
- EnRoute Care System—the supplies, equipment and personnel available to use any mobility platform to transport critically injured casualties.
- Improved Medical Diagnostic Capabilities in Field of Operations: Digital Radiography.
- Individual First Aid Kit (IFAK), (including tourniquets and advanced compression dressings for self and buddy aid).
- Improved First Responder Aid Bag.
- OSCAR (Operational Stress Control and Relief) to Reduce Combat Stress.
- New Seats Installed in the Small Special Operations Boats (should reduce injuries to operating personnel through greater shock absorption).
- Use of a Centralized Computer System to Collect Heat Stress Data on Ships (should reduce the incidence of heat injury and reduce work load. Also has land-based applications).
- Improved Methods of Rapidly Gathering and Assessing Lessons Learned Data from ongoing experiences linkage to off-the-shelf solutions/ideas for providing care to front line troops.

The Marine Corps has introduced new technologies and tactics to improve first responder care, resuscitative surgery, and patient evacuation with enroute care.

- First responder care. Marines from I MEF and II MEF have received Combat Lifesaver Training to enhance their ability to provide self-aid and buddy aid. These Marines also received a new Individual First Aid Kit (IFAK) to improve their ability to stop life-threatening bleeding. The new IFAK includes a hemostatic agent (QuikClot), a new tourniquet, and improved battle dressings.
- Resuscitative Surgery. The Marine Corps has successfully used the Forward Resuscitative Surgery System (FRSS) to provide life-saving surgery far forward on the battlefield. The FRSS has demonstrated the potential of far forward resuscitative surgery to reduce battlefield mortality among the most seriously wounded.
- Patient evacuation with Enroute Care. The Marine Corps has also successfully used specially trained nurses and hospital corpsmen to provide enroute care during the evacuation of critically injured casualties onboard its helicopters. Providing enroute care for these critically injured casualties has contributed to reducing battlefield mortality.

Question. What tools and equipment are still required to improve the care provide to combat casualties?

Answer. While the number of Killed in Action has been greatly reduced by the aforementioned capabilities. Much work is need now for those who are wounded in action.

- Improved Body Armor for extremities.
- Treatments to prevent/treat blast trauma and long term neurological deficits resulting from exposure to blast.
- Research on Combat and Operational Stress to include enhanced research on Mental Health and Post Traumatic Stress (PTSD).
- Blood substitutes and improved resuscitation strategies.
- Technologies to stop internal hemorrhage.
- Technologies to sustain life support and reduce logistical burden during delayed/prolonged evacuation.
- Technologies to treat brain injury.
- Technologies to improve limb and organ viability from trauma.
- Microbiology of blast and bullet injuries in returning troops.
- Research on Musculoskeletal Injuries (including epidemiology, prevention, and footwear).
- Research on Effectiveness of Current Body Armor (i.e., how many casualties prevented).
- Research on the Causes and Prevention of Motor Vehicle Accidents (almost 10 percent of casualties resulting from hostile enemy action were due to motor vehicle accidents).
- Improved Medical Diagnostic Capabilities in Field of operations.
- Improved Bioenvironmental Tools for Operational Risk Management and Deployment of Medical Resources and Identification of Routes of Evacuation.
- Research on the Impact of Multiple Stressors (Noise, Heat, Chemical Exposure, etc.) on Recuperation of Casualties.
- Development of Antioxidant Treatment Protocols for Laser Eye Injuries.
- The Submarine Force Needs Better Casualty Movement and Evacuation Equipment for casualty transfer and MEDEVAC. Currently available stretchers and evacuation equipment do not permit rapid movement of casualties in and out of the tight confines of submarines.
- Anti-Hypothermia Warming Blankets.
- Improved Non-Performance Degrading Analgesia.
- Improved Means for Combat Medic Training.
- Easy to Use Vascular Shunts for Limb Salvage.
- Research on Use of Antioxidant Supplementation for Performance Enhancement and Rehabilitation.
- Research on Development of Back Packs to Transfer Load Carriage From the Shoulders to the Hips to Reduce Injuries.
- Research to Reduce Concussive Injury from Blast and Bullet Strikes to the Head.

QUESTION SUBMITTED BY SENATOR RICHARD C. SHELBY

ANTHRAX VACCINE

Question. During the height of the Iraq invasion, concern, and more specifically controversy, surrounded vaccinating our armed forces for Anthrax. This debate has not died down. The FDA has reported that there are over 50 side effects to the Anthrax vaccination, and this is taking into account that former FDA Director David Kessler has stated that only 10 percent of reactions ever get reported. In 1998 the former Secretary of the Army Luis Caldera acknowledged the Anthrax vaccine was linked to “unusually hazardous risks.” There have been documented cases of DOD continuing shots after major reactions, which violates vaccine instruction and documented cases of DOD administering shots from expired lots. Further, Senate Report 103–97 stated that the vaccine has still not been eliminated as a cause of the Gulf War Syndrome. In the past 5 years, thousands of cases of adverse reactions, causing serious health problems, have been linked to the Anthrax vaccine. Several soldiers have even died from the shots. In light of the inherent risks in the program, I would appreciate hearing the panels’ views as to why are we still mandating that our service members receive these shots?

Answer. DOD’s mandatory Anthrax Vaccine Immunization Program is currently on a court-ordered pause. We are offering the Anthrax vaccine to personnel in high threat areas under an Emergency Use Authorization.

Anthrax is the #1 threat on the Joint Chiefs bioweapon threat list. Anthrax spores make lethal weapons that can be easily disseminated through non-traditional means. This was demonstrated in the 2001 Anthrax attacks, which killed several U.S. Postal Employees. Reports continue to be published in newspapers about the attack's infected survivors and their persistent health consequences. During the Anthrax attacks, city hospitals had only one or two patients requiring extensive and lengthy treatment for their illness. In a widespread attack, the number of patients requiring hospitalization would overwhelm the medical infrastructure. The Department of Defense uses Anthrax vaccine to ensure service members are protected against an attack using Anthrax.

Over 1.3 million service members have been protected against Anthrax spores since March 1998. While some individuals have expressed concern about Anthrax vaccine, a detailed review of 34 peer-reviewed medical journal articles shows that people vaccinated or unvaccinated against Anthrax have similar health experiences. In 2002, the National Academy of Sciences published a congressionally commissioned report that concluded Anthrax vaccine has a side-effect profile similar to that of other vaccines licensed by the Food and Drug Administration [www.iom.edu/Object.File/Master/4/150/0.pdf]. DOD policy requires that anyone who develops adverse health conditions after any vaccination be evaluated by a physician. This policy also specifies that all necessary care be provided and that a determination be made as to whether further doses of that vaccine are indicated. It is well recognized that minor temporary side effects are underreported, which is the point Dr. Kessler was making. Serious adverse events are much more likely to be reported, especially in a well-monitored integrated health system, such as the Military Health System.

The civilian Anthrax Vaccine Expert Committee (AVEC) issued two publications regarding adverse vaccine events that occurred from 1998–2001 with respect to multi-symptom syndrome (MSS) described by some veterans of the Persian Gulf war. The panel found no evidence of a pattern of MSS after Anthrax vaccination. As explained in these publications, the vast majority of vaccine adverse-event reports involve temporary symptoms that resolve on their own.

DOD reviews death reports after any vaccination very carefully. One death of a DOD service member has been classified as “possibly” related to the receipt of multiple (Anthrax, Smallpox and others) immunizations. The civilian physicians on AVEC evaluated other deaths and did not attribute them to Anthrax vaccination.

The question for the record misstates the former Secretary of the Army's position, which was the business situation posed an unusually hazardous risk for BioPort Corporation as a small vaccine manufacturer.

At no time has anyone shipped expired lots or vials of Anthrax vaccine to any military facilities. However in an isolated case, Anthrax vaccine from vials a few weeks beyond their potency dating was inadvertently administered. This 1999 incident was thoroughly investigated and correct vaccine management procedures were re-emphasized to prevent future incidents.

QUESTION SUBMITTED BY SENATOR PATRICK J. LEAHY

CHCS II

Question. I have followed the evolution of CHCS II and TRICARE Online with interest, and it strikes me that there is a confluence of maturing technologies that can be leveraged to empower the patient to improve health care quality while reducing health care costs. If Department of Defense service members and beneficiaries are given the ability to securely enter data about themselves and their medical problems into CHCS II via TRICARE Online, it will solve a huge problem facing the military health system, namely how to get standardized clinical information into the medical record without using expensive and scarce medical personnel. Physicians would get better information about their patients, and patients would get immediate guidance from the tools mounted on TRICARE Online to help them with their problems. I know there are knowledge tools in CHCS II, but I would like each of you to comment on any plans your service has to offer them to beneficiaries on TRICARE Online. What are your thoughts about using TRICARE Online to help populate subjective clinical information into CHCS II?

Answer. TRICARE Online (TOL) has the potential to provide our beneficiaries the ability to convey information about their health status and concerns to providers. Our vision is in line with this goal, a clinical intervention tool informing beneficiaries, Primary Care Managers (PCMs), and Military Treatment Facility (MTF) administrators about required preventive services, health risk factors, chronic disease history, and health status. This tool assists the MHS at the Enterprise, Serv-

ice, TRICARE Region and MTF level with population health management by providing estimates of the health needs and health status of the enrolled and non-enrolled TRICARE populations. Currently in development are the appropriate screening tools and alert functionality to mitigate the medical-legal risk of not being able to respond to a concern “real-time” while empowering beneficiaries to enter historical and screening information at their own pace. This information will be saved to the Clinical Data Repository making the data accessible via CHCS II.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

MENTAL HEALTH AND POST TRAUMATIC STRESS DISORDER

Question. The major mental health problem being faced by the returning veteran is Post Traumatic Stress Disorder (PTSD).

The New York Times recently reported that an Army study shows that about one in six soldiers in Iraq reports symptoms of major depression, serious anxiety or post-traumatic stress disorder, a proportion that some experts believe could eventually climb to one in three, the rate ultimately found in Vietnam veterans (NY Times, Dec. 16, 2004) (Reference for the above Army study is: New England Journal of Medicine, Vol. 351, No. 1, pg. 13).

According to the Times and the Army report, “through the end of September, the Army had evacuated 885 troops from Iraq for psychiatric reasons, including some who had threatened or tried suicide. But those are only the most extreme cases. Often, the symptoms of post-traumatic stress disorder do not emerge until months after discharge.” (NY Times, Dec. 16, 2004).

The Times also referenced a report by the GAO that found similarly alarming results: “A September report by the Government Accountability Office found that officials at six of seven Veterans Affairs medical facilities surveyed said they ‘may not be able to meet’ increased demand for treatment of post-traumatic stress disorder.” (NY Times, Dec. 16, 2004).

However, despite this well-documented crisis, I am concerned that we are not doing enough to combat PTSD.

In light of these very serious concerns, what is the Department of Defense doing to address well-documented examples of PTSD in our men and women returning from the battlefields of Iraq, Afghanistan and elsewhere?

Answer. Navy medicine is directly involved in the management of PTSD both on the battlefield and at home. Last year, we initiated our Operational Stress Control and Readiness (OSCAR) Project with the U.S. Marine Corps. This project places mental health assets directly with Marine Corps fighting units, and those mental health providers stay with the unit both during the period of deployment and in garrison. Thus, our Marine Corps mental health providers are truly organic assets to the Marine divisions. Likewise, we have psychologists stationed aboard each aircraft carrier in the Navy to provide direct services to deployed service members. Following on the highly successful example of our shipboard psychologists, we have deployed psychologists and psychiatrists with Expeditionary Strike Groups (ESGs) to provide similar services to detachments of Marines and other service members being transported via ESGs.

Question. Are clinical trials being conducted in conjunction with our nation’s pharmaceutical industry?

Answer. Medical Departments of the uniformed services do not work directly with pharmaceutical manufacturers as we are legally proscribed from doing so. However, under the auspices of the Henry M. Jackson Foundation, military researchers may participate as investigators in clinical trials with various sources of funding. Military medical personnel, both at the Uniformed Services University and at our teaching hospitals, may devise and submit for approval through appropriate institutional review boards clinical studies that involve post-traumatic stress disorder and other conditions. Several joint projects with the VA are presently ongoing, including a study at Naval Medical Center San Diego of virtual reality technology to assist patients with PTSD.

Question. Is the Department aware that there exists a not-for-profit organization in Maryland that is committed to pulling together all developing new technologies for the treatment of PTSD?

Answer. Yes. Several not-for-profit organizations exist in the State of Maryland that can and have in the past provided expert assistance to the DOD in its efforts to understand PTSD and ameliorate its effects. For instance, trainers from the International Critical Incident Stress Foundation, in Ellicott City, routinely provide training in critical incident stress debriefing gratis to military mental health pro-

viders and military first responders. The Maryland Psychological Association has offered the services of its members to family members of servicemen and women who may be suffering from the effects of combat stress or related disorders. Additionally, the Maryland Psychological Association partners with the American Red Cross to train its members in disaster response. The services take advantage of the expertise of faculty at the Uniformed Services University in Bethesda who are world renowned experts in the study of combat stress and related disorders, we apply their research findings in our clinical practice to better serve active duty members and their families. We also work closely with other agencies, both in the federal and private sector, such as the VA's National Centers for PTSD, to identify sources of expertise in the management of stress and apply findings to our service members.

Question. What is the Department doing to identify these and other innovative approaches to the treatment of PTSD?

Answer. Navy medical resources are intensely involved in the study of innovative treatment strategies for PTSD. We work closely with our colleagues in the VA and at the Uniformed Services University, as well as various private and publicly funded institutions of higher education, to educate our providers regarding most effective treatments. In addition to collaboration in research endeavors as mentioned above, we have jointly produced with the VA a number of Clinical Practice Guidelines, including guidelines for the management of acute and chronic stress, depression, and other disorders. We co-sponsor conferences for our clinicians and decision makers regarding the management of PTSD, and are involved in a number of joint working groups designed to create a true continuum of mental health care for our active duty, disabled, and retired service members.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL GEORGE PEACH TAYLOR, JR.

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

SUPPORTING TRANSFORMATION

Question. Would each of you please describe some of the new technologies and tactics that have proven most effective in caring for our front line troops?

Answer. The Air Force Medical Service has clearly played a tremendous role in the delivery of health care to our front line troops. To open, let me say that prevention has proven to be enormously successful in preventing injury and providing superb safe environments for our personnel. Our deployed Preventive Medicine Teams have provided direct preventive medicine support to military personnel throughout Operation Iraqi Freedom, providing such resources as occupational and environmental health surveillance, environmental health programs, field sanitation training, disease and non-battle injury prevention, health risk assessments, and medical force protection.

The lighter, leaner footprint of Air Force medical resources has been extremely effective in providing a consistent clinical capability to the Combatant Commander and warfighter. The hard work accomplished with focus on interoperability in capability was proven a success during the transition from the Army Combat Support Hospital to the Air Force Expeditionary Medical System this past fall. Shortly after that transition, the vast majority of casualties from the battle of Fallujah were received and cared for at that very same facility. The dedication and teamwork of our Army and Air Force medics ensured seamless medical care, timely evacuation, and lifesaving care to the injured warfighter.

In December of 2004, the Assistant Secretary of Defense (Health Affairs) directed the Services to implement the Joint Theater Trauma Registry. Air Force clinicians played a tremendous role in the development of the first Joint Theater Trauma System (JTTS). Modeled after the successes of the civilian sector, the JTTS keeps us at the cutting edge, bringing the skills of trauma centers to the battlefield. The goal is to provide a system for routing casualties to destinations that are best able to provide the required care: "The Right patient, to the Right place, at the Right time."

The employment of critical care capability during aeromedical transport and the role of evidence-based medical innovations have also been important. Our community has been aggressive in meeting the needs of the aeromedically evacuated critical care patients through implementation of new technology for intra-cranial pressure monitoring ensuring the safe transport of patients with head trauma, as well as the latest in pain management using the non-electronic Stryker Pain Pump. Additionally, the move to universally qualify aeromedical evacuation crew has further ensured the safe passage of our sick and injured.

The Air Force Medical Service clearly plays a critical role in the delivery of health care to our front line troops. It has only been through the collaborative efforts between the medical and operations communities, multi-service and multi-national forces abroad that our delivery of health care during the most challenging of contingencies has become the best in the world.

Question. What tools and equipment are still required to improve the care provided to combat casualties?

Answer. Our medical forces are doing tremendous work in the delivery of health care to our front line troops and their experience provides us with valuable lessons learned. These lessons learned deal primarily with the tools and equipment still required to improve the care provided to combat casualties. Based on lessons learned, we still need solutions for the following requirements to provide the best combat casualty care possible. I would be happy to discuss these with you at your convenience in greater detail.

Rapid diagnostics capabilities for deployed and homeland stationed medics: This shortfall includes deployment of systems similar to Epidemiology Outbreak Surveillance to rapidly diagnose emerging threats, as they happen to give commanders the information they need to preserve the fighting force through prevention and prophylaxis.

Near real-time medical surveillance or environmental factors to include water sources: This capability enables monitoring of sources to allay the damage or illness from weapons of mass destruction.

Water and Intravenous purification: Exploitation of current technology trends to allow on-site water purification to two standards, potable and infusion quality. This capability dramatically decreases the pallet space and logistical footprint needed to provide water to troops.

Oxygenation capabilities integrated with Aeromedical Evacuation and Expeditionary Medical Support: There is an increasing need for deployed medical personnel to provide their own oxygen.

Acute care and local extracorporeal membrane oxygenation to facilitate stabilization for transport of critically injured patients.

Instant reach-back communications for facilitation of inter-service patient care coordination: There are considerable shortfalls in interoperability for rapid communication leading to delays in treatment, transport and communication of care rendered.

Blood substitutes are needed to not only expand the fluid volume of injured patients but to also include increased oxygen carrying capability that standard volume expanders lack.

Medical Scancorder development must be accomplished so that Soldiers and Airmen can be monitored for instability of vital signs/hemodynamics before they experience symptoms.

Portable anesthesia is now limited by respirator availability or intravenous access; stable, simple and effective anesthesia devices are needed to allow humane and safe anesthesia to injured patients.

Patient controlled anesthesia is the standard of care: This standard is not currently met by most equipment/personnel medical support packages deployed and on modes of transportation available for evacuation.

Trauma registry information as required by DOD Health Affairs Policy #04-031: Non-technological solutions are being used, which hinders the evacuation and medical care of injured Soldiers and Airmen.

Despite the challenges we face, it is my privilege to share successes of improved combat casualty. The proud men and women of the Air Force Medical Service have recently fielded Telehealth initiatives within the CENTCOM Area of Responsibility (AOR), which provide reach-back via Telehealth consultations and Teleradiology. We have also provided telephonic FAX capabilities for asynchronous reach-back consultations. Pumpless extra-corporeal lung assist has been used to evacuate critically ill patients that formerly would have been too unstable to transport. And, based on the most recent recommendations from our surgeons who have seen large numbers of severe orthopedic injuries, the addition of pneumatic tourniquet systems for extremity surgery, and compartment pressure monitors to diagnose limb-threatening compartment syndrome are examples of improve combat care to our front line troops. However, there are more tools needed to achieve improved treatment outcomes based largely on lessons learned from the AOR.

The management of shock is probably the most basic element of trauma care. The replacement of fluid, administration of blood products, and maintenance of the body at normal temperature are all key to this lifesaving process. The thromboelastography (TEG®) analyzer is a powerful clinical monitor to evaluate the interaction of platelets and plasma factors, plus any additional effects of other cel-

ular elements (e.g., WBCs, RBCs). To guide administration of blood products, TEG® has been recommended by our trauma surgeons, as the analysis provided by this tool would clearly benefit the management of our critically injured casualties. Forced-air warming therapy has become the standard choice for preventing hypothermia. Maintaining patient normothermia is proven to reduce increased complications for the post-operative patient as well as the massive trauma patient. The Bair Hugger® temperature management devices, such as the warming blanket and warming units, are those being specifically recommended for addition to the deployed inventory.

There is currently discussion underway about having basic diagnostic cardiology in theater, such as a treadmill and echocardiogram capability. We are working with the Army and Navy, analyzing the benefits of accomplishing basic stress testing in theater, prior to evacuation, with the increased chance of returning more troops back to their unit rather than being evacuated to Landstuhl, Germany.

Also critical to the effective management of patients is the continuity of information transfer. As casualties travel from the battlefield and through the military health care system, clinicians are known for writing on the dressings of casualties to ensure critical information goes with the patient and is readily accessible by all that will care for the casualty along the way. Use of the Battlefield Medical Information System, "BMIST," has been initiated. This wireless electronic information carrier has been successful; however, the challenge has been to ensure that every field medic is issued the hand-held element so they can complete the casualty's electronic record on-site and be able to "beam" or give it on a memory chip to the air ambulance or aeromedical evacuation crew who can take it with the casualty on to their final destination.

Finally, the challenges of communication between the multiple Service medical assets have unfortunately continued through the years. There is a wide array of communications tools and equipment among the different Services, each fulfilling their own requirements, but unfortunately most often not linking with the sister Services. While there are numerous initiatives underway addressing this very issue at the Joint and individual Service level, the critical key, as with every initiative regarding the management and care of our forces, is to ensure integration of these efforts.

QUESTION SUBMITTED BY SENATOR PETE V. DOMENICI

ACCESS TO MENTAL HEALTH SERVICES

Question. I understand from your statements that you are diligently pursuing incidences of mental health issues such as depression, anxiety and post-traumatic stress disorder. I commend you for that. It is my understanding that to date the Department of Defense has done a good job reaching out to soldiers upon their return.

My concern is for mental health services for rural Guard and Air Guard members in particular. Those Guardsmen in places like Springer, New Mexico are far from metropolitan areas and do not have access following demobilization to military mental treatment facilities with mental health services.

I understand that this rural demographic is a small portion of your total population, but do you share my concerns about mental health access for rural Guard and Reserve members and if so can you give me your thoughts on how we might best address this issue?

Answer. Our best efforts address the concern by requiring all redeploying members to receive a medical screening to include mental health conditions by completing DD Form 2796, Post-Deployment Health Assessment prior to theater departure or within five days upon return to home station. This screening provides the first sign of the need for additional health care and prompt access to care within our Military Healthcare System.

To aid continuity of care and address health conditions frequently identified several months following redeployment, Assistant Secretary of Defense (Health Affairs) recently announced an extension of the deployment health screening process projected to start June 10, 2005. Post-Deployment Health Reassessment will involve each member completing an additional health screening form three to six months following redeployment to specifically address mental and other health concerns. The member's responses in coordination with a healthcare provider's review will determine the need for additional care, which may then be obtained through TRICARE health system referral or through the Veterans Health Administration. Additional sources of care for mental health concerns in rural areas may include the local department of public health and safety and military Family Assistance Cen-

ters. In the National Guard, the Adjutant General determines the need and location of the Family Assistance Center in support of deployment activities, and the State Family Program Coordinator is the point of contact.

Of note, Veterans who serve in a theater of combat operations during war are eligible for care for two years from their date of active duty discharge provided they first enroll in the Veterans Health Administration. Access to Veterans Health Administration-sponsored care is visible at: <http://www1.va.gov/directory/guide/home.asp?isFlash=1>.

QUESTION SUBMITTED BY SENATOR RICHARD C. SHELBY

ANTHRAX VACCINATION

Question. During the height of the Iraq invasion, concern, and more specifically controversy, surrounded vaccinating our armed forces for anthrax. This debate has not died down. The FDA has reported that there are over 50 side effects to the anthrax vaccination, and this is taking into account that former FDA Director David Kessler has stated that only 10 percent of reactions ever get reported. In 1998 the former Secretary of the Army Luis Caldera acknowledged the anthrax vaccine was linked to “unusually hazardous risks.” There have been documented cases of DOD continuing shots after major reactions, which violates vaccine instruction and documented cases of DOD administering shots from expired lots. Further, Senate Report 103–97 stated that the vaccine has still not been eliminated as a cause of the Gulf War Syndrome. In the past 5 years, thousands of cases of adverse reactions, causing serious health problems, have been linked to the anthrax vaccine. Several soldiers have even died from the shots. In light of the inherent risks in the program, I would appreciate hearing the panels’ views as to why are we still mandating that our service members receive these shots?

Answer. From the Air Force perspective, the use of anthrax as a bio-weapon poses a significant threat to military operations. The anthrax vaccine is the most effective means available today to protect our forces. Although antibiotics were used following the anthrax attacks in 2001, they provide effective treatment only if exposure is known before symptoms appear. Unfortunately, we do not always have the necessary warning time necessary for antibiotics to work alone. Although we will continue to work to increase warning time of pending/existing attacks, our men and women must be prepared to carry out their duties in defense of this country regardless of circumstances. To that end, the best currently available round-the-clock protection to prepare our forces to counter the threat of anthrax is vaccination. The vaccine provides a critical layer of protection that may be augmented by antibiotics and other measures.

Since March 1998, over 1.3 million DOD personnel have been protected against anthrax exposure. Over 150,000 Air Force personnel—Active, Guard and Reserve—in service today have received the anthrax vaccination. While some individuals have expressed concern about anthrax vaccine, a detailed analysis of 34 peer-reviewed medical journal articles shows that people vaccinated or unvaccinated against anthrax have the same health experiences. In 2002, the National Academy of Sciences published a Congressionally commissioned report that concluded anthrax vaccine has a side-effect profile similar to that of other vaccines licensed by the FDA (www.iom.edu/Object.File/Master/4/150/0.pdf). It is well recognized that minor temporary side effects are underreported (the point Dr. Kessler makes); however, serious adverse events are reported, especially in a well-monitored integrated health system, such as the Military Health System.

In addition, the Air Force—along with the other Services—utilizes the Vaccine Adverse Event Reporting System (VAERS), a national vaccine safety surveillance program co-sponsored by the FDA and the Centers for Disease Control and Prevention. This system collects and analyzes information from reports of adverse events that occur after the administration of all U.S. licensed vaccines. Reports are encouraged from all concerned individuals: patients, parents, health care providers, pharmacists and vaccine manufacturers. All anthrax vaccine recipients receive information via the Anthrax Vaccination Immunization Program trifold brochure and other means on how to access VAERS.

With reference to adverse events, Air Force policy requires anyone who presents to medical personnel with a significant adverse health condition after receiving any vaccination (e.g., anthrax, smallpox, typhoid) to be evaluated by a physician to provide all necessary care for that event. The physician must determine whether further doses of that vaccine should be given, delayed, or a medical exemption—either temporary or permanent—be granted. Air Force medical personnel are trained how

to manage perceived or actual adverse events after vaccination with any vaccine (i.e., how to assess, treat and report).

As for links between anthrax vaccinations and Gulf War Syndrome, two publications by the civilian Anthrax Vaccine Expert Committee concluded that multi-symptom syndromes among some veterans of the Persian Gulf War were not reported more often among anthrax vaccinees than expected by chance. As explained in these articles, the vast majority of adverse-event reports involve temporary symptoms that resolve on their own. While one death has been classified as "possibly" related to a set of vaccinations, these civilian physicians did not attribute other reported deaths to anthrax vaccination in particular.

With respect to expired lots, at no time has anyone shipped expired anthrax vaccine to any military facility. We are, however, aware of one incident involving vaccine from expired vials being administered to approximately 59 Marines at a military Medical Treatment Facility (MTF) in April 1999. That incident involved vaccine that expired after it had been stored on site at the medical treatment facility—it was not expired at the time of shipment. Corrective measures have been implemented to prevent a reoccurrence. For example, the handling procedures for vaccines were changed to ensure that, upon receipt by the MTF, the lot number and expiration of all vials of vaccine in the shipment are recorded. Also, the Distribution Operation Center at the United States Army Medical Materiel Agency issues a message to all Service Logistic Centers to pre-alert them to when any anthrax vaccine lot is about to expire. This message ensures all anthrax vaccine is used prior to expiration, and aids in the prevention of a reoccurrence of the situation encountered by the Marines.

All information concerning this expired-vaccine incident was forwarded to the Armed Forces Epidemiological Board (AFEB), an independent, nationally recognized group of civilian scientific experts that advises the DOD on the prevention of disease and injury and the promotion of health.

After reviewing the details of the incident, the AFEB concluded that the expired vaccine administered to the Marines posed little or no safety risk and any decrement in potency of the expired vaccine would be minimal and clinically irrelevant.

QUESTION SUBMITTED BY SENATOR PATRICK J. LEAHY

CHCSII AND TRICARE ONLINE

Question. I have followed the evolution of CHCS II and TRICARE Online with interest, and it strikes me that there is a confluence of maturing technologies that can be leveraged to empower the patient to improve health care quality while reducing health care costs. If Department of Defense servicemembers and beneficiaries are given the ability to securely enter data about themselves and their medical problems into CHCS II via TRICARE Online, it will solve a huge problem facing the military health system, namely how to get standardized clinical information into the medical record without using expensive and scarce medical personnel. Physicians would get better information about their patients, and patients would get immediate guidance from the tools mounted on TRICARE Online to help them with their problems. I know there are knowledge tools in CHCS II, but I would like each of you to comment on any plans your service has to offer them to beneficiaries on Tricare Online. What are your thoughts about using Tricare Online to help populate subjective clinical information into CHCS II?

Answer. Any technology that helps our providers take better care of our patients is worth exploring. As a matter of fact, the TRICARE Medical Authority (TMA) is already working on expanding the ability of beneficiaries to input data directly into CHCS II. The technology is not quite there yet, but TMA has a short-term solution that uses the internet and e-mail to allow patients to communicate directly with their providers. TMA is also working on an internet based Health Insurance Portability and Accountability Act compliant solution involving the movement of patient data from TRICARE Online to the provider via e-mail.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

POST-TRAUMATIC STRESS DISORDER

Question. The major mental health problem being faced by the returning veteran is Post Traumatic Stress Disorder (PTSD). The New York Times recently reported that an Army study shows that about one in six soldiers in Iraq report symptoms of major depression, serious anxiety or post-traumatic stress disorder, a proportion

that some experts believe could eventually climb to one in three, the rate ultimately found in Vietnam veterans. (NY Times, Dec. 16, 2004). (Reference for the above Army study is: New England Journal of Medicine, Vol. 351, No. 1, pg. 13).

According to the Times and the Army report, “through the end of September, the Army had evacuated 885 troops from Iraq for psychiatric reasons, including some who had threatened or tried suicide. But those are only the most extreme cases. Often, the symptoms of post-traumatic stress disorder do not emerge until months after discharge”. (NY Times, Dec. 16, 2004).

The Times also referenced a report by the GAO that found similarly alarming results: “A September report by the Government Accountability Office found that officials at six of seven Veterans Affairs medical facilities surveyed said they “may not be able to meet” increased demand for treatment of post-traumatic stress disorder.” (NY Times, Dec. 16, 2004).

However, despite this well-documented crisis, I am concerned that we are not doing enough to combat PTSD.”

In light of these very serious concerns, what is the Department of Defense doing to address well-documented examples of PTSD in our men and women returning from the battlefields of Iraq, Afghanistan and elsewhere?

Answer. The Air Force currently screens all Airmen for PTSD symptoms upon re-deployment. Because PTSD symptoms often emerge over time, the Air Force will begin reassessing Airmen 90–180 days after return from deployment, starting in June 2005. This reassessment screens for PTSD as well as other common mental health related concerns. Any deployer, whether active duty or reserve component, who endorses any psychological symptoms will receive a full evaluation by a healthcare provider, and referred for care when indicated.

While review of post-deployment health assessment data indicate that Air Force deployers face significantly less exposure to traumatic stress than Army and Marine ground combat, the Air Force is nonetheless committed to identifying and treating all deployment related health concerns in an expeditious and thorough manner.

Question. Are clinical trials being conducted in conjunction with our nation’s pharmaceutical industry?

Answer. The Air Force is not currently involved in clinical drug trials for the treatment of Post Traumatic Stress Disorder (PTSD) due to the very low incidence rate of PTSD within the Air Force.

Question. Is the Department aware that there exists a not-for-profit organization in Maryland that is committed to pulling together all developing new technologies for the treatment of PTSD?

Answer. The Air Force relies on the VA/DOD Clinical Practice Guidelines for Post Traumatic Stress Disorder (PTSD) management. We are open and interested in any and all technologies and innovations in the area of PTSD treatment that meet clinical standards of care.

Question. What is the Department doing to identify these and other innovative approaches to the treatment of PTSD?

Answer. The Air Force has joined a working group with the other services, the Department of Veterans Affairs, and the National Center for Post Traumatic Stress Disorder (PTSD) to identify state-of-the-art, empirically validated treatment approaches to PTSD.

Our goals are to identify and treat PTSD symptoms as soon as possible, and to ensure continuity of care as Airmen move to new assignments or separate from the Air Force.

QUESTIONS SUBMITTED TO COLONEL BARBARA J. BRUNO

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

RECRUITING AND RETENTION

Question. How does the Uniformed Services University of the Health Sciences support military nursing?

Answer. The Uniformed Services University of the Health Sciences (USUHS) supports military nursing by providing a “signature curriculum” designed to prepare nurses for practice and research in federal health care and military systems. The USUHS Graduate School of Nursing is dedicated to quality education that prepares both advanced practice nurses and nurse scientists with a Ph.D. to deliver care, conduct research and improve services to all military beneficiaries. Programs that are currently offered at USUHS include three Masters level programs; Perioperative

Certified Nurse Specialist, Certified Nurse Anesthetist and Family Nurse Practitioner and a Ph.D. program in Nursing Science.

Question. With the current nursing shortage nationwide, and continued need for medical support at home and overseas, what is the status of your recruiting and retention efforts?

Answer. The Active Component (AC) Army Nurse Corps (ANC) has a requirement of 365 new officers for fiscal year 2005. As of June 30, 2005, 187 new officers have been commissions and reported for active duty. It is projected that the AC ANC will meet 88 percent (322 of 365) of its accession requirements this year. The Reserve Component (RC) ANC has a requirement of 485 new officers for fiscal year 2005. As of June 30, 2005, 236 new RC ANC officers have been commissioned. U.S. Army Recruiting Command projects that they will achieve 75 percent (366/485) of the RC ANC accession requirements this year.

The ANC recruiting and retention programs are critical to our competitiveness in a tight nursing market. Active and Reserve programs are detailed below. Program gaps include funding a second baccalaureate degree for commissioned officers interested in becoming an Army Nurse and a scholarship program to fund enlisted Reserve Soldiers interested in obtaining a Bachelors of Science in nursing and pursuing a commission as a Reserve ANC officer.

Active Component

The Health Professions Loan Repayment Program (HPLRP) is a successful recruiting and retention tool for the ANC. HPLRP provides payment of up to \$29,323 toward qualifying educational loans incurred from undergraduate nursing education. Currently, all eligible Active Component ANC officers have been offered the opportunity to participate in HPLRP, either at the time of accession or as a retention incentive, or both. Since its inception in 2003, 272 officers have participated in this program. Thus far in fiscal year 2005, 17 new direct accession AC officers have received HPLRP.

The ANC offers a \$15,000 accession bonus in exchange for a four-year active duty service obligation. This bonus is projected to increase to \$20,000 in fiscal year 2006. Thus far in fiscal year 2005, 15 new AC AN officers have elected this incentive. Officers may also choose to receive an accession bonus and participate in HPLRP. They receive an \$8,000 accession bonus combined with the HPLRP of up to \$29,323 for a six-year active duty service obligation. Thus far in fiscal year 2005, 37 new AC officers have elected to take this option. Nursing scholarships are offered through ROTC, the Army Nurse Candidate Program, and the Enlisted Commissioning Program. Scholarships vary in length from two, three, or four years depending on the program with at least a three year active duty service obligation. ROTC nursing cadets may participate in the Nurse Summer Training Program (NSTP), a three-week internship in which they work with an ANC officer caring for patients. While ROTC has struggled in recent years to meet nurse mission, projections indicate that ROTC will commission the required 175 nurses by fiscal year 2007. This year's projection is for 131 nurses.

The ANC has robust programs for training nurses in specialty areas, which also serve as excellent recruiting and retention tools. Under the Generic Course Guarantee program new officers can choose critical care, perioperative, psychiatric/mental health, or obstetrical/gynecological training. All company grade officers are also eligible to apply to those courses, as well as courses in emergency and community health nursing.

The Long Term Health Education and Training program is a highly successful retention tool for mid-level officers. This program offers the opportunity to obtain a fully funded Masters degree or Doctoral degree. Officers who participate in the program incur at least a four-year active duty service obligation depending on the length of the program. This past year, the U.S. Army Graduate Program in Nurse Anesthesia was ranked second in the nation by U.S. News and World Report.

The ANC also offers specialty pay to nurse anesthetists, nurse practitioners, and certified nurse midwives. This year, the ANC successfully increased the specialty pay for nurse anesthetists for the first time in 10 years. Incentive specialty pay (ISP) is now \$15,000 to \$40,000, depending on their status and length of service agreement. Family nurse practitioners and certified nurse-midwives may also qualify for special pay that ranges from \$2,000 to \$5,000 annually.

The AC ANC centrally manages the deployments of its officers in an effort to ensure equity throughout the organization. In terms of routine assignments, the ANC works aggressively to meet the personal and professional needs of its officers while ensuring both the needs of the Army and the officer are met as much as possible. Direct accessions usually receive one of their top three choices for their first assign-

ment. Additionally, 98 percent of ANC officers married to other Army officers and enrolled in the Army Married Couples Program are co-assigned with their spouse.

Reserve Component

The HPLRP is available for all for Reserve ANC officers. It provides up to \$50,000 over a three-year period for repayment of educational loans for nurse anesthetists, critical care, psychiatric/mental health, medical-surgical, and perioperative nurses who agree to serve in the Selected Reserve. The Reserve ANC also offers an accession bonus of \$5,000 per year for up to three years of Selective Reserve duty. This year, 283 officers have received this incentive. New Reserve ANC officers may take advantage of both of these programs sequentially, but not in combination. The Specialized Training Assistance Program (STRAP), which provides a monthly stipend of \$1,279, is available only to officers enrolled in nurse anesthesia and critical care masters of science in nursing programs. Currently, there are 120 officers receiving STRAP. All are nurse anesthesia students. STRAP for bachelors of science in nursing programs is currently being staffed at Department of the Army. It is anticipated that it will be available in fiscal year 2006.

Question. Can you describe the effects continued deployments have had on staffing for Medical Treatment Facilities?

Answer. The effects continued deployments have had on staffing for Medical Treatment Facilities are numerous. Military hospitals are not receiving nursing replacements at the same ratio as those nurses deploying and overtime for government service employees is not mandatory. Therefore, military nurses are required to work additional and many times erratic hours to maintain the same level of healthcare services offered to our beneficiary population. Army Nurse Corps exit surveys reveal lack of compensation for extra hours, not enough time spent with family and likelihood of deployment as "extremely important" reasons for leaving active service. In a recent report commissioned by the United States Army Accession Command, reducing the length/frequency of overseas deployments has the greatest impact on nurse accessions.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

NURSING SHORTAGE

Question. How many military nurses do you have on active duty? How many civilian nurses are employed by your service? How many nurses in the Guard and Reserves?

Answer. The Army Nurse Corps currently has 3,105 nurses on active duty; the Army Medical Department had 3,025 civilian registered nurses employed; the Army National Guard had 651 nurses, and; the Army Selective Reserve had 5,554 nurses.

Question. What is the deficit/shortage for each, between number on duty compared with the number you have authority to hire?

Answer. The Army Nurse Corps deficit for the Active Component is 301 nurses. This figure is derived from subtracting current active duty nurse inventory from 3,406 authorizations. As of March 31, 2005, there were 337 open recruitment actions for civilian registered nurse positions with the Army Medical Command. The Army National Guard deficit is 26 nurses. This figure represents the difference between reported inventory and 677 authorizations. Army Nurse Corps Selective Reserves deficit is 270 nurses, the difference between current inventory and authorizations.

Question. What is the average number of years of service for active duty nurses? Guard and Reserve nurses?

Answer. The average number of years of service for an active duty nurse is 8 years. The average number of years of service for National Guard is 18.0 and for the Reserves is 15.3 years.

NURSING EDUCATION

Question. What percent of your nurses get a graduate degree at USUHS? What percent of your nurses get a graduate degree somewhere other than USUHS?

Answer. As of May 31, 2005, 880 Army Nurse Corps officers possess a Master's degree, of those 8 percent hold a Master's degree from USUHS. Ninety-two percent possess a Master's Degree from an institution other than USUHS. The Army Nurse Corps is allotted a set number of seats in each of the three graduate nursing programs offered at USUHS. Officers interested in obtaining a Masters degree in a field offered through USUHS must attend USUHS and may not attend a civilian institution through the Long Term Health Education and Training (LTHET) program. The Army consistently fills the seats it is allotted at USUHS. In 2004, the

Army Nurse Corps requested and was granted an expansion to double the number of seats in the Family Nurse Practitioner Program from 7 to 14.

Question. Does the military pay for advanced degrees for military nurses (at USUHS or elsewhere)?

Answer. Each year the Army Nurse Corps sends 70–90 officers to complete graduate studies at USUHS or at a civilian institution through LTHET.

Question. What is the average level of education for Military nurses? Civilian nurses?

Answer. The average level of education for the Active Component Army Nurse Corps is a Bachelor's of Science in Nursing degree or Bachelor's of Science degree with a major in nursing. The average level of education for Civilian nurses is an Associate Degree in Nursing.

NURSING EXPERIENCE

Question. What percent of your nurses come directly from nursing school, and what percent are experienced in nursing when they join the military? What percent of your nurses are prior service (in any specialty)? What percent are prior service and from another service (e.g., former Army nurses now working for the Navy)?

Answer. All active duty officers complete college or university prior to their accession. Over the past five years, seventy-six percent of newly assessed Army Nurse Corps officers are new college/university graduates and twenty-four percent have at least one year of nursing experience. Forty-five percent of Active Component Army Nurse Corps officers have prior service experience. Eight percent of Active Component Army Nurse Corps officers served in another service prior to becoming an Army Nurse Corps officer.

NURSING DEPLOYMENTS

Question. Where/how are your nurses currently deployed?

Answer. In the interest of answering this question thoroughly and as succinctly as possible the word “deployed” is defined as a nurse drawing hazardous fire pay in a theater of operations. Army Nurse Corps officers are deployed in support of both Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom in Iraq/Kuwait. These officers deploy as nurses in Brigade and Division Support Medical Companies; in Corps-level Area Medical Support Companies; in Forward Surgical Teams; in Combat Support Hospitals, and; as Chief Nurse in a Corps/Theater-level Medical Brigade/Medical Command and Control unit.

Question. How often are Reserve/NG nurses activated?

Answer. The current rotation policy for Army Reserve and Army National Guard units, specified in the Personnel Policy Guidance (PPG) of the Army, is a 1 year mobilization followed by 3 years of stabilization. The objective set by the Chief, Army Reserve and the Department of Defense is a 6 year rotation, 1 year mobilization and 5 years dwell time. Certified Registered Nurse Anesthetists deploy under the Army's 90-Day Boots-on-the-Ground policy—a 120-day mobilization (no more than 90-days deployed) followed by at least 12 months stabilization. This policy was introduced to help retain critical wartime surgical specialties. According to information from the Army Reserve 1,272 nurses have been mobilized since November 2001.

CIVILIAN NURSES

Question. Are civilian nurses used any differently than military nurses?

Answer. Civilian nurses are utilized based on the job description and scope of practice. Unlike military nurses they do not deploy or have additional military training requirements. Civilian registered nurses (Civil Service Employees) are available to pull on-call schedules, work weekends, holidays and perform overtime within budgetary feasibility.

Question. Do they fall under the same pay scale as military nurses? What about retirement benefits?

Answer. Civilian nurses do not fall under the same pay scale as military nurses. Civilian nurses are paid based on the Department of Defense General Schedule pay system. Civilian nurses receive the same retirement benefits as all other Title 5 Federal civilian employees.

Question. What is the relationship between AC military and civilian nurses, and their counterparts in the Guard and Reserves?

Answer. Active component military and civilian nurses and their counterparts in the Guard and Reserves are invaluable members of the healthcare team. Overall a very good working relationship exists between our Active and Reserve Components and civilian nurses. The Guard, Selective Reserve, and civilian nurses support our ability to provide quality nursing care.

Question. What is the average number of years a civilian nurse is employed by the military health care system (is there a high turnover?)

Answer. The average number of years a civilian nurse is employed by the military health care system is 9.9 years. The U.S. Army Medical Command Civilian Personnel Office defines turnover rate as losses/prior year-end strength. The turnover rate for civilian registered nurses is 17–20 percent. The replacement rate is calculated as the number of fiscal year fills divided by prior year-end strength. The fiscal year 2004 Replacement Rate was 34 percent.

QUESTIONS SUBMITTED TO REAR ADMIRAL NANCY J. LESCAVAGE

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

RECRUITING AND RETENTION

Question. How does the Uniformed Services University of the Health Sciences support military nursing?

Answer. Programs within the Uniformed Services University of the Health Sciences Graduate School of Nursing (USUHS GSN) have been successful in meeting our Navy Nursing specialty requirements. In fact, the Navy Nurse Corps requires all applicants for Family Nurse Practitioner, Perioperative Nursing, and Nurse Anesthesia Master's Degree Programs to seek admission to USUHS GSN as one of their two schools of choice.

Our graduating nurses have reported that the graduate level education and clinical experiences obtained at the USUHS GSN are of the highest caliber, enhancing their medical readiness. During their program, our students report extreme satisfaction with the advanced professional clinical competencies they attain and the incorporation of military relevant practice and mission requirements into the curriculum (not available in civilian university programs). In addition, gaining commands report that these graduates meet credentialing requirements quickly and demonstrate the highest levels of clinical competencies.

Of particular note, our first two Navy Nurses began the newly established Nursing Ph.D. Program this past fall on a full-time basis. In our vision, these graduates will take on the ultimate executive positions to create health policies, advance research and improve delivery systems. Their valued experience will be critical to advance and disseminate scientific knowledge, foster nursing excellence, and improve clinical outcomes across Navy Medicine and Federal agencies.

Question. With the current nursing shortage nationwide, and continued need for medical support at home and overseas, what is the status of your recruiting and retention efforts?

Answer. Navy Nurse Corps' recruitment efforts include a blend of diverse accession sources. Our successful pipeline scholarship programs (Nurse Candidate Program, Medical Enlisted Commission Program, Reserve Officer Training Corps, and Seaman to Admiral Program) account for 65 percent of our active duty staffing requirements. The remainder (35 percent) is acquired through direct accession and reserve recalls.

For the first time in ten years, we only attained 68 percent of our fiscal year 2004 recruitment goal, acquiring 63 out of 92 nurses. As of March 2005, we have attained 21 percent of our fiscal year 2005 recruitment goal, which is 6 percent less than our recorded status during the same month of last year. As a result, we carefully monitor our progress on a weekly basis.

Our overall retention rate remains stable at 91 percent. Various retention initiatives include: graduate education and training programs, pay incentives, operational experiences, and quality of life issues (mentorship, leadership roles, promotion opportunities, job satisfaction, and full scope of practice). By the end of fiscal year 2005, based on projected gains and losses, we anticipate a deficit of 137 with a billet authorization of 3098 (96 percent end strength).

Question. Can you describe the effects continued deployments have had on staffing for Medical Treatment Facilities?

Answer. In sync with Navy Medicine's priority of delivering quality and cost-effective health care, our Navy Nurses span the continuum of care from promoting wellness to maintaining the optimal performance of the entire patient. With the deployment of over 400 Active Duty Navy Nurses along with the mobilization of Reserve Nurses to support our Military Treatment Facilities (MTFs), there has been neither a reduction of inpatient bed capacity nor an increase of network disengagements. Military (active and mobilized reserve components) and civilian nurses who remained at the homefront continued to be the backbone and structure

in promoting, protecting and restoring the health of all entrusted to our care. Our success is attributed to innovative health services programs and joint partnerships across our MTFs. Ultimately, all MTFs do everything possible to conserve and best utilize the remaining medical department personnel through appropriate resource management practices (i.e. leave control, overtime compensation, streamlined hiring practices).

Through an active Patient Safety Program, our military, civil service and contract personnel constantly monitor the safe delivery of patient care. In maintaining consistent superior quality of services, we utilize research-based clinical practices with a customized population health approach across the entire health care team. In addition, we maximize our innovative health services programs and joint partnerships across our military treatment facilities.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

NURSING SHORTAGES

Question. How many military nurses do you have on Active Duty?

Answer. As of March 2005, there were 2,948 Active Duty Navy Nurse Corps Officers.

Question. How many civilian nurses are employed by your service?

Answer. Currently Navy Medicine employs 1,210 Registered Nurses (GS-610); 305 Practical Nurses (GS-620); and 12 Nursing Assistants (GS-621).

Question. How many nurses in the Guard and Reserves?

Answer. The Navy is not organized like the Air Force or Army, and does not have a Guard Component. The Reserve Component of the Navy Nurse Corps, as of the end of March 2005, had a total end-strength of 1,718 officers.

Question. What is the deficit/shortage for each, between number on duty compared with the number you have authority to hire?

Answer. We have 3,098 authorized Active Duty Nurse Corps Billets. As of March 2005, we had 2,948 billets filled for a deficit of 150 Nurse Corps Officers. As of March 2005, the authorized number of billets for the Reserve Nurse Corps is 1,370. There are 1,718 Reserve Nurse Corps Officers for a total of 348 over our end strength.

Question. What is the average number of years of service for Active Duty nurses? Guard and Reserve nurses?

Answer. The average number of years of commissioned service for Active Duty nurses is 9 years. The average number of years of total Active Duty service (commissioned and enlisted years) is 12 years. The average number of total years served (enlisted and commissioned) for Reserve Nurse Corps officers is 16.13 years.

EDUCATION

Question. What percent of your nurses get a graduate degree at USUHS?

Answer. In calendar year 2004, there were 5 nursing graduates from USUHS or 7.0 percent of the total (71) Active Duty Navy Nurse Corps graduates in 2004. In 2005, the number of Navy students graduating from USUHS is also 5 or 7.0 percent of the total (70) Active Duty Navy Nurses expected to graduate. This year we are increasing the number of students attending USUHS. There will be a total of 24 students attending USUHS beginning fiscal year 2006.

Question. What percent of your nurses get a graduate degree somewhere other than USUHS?

Answer. In the calendar year 2004, 66 Active Duty Navy Nurse Corps Officers received graduate degrees outside of USUHS. This is 93 percent of the total (71) Active Duty Navy Nurse Corps graduates in 2004. For 2005, we anticipate 65 graduates from universities outside of USUHS. This is 93 percent of the total (70) Active Duty Navy Nurse Corps graduates.

Question. Does the military pay for advanced degrees for military nurses (at USUHS or elsewhere)?

Answer. Although a few nurses join the Navy with advanced degrees, the Navy Medical Education and Training Command is budgeted to fund approximately 75 graduate nursing students each year. This "Duty Under Instruction" scholarship program allows the Navy Nurse Corps to prepare Advanced Practice Nurses (APN), Clinical Nurse Specialists (CNS) and Certified Registered Nurse Anesthetists (CRNA). These scholarships pay for the advanced training needed to support caring for those in harm's way.

Question. What is the average level of education for Military nurses? Civilian nurses?

Answer. Beginning fiscal year 2005, the level of education for Active Duty military nurses was 64 percent BSN, 30 percent MSN, 0.6 percent Doctorate and 5 percent in graduate school. While aggregate data is not available on the education levels of our civilian nurses, they are graduates of two year community college programs, three year hospital based diploma programs, and the majority are four year college graduates.

EXPERIENCE

Question. What percent of your nurses come directly from nursing school, and what percent are experienced in nursing when they join the military?

Answer. In fiscal year 2004 we had 223 accessions to Active Duty. Of these, 38 had some experience (17 percent) and the remainder (185) were new graduates directly from school (83 percent).

Question. What percent of your nurses are prior service (in any specialty)?

Answer. Approximately 45 percent of the 2,948 Nurse Corps Officers on Active Duty as of March 2005 have at least 12 months or more of prior service. This is a result of the excellent pipeline (enlisted to officer) programs in the form of scholarships, that add stability to our numbers. This is particularly evident in readiness essential specialties such as the Certified Registered Nurse Anesthetist (CRNA) community. In this specialty, 68 of 146 CRNA's (47 percent) are prior service.

Question. What percent are prior service and from another service (e.g., former Army nurses now working for the Navy)?

Answer. Of the 2,948 Navy Nurses on Active Duty as of March 2005, six (0.2 percent) are inter-service transfers. Since the year 2000, the Navy Reserve has had a total of 37 inter-service transfers which represents about 2 percent of our total reserve end-strength.

DEPLOYMENTS

Question. Where/how are your nurses currently deployed?

Answer. Navy Nurses have deployed this past year throughout the world to Kuwait, Iraq, Djibouti, Afghanistan, Bahrain, the Philippines, Thailand and Guantanamo Bay, Cuba. During these deployments they support our operational and humanitarian mission via Surgical Companies, Surgical Teams, Shock Trauma Platoons, the Forward Resuscitative Surgical System, Fleet Hospitals, Expeditionary Medical Facilities, on both Navy and Hospital Ships, and our Medical Treatment Facilities abroad.

Question. How often are Reserve/NG nurses activated?

Answer. As of December 2004, a total of 385 nurses have been activated for Operation Iraqi Freedom. This represents a total of 23 percent of the Reserve Nurse Corps End-Strength. Current Secretary of the Navy policy allows for a non-voluntary recall for up to 24 months. Most officers are recalled for a period of one year, with an option to serve a second year as needed.

CIVILIAN NURSES

Question. Are civilian nurses used any differently than military nurses?

Answer. Essentially, civilian nurses are hired primarily for their clinical expertise. All civilian nurses are hired with a minimum three years clinical experience, so they supply an immediate clinical support for all of our specialty areas. However, since we have a greater deployment requirement for some specialties such as perioperative, critical care, anesthesia, emergency/trauma, psychiatric/mental health and surgical nursing, there are often more military nurses in these specialties. Consequently, there are often more civilian nurses working in clinical areas such as obstetrical, maternal-infant, pediatrics and newborn nursery.

Question. Do they fall under the same pay scale as military nurses?

Answer. Civilian nurses are paid under separate pay scales based on the General Schedule or special salary rates established by the Office of Personnel Management (OPM) or the Department of Defense under an agreement with OPM to use certain pay flexibilities granted to the Veterans Administration. For the most part, civil service Registered Nurses are paid in the range of \$64,000 to \$80,000 for base salary.

Question. What about retirement benefits?

Answer. Civil service nurses are covered by two retirement plans based on when they entered the federal service. Both are contributory plans and require the employee to make contributions from pay toward their retirement.

—Civil Service Retirement System—is basically a single contributory, self-insured program supplemented by the non-matched Thrift Saving Plan.

—Federal Employees Retirement System—is a combination of social security, small basic annuity and the Thrift Saving Plan (with some matching contributions).

Question. What is the relationship between AC military and civilian nurses, and their counterparts in the Guard and Reserves?

Answer. In support of the One Navy Medicine concept, the integration of active, reserve and civilian nurses renders a more effective, efficient and fully mission-ready nursing force both at home and abroad. With the deployment of over 400 Active Duty Nurses along with the mobilization of Reserve Nurses to support our Military Treatment Facilities, this concept of integration has allowed our civilian staff, reserve backfill and Active Duty nurses to work seamlessly to care for all of our beneficiaries.

Question. What is the average number of years a civilian nurse is employed by the military health care system (is there a high turnover?)

Answer. With the keen competition for nurses in many of the more populated areas, nurses will move from hospital to hospital based on salary. Turnover is a continuing challenge, but with the flexibilities in hiring and compensation, we seem to be competitive. At any one point in time, there are approximately 50 civilian nurse vacancies, or 4.0 percent of the 1,210 total Registered Nurse positions.

QUESTIONS SUBMITTED TO MAJOR GENERAL BARBARA C. BRANNON

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

RECRUITING AND RETENTION

Question. How does the Uniformed Services University of the Health Sciences support military nursing?

Answer. The Uniformed Services University of the Health Sciences (USUHS) is committed to providing excellence in graduate nursing education to prepare advanced practice nurses for the delivery of healthcare during peace, disaster response, homeland security threats and war. The Graduate School of Nursing (GSN) faculty and staff have an exceptional blend of experience in the military and/or the federal health care systems, and are prepared to provide a distinctly unique educational experience that cannot be found at other universities. The GSN signature curriculum is specifically designed to prepare nurses for advanced practice and research roles in support of Active Duty members of the uniformed services, their families and all other eligible beneficiaries. This curriculum for graduate students includes operational readiness, evidence-based practice, population health outcomes, force health protection, federal health care systems, as well as leadership.

The Perioperative Clinical Nurse Specialist (PCNS) Program (the newest Master's program) prepares graduate nurses for clinical practice, management, leadership, research, teaching and consultation in advanced practice roles within the perioperative environment. This is the only program of its kind in the United States focused totally on perioperative practice and administration. Military unique aspects of the curriculum stresses concepts directed toward delivering perioperative care in both the military and federal health care system with a strong focus on patient safety research and care in austere environments. USUHS graduates are uniquely qualified to provide quality care in a variety of settings to include peacetime and wartime environments.

The Registered Nurse Anesthesia (RNA) Program is dedicated to providing highly qualified nurse anesthetists for the uniformed services. The uniformed services require graduates independently provide quality anesthesia care in diverse settings. The military unique curriculum is specifically designed to integrate scientific principles of anesthesia theory and practice, stressing the unique features of operational readiness throughout the curriculum to prepare nurse anesthetists ready to deploy immediately upon graduation. USUHS Graduate School of Nursing students deploy up to six months earlier than graduates from other RNA programs.

The rigorous curriculum of the Family Nurse Practitioner (FNP) Program at USUHS prepares graduate nurses for advanced practice roles in the federal sector. Their curriculum is more heavily weighted in diagnostic reasoning and clinical decision-making since they practice more autonomously in remote settings. In addition, the military unique program includes field training to prepare nurses to support combat casualties in deployed environment. Like the PCNS and RNA students, FNP students graduate with a full compliment of operational readiness skills and can deploy immediately upon graduation.

The Uniformed Services University also prepares military and federal health nurses through doctoral education to research subjects from operational readiness and deployment health to patient safety and population health and outcomes management. This operational plan for research has been lauded by the Federal Nursing Service Chiefs, members of the USUHS Board of Regents, as well as the Assistant Secretary of Defense/Health Affairs.

Operational readiness research areas at both the master's and doctoral level include Active Duty, Reserve and Guard fitness, health systems readiness, chemical, biological, radiological, nuclear and high-yield explosives (CBRNE) defense, decision support and validation of readiness training. Research also focuses on war injuries, care of amputees, women's health in the deployed environment and stress and coping in military families. Patient safety research is aimed at addressing scientific inquiry in the areas of health literacy and safety in the emergency room and/or operating room. Finally, research in the domain of genetics examines the latest in genetic testing and newborn screening.

The Uniformed Services University provides the nation with premier nurses dedicated to career service in the Department of Defense and the United States Public and Federal Health Services. The curriculum includes military unique content that is not presented at civilian universities.

Question. With the current nursing shortage nationwide, and continued need for medical support at home and overseas, what is the status of your recruiting and retention efforts?

Answer. The nursing shortage continues to pose enormous challenges in supplying our demand for military nurse accessions and sourcing civilian nursing workforce. A robust recruiting program is essential to sustain the Air Force Nurse Corps. We have consistently been below our goals: 78 percent in fiscal year 2001, 67 percent in fiscal year 2002, 79 percent in fiscal year 2003, and 71 percent in fiscal year 2004. Our fiscal year 2005 recruiting goal is 357 nurses and it appears we will end the year around 70 percent of that goal. We use the Health Professions Loan Repayment Program (HPLRP), accession bonuses and ROTC scholarships to recruit top quality nurses.

Our most successful tool for recruiting novice nurses has been the HPLRP. In fiscal year 2004, we filled 118 quotas of up to \$28,000 each. For fiscal year 2005, we could only fund 26 HPLRPs, leaving the accession bonus as the only financial incentive available. We increased the accession bonus from \$10,000 to \$15,000 for a four-year commitment. This has been moderately successful. We are currently formulating programs to use the National Defense Authorization Act 2005 authority to offer an accession bonus with a three-year commitment.

We have increased nursing Air Force ROTC quotas for the last two years and filled 100 percent of our quotas. We added additional ROTC scholarships for fiscal year 2005, increasing our quota from 35 in fiscal year 2004 to 41. We are also enhancing our "grow our own" nurses from our enlisted corps. We revised the eligibility requirements for the Airmen Enlisted Commissioning Program (AECPP) to increase the pool of enlisted to complete a Bachelor of Science in Nursing while on active duty. Following graduation they commission into the Air Force Nurse Corps. We have accessed 24 nurses through this program since its inception in fiscal year 2001.

Advanced practice nurses are difficult to recruit. We primarily meet our requirements by training our active duty nurses in advanced specialties. We offer financial incentives to retain board certified nurse practitioners, certified nurse midwives and certified registered nurse anesthetists (CRNAs) consistent with our sister services. Advanced practice nurses earn an additional \$2,000 per year for less than ten years of experience. In fiscal year 2000 we increased the CRNA special pay to \$6,000 per year while they complete any time commitment for training. For those without a training commitment we increased the rate in fiscal year 2005 up to \$25,000 per year for a three-year commitment. As a result, retention rates for CRNAs have increased from a low of 81 percent for fiscal year 2000 to 88 percent for fiscal year 2004.

The nationwide nursing shortage has also affected our ability to recruit civilian nurses. While the direct hire authority has significantly improved the hiring process for nurses, numerous positions remain unfilled in select areas of the country. The retention of these nurses has also proven to be a challenge. We have difficulty competing with civilian facilities that continue to offer more attractive incentive packages.

While this continues to be a challenging time for recruiting, our retention has been excellent. We have averaged a loss rate of just over eight percent in the last ten years. Our nurses enjoy the opportunity for professional development including the opportunity to apply for advanced degree programs. They also recognize the pro-

motion and leadership opportunities available in the Air Force that are not as common in the civilian sector. Our nurses are some of our best recruiters as they tell their stories and share their experiences. We continue to advertise our great quality of life and career opportunities, as we remain focused on attracting top quality baccalaureate nurses and nurturing them into tomorrow's nursing leaders.

Question. Can you describe the effects continued deployments have had on staffing for Medical Treatment Facilities?

Answer. The Air Force Medical Service has been faced with the challenge of providing consistent medical support to each Air Expeditionary Force (AEF) while at the same time maintaining critical home station medical support and formal medical education programs. The solution has been to optimize use of medical center and large hospital staffing to meet most AEF requirements. This has multiple benefits including the ability to provide a constant, predictable, measurable level of support (same hit for medical treatment facility in every bucket). This also allows for better programmatic adjustments as well as increased ability to capitalize on resourcing investments and enhancement of medical education and training.

While this process has been successful in anticipating the requirements for deployment, several additional challenges have come to light. These include tasking for already stressed medical Air Force specialties, e.g., Critical Care, Surgical Specialties, Mental Health, and Independent Duty Medical Technicians. Also, the Air Force has been asked to fill some billets, e.g., Combat Stress Teams, Preventive Medicine Teams, Detainee Health Team and others. These additional taskings are met within the AEF cycle when possible to maintain a predictable level of support. When this cannot be accomplished, additional deployable assets may be tasked. Another solution has been to use Air Force medics that have not previously been considered deployable for medical reasons to fill assignments such as staff positions to backfill personnel at either Air Force facilities that deploy personnel or to deploy forward. Air Force medics who might not be able to deploy forward have also been tasked to fill slots at Army facilities such as Landstuhl in Germany and Tripler Army Medical Center in Hawaii.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

NURSING SHORTAGES

Question. How many military nurses do you have on active duty?

Answer. There are 3,673 nurses on active duty as of April 30, 2005.

Question. How many civilian nurses are employed by your service?

Answer. The number of civilian nurses currently employed by Air Force is 740.

Question. How many nurses in the Guard and Reserves?

Answer. There are currently 797 nurses in the Air National Guard and 2,062 in the Air Force Reserve.

Question. What is the deficit/shortage for each, between number on duty compared with the number you have authority to hire?

Answer. The deficit/shortage between number of nurses on duty compared to the number we have the authority to hire for Active, Guard, Reserve, and Civilian is as follows:

Active Duty deficit/shortage equals 277 out of 3,673.

Guard deficit/shortage equals 120 out of 797.

Reserve deficit/shortage equals 106 out of 2,062.

Civilian deficit/shortage equals 28 out of 740.

Question. What is the average number of years of service for active duty nurses? Guard and Reserve nurses?

Answer. The average number of years of service for Active Duty nurses is 11 years, while the average number of years of service for Air National Guard and Air Force Reserve nurses is 15 years.

EDUCATION

Question. What percent of your nurses get a graduate degree at USUHS?

Answer. Currently, 2 percent (92) of all nurses on active duty (3,675) have a graduate degree from the USUHS. On average, 45.6 percent (26) of all nurses are selected each year for Air Force-sponsored education opportunities to attend the USUHS in the following programs: Masters of Science in Nursing (MSN); Family Nurse Practitioner MSN; Perioperative Clinical Nurse Specialist; MSN Nurse Anesthesia; Doctorate (PhD), and Nursing Science.

Question. What percent of your nurses get a graduate degree somewhere other than at USUHS?

Answer. We currently have 1,443 Nurses with Masters Degrees in the Air Force. The breakdown is as follows: 915 Other (on their own)—63.4 percent; 407 AFIT (Air Force Institute of Technology) sponsored—27.0 percent; 92 USUHS—7.6 percent; 21 Tuition Assistance—1.4 percent; 6 HPSP (Health Professions Scholarship Program)—0.4 percent; 1 VEAP (Veterans Education Assistance Program)—0.06 percent; and 1 Education Delay—0.06 percent.

We currently have 14 Nurses with Ph.D.s in the Air Force. The breakdown is as follows: 6 AFIT sponsored; and 8 Other (on their own).

There are currently three Air Force students enrolled in the Ph.D. program at the USUHS.

Question. Does the military pay for advanced degrees for military nurses (at USUHS or elsewhere)?

Answer. The Air Force has several programs to assist nurses in pursuing advanced degrees. In fiscal year 2004 we selected 57 nurses for education opportunities. Of these, 31 attended civilian institutions for programs not offered at the USUHS. These students are sponsored by the Air Force Institute of Technology. The remaining 26 nurses selected attended the USUHS. The Air Force also offers tuition assistance for Airmen that choose to pursue programs during off-duty time. Officers can receive up to \$4,500 per fiscal year for courses that lead to an advanced degree. We also offer scholarships for nurses interested in nurse anesthesia and women's health through the Health Professions Scholarship Program.

Question. What is the average level of education for Military nurses? Civilian nurses?

Answer. All nurses in the Air Force Nurse Corps hold a bachelors degree in nursing. Of these, 39.3 percent (1,443) also hold a masters degree and 0.4 percent (14) hold a Ph.D.

According to the most recent data from the American Association of Colleges of Nursing, in the year 2000, 34 percent of nurses in the civilian sector hold an associates degree in nursing (ADN), 22 percent practice with a diploma, and 43 percent hold a bachelors degree in nursing. Only 9.6 percent hold a masters degree and 0.6 percent hold a Ph.D. According to the U.S. Department of Health and Human Services, only 16 percent of ADNs obtain a post-RN nursing or nursing-related degree.

EXPERIENCE

Question. What percent of your nurses come directly from nursing school, and what percent are experienced in nursing when they join the military?

Answer. Nurses are considered inexperienced until they have practiced for one year. Experienced nurses, on the other hand, have worked in clinical nursing for more than one year or have trained in a specialized area. Over the last four years, the percentage of inexperienced nurses recruited has steadily increased. In fiscal year 2001, these nurses comprised 22.8 percent of all new accessions with experienced nurses constituting the remaining 77.2 percent. By the end of fiscal year 2004 the percentage of inexperienced nurses increased to 39.3 percent of all nurses recruited, bringing the four-year average to 30.9 percent. The four-year average for experienced nurses fell to 69.1 percent.

Question. What percent of your nurses are prior service (in any specialty)?

Answer. Officers in the Air Force Nurse Corps come from a variety of backgrounds. Nurses with prior service in any specialty comprise 25.6 percent of the Air Force Nurse Corps. Of these, one percent are officers commissioned in the Air Force that later transferred to the Nurse Corps. Nurses with prior enlisted service make up 24.6 percent of the Air Force Nurse Corps. From this category, eight percent were prior enlisted in the Air Force and 16.6 percent were prior enlisted in other services, including the Air Force Reserve and Air National Guard.

Question. What percent are prior service and from another service (e.g., former Army nurses now working for the Navy)?

Answer. At the end of calendar year 2004, the Air Force Nurse Corps included 392 nurses (10.8 percent) who had been commissioned in a different branch of the military and then transferred to the Air Force. This includes nurses who transferred from the Air Force Reserve and the Air National Guard.

DEPLOYMENTS

Question. Where/how are your nurses currently deployed?

Answer. The following data is obtained from Deliberate Crisis Action Planning Execution Segments (DCAPES) and is as of May 24, 2005. The data reflects personnel deployed on Contingency/Exercise Deployment (CED) orders at SECRET level and below and includes the type of nurse currently deployed by the area of responsibility of deployment.

AFSC5D	TDY—AOR					Total
	CENTCOM	EUCOM	NORTHCOM	PACOM	SOUTHCOM	
CLINICAL NURSE	40	11	13	1	3	68
CN CRITICAL CARE	30	15	7	.....	.....	52
CN Womens Health Care Nurse Prac	1	.....	1	.....	.....	2
FLIGHT NURSE	40	28	45	.....	.....	113
MENTAL HEALTH NURSE	2	4	6	.....	.....	12
NURSE-ANESTHETIST	7	.....	.....	.....	1	8
NURSING ADMINISTRATOR	5	.....	3	.....	.....	8
OPERATING ROOM NURSE	19	.....	1	.....	.....	20
NURSE-MIDWIFE .....	.....	.....	.....	.....	1	1
Grand Total	144	58	76	1	5	284

Question. How often are Reserve/NG nurses activated?

Answer. Based on personnel currently assigned to the Selected Reserve (SelRes), there are 2,876 nurses in the SelRes. Of this number, 733 individuals have been mobilized 845 times since September 11, 2001. Specifically, one was mobilized four times; five were mobilized three times; 99 were mobilized two times; and 628 were mobilized one time. The average number of mobilizations per month since September 11, 2001 is approximately 19 (about 11 mobilizations a month during the past 12 months). The peak mobilizations were in February-April, 2003 (490 total; with 232 in March 2003)—of those mobilized, 475 individuals were deployed one or more times. Note: The mobilization data are per the Military Personnel Data System (MilPDS) and the deployment data are per the Deliberate Crisis Action Planning Execution Segments (DCAPES) deployed history file, May, 2005.

CIVILIAN NURSES

Question. Are civilian nurses used any differently than military nurses?

Answer. During peacetime, civilian nurses are used much the same as military nurses. One stumbling block to fully integrating civilian nurses into our nursing teams is the requirement for overtime pay for time worked beyond forty hours. On Air Force hospital inpatient units, nurses are scheduled on 12-hour shifts. The rotation requires the nurses to work four shifts one week and three shifts on the opposite weeks. Civilian nurses would regularly exceed forty hours in a seven-day period and have fewer than forty hours in others. This would increase civilian pay bills. Additionally, when a civilian has a short notice absence, the extra coverage usually falls to the military nurses. This is manageable with a small civilian force; however, scheduling is much more complicated and taxing with a larger civilian force. Civilian nurses are currently assigned to all settings, but in the future will be concentrated in the outpatient clinics. We need to assign military nurses to most of our inpatient and critical care authorizations for currency in wartime clinical skills.

Question. Do they fall under the same pay scale as military nurses?

Answer. Civilian and military nurses do not fall under the same pay scale. Civilian nurses currently receive their pay based on the General Schedule (GS) for federal employees or a contractual agreement. Pay rates may be adjusted based on locality. The GS rating for nurses may vary due to kind of work (inpatient versus outpatient), specialized skills necessary (intensive care versus inpatient ward), and management responsibilities.

Basic Pay is the fundamental component of military pay. All members receive it and typically it is the largest component of a member's pay. A member's grade (usually the same as rank) and years of service determines the amount of basic pay received. Their basic pay is not affected by their duty location. The military does offer certification pay for our advanced practice nurses and incentive special pay for our Certified Registered Nurse Anesthetists.

Question. What about retirement benefits?

Answer. The retirement benefits would be computed using the general formula for the retirement system the employee is covered under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). The formulas for the computation of retirement benefits can be found in the U.S. Office of Personnel Management CSRS and FERS Handbook For Personnel and Payroll Offices available on line at <http://www.opm.gov/asd/hod/pdf/C050.pdf>.

Question. What is the relationship between AC military and civilian nurses, and their counterparts in the Guard and Reserves?

Answer. Nurses in the Air National Guard (ANG) and in the Air Reserve Component (ARC) are utilized several ways once activated. Some of the nurses are used

to backfill positions vacated by active duty nurses deploying. This role has enabled some facilities to continue to meet their peacetime mission requirements. Other nurses are deployed along with their units. They have manned contingency air staging facilities overseas and stateside. They are also responsible for 88 percent of aeromedical evacuation flights.

While on active duty, ANG and ARC nurses receive the same pay and benefits as their full-time Active Duty counterparts. Civilian nurses receive their pay based on the General Schedule (GS) for federal employees or a contractual agreement.

Question. What is the average number of years a civilian nurse is employed by the military health care system (is there a high turnover?)

Answer. The civilian nurses currently employed by the Air Force through the military health care system have worked for the Air Force for an average of 8.26 years. The nurses who left Air Force employment between January 1, 2004 and May 1, 2005 had an average of 7.81 years of civilian service some of which may have been performed for other governmental agencies.

SUBCOMMITTEE RECESS

Senator STEVENS. The subcommittee will reconvene tomorrow at 10 a.m., in this room to review the Missile Defense Program for 2006. We stand in recess until that time.

[Whereupon, at 11:59 a.m., Tuesday, May 10, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 11.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

WEDNESDAY, MAY 11, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens, Cochran, and Inouye.

DEPARTMENT OF DEFENSE

MISSILE DEFENSE PROGRAM

STATEMENTS OF:

**GENERAL JAMES E. CARTWRIGHT, UNITED STATES MARINE
CORPS, COMMANDER, UNITED STATES STRATEGIC COMMAND**

**LIEUTENANT GENERAL HENRY A. OBERING, III, UNITED STATES
AIR FORCE, DIRECTOR, MISSILE DEFENSE AGENCY**

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. The subcommittee is pleased to welcome General James Cartwright, Commander of the United States (U.S.) Strategic Command (STRATCOM), and Lieutenant General Henry Obering, Director of the Missile Defense Agency (MDA). General Obering, this is your first opportunity I believe to testify before us as Director of the Missile Defense Agency. We welcome you. Given your service at MDA and in other roles, your having been a Director for almost 1 year now, we are happy to see you on board and to welcome you to our subcommittee. We thank you both for coming today.

Ballistic missile defense (BMD) is one of the most challenging missions in the Department of Defense. This subcommittee has consistently provided support for missile defense programs. It is fair to say that this administration has been more active in fielding missile defense to meet the current and growing threat than any previous administration. Even as its support for missile defense remains strong, the administration is also contending with the global war on terror. With all the competing priorities, resources are extremely limited and funding for missile defense may have reached its high water mark in fiscal year 2005. However, we must move to ensure that our diminishing missile defense resources are well focused on the right priorities.

General Cartwright, General Obering, we look forward to hearing about the missile defense capabilities and receiving an update on how the overall program is proceeding. We are going to make each of your statements a part of the record.

I am delighted to turn it over now to our vice chairman for his remarks.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Mr. Chairman, I am also pleased to join you in welcoming General Obering and General Cartwright.

These are challenging times and very interesting times for missile defense. The program has seen both setbacks and achievements this past year. For example, last September the President was all set to announce the deployment of a missile defense system, but problems persisted in testing the system, and that announcement had to be delayed. More recently, we have seen two tests where the target was launched, but the interceptor never left the silo.

I understand you are currently considering whether to withdraw from the high altitude airship program due to cost and schedule overruns. Nevertheless, we recognize that missile defense is technologically challenging. Despite these setbacks, it is important to note the many successes that have occurred over the past year.

The Aegis ballistic missile defense program had another successful intercept last February. This brings you to five out of six successes for its testing. In addition, one of the Aegis destroyers, equipped with the capability to search and track missiles, is now positioned in the Sea of Japan.

Mr. Chairman, I would like to have the remainder of my statement made part of the record, if I may.

Senator STEVENS. Yes, Senator, it will be.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Today I am pleased to join our chairman in welcoming to the committee Lieutenant General Obering, Director of the Missile Defense Agency, and General Cartwright, Commander of U.S. Strategic Command.

Gentlemen, you have stepped into your respective positions at a very interesting and challenging time for missile defense. The missile defense program has seen both set backs and achievements this past year.

Last September, the President was set to announce the deployment of a limited national missile defense system. However, problems persist with testing the system, and the announcement has been delayed.

More recently, we have seen two tests where the target was launched successfully, but the interceptor never left the silo because of problems with ground equipment.

I understand you are currently considering whether to withdraw from the high altitude airship program due to cost and schedule overruns.

Finally, the missile defense program was cut back by \$1 billion in the fiscal year 2006 budget request as part of the overall pressure to reduce the Defense Department budget.

Nevertheless, we recognize that missile defense is technologically challenging, and despite these setbacks, it is important to note the many successes that also occurred over the past year.

The aegis ballistic missile defense program had another successful intercept test last February, bringing it to five out of six successes in its testing. In addition, one of the aegis destroyer equipped with the capability to search and track missiles is now positioned in the sea of Japan.

The airborne laser program met two successful milestones—the first light of the laser beam and flight of the aircraft. This happened after many skeptics believed the program was headed toward failure.

Finally, eight long-range interceptors are in the ground and checked-out in Fort Greely, Alaska and Vandenberg Air Force Base in California.

The fact of the matter is that ballistic missiles are proliferating. They are a threat to our homeland and to those of our allies and friends around the world. Building an affordable and workable missile defense system is important for our national security for now and for the foreseeable future.

Gentlemen, this committee understands the importance of a strong missile defense. We will continue to support your programs, but we will keep an ever watchful eye on the risks and costs of your missile defense programs.

I look forward to hearing from you both on the fiscal year 2006 budget request and the priorities and challenges of the missile defense program.

Senator STEVENS. I call on the chairman of the full committee, Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much. I join you in welcoming our witnesses today at this important hearing. I think it is important for us to remain engaged with those who are involved in developing and deploying comprehensive capability of defending against missile attacks.

We have legislated the authority to deploy a national missile defense system, and Senator Inouye and Senator Stevens and I co-sponsored legislation several years ago that was adopted by the Congress and signed by the President calling for the deployment of that capability. I think you have demonstrated that it is feasible, that we do have the capabilities of making this goal come true and become a reality. For all of that, we congratulate you and look forward to your testimony about this and other capabilities you are working on to protect troops in the field and other assets and resources that we have that are a matter of supreme national interest. Thank you for your service.

Senator STEVENS. Thank you very much.

General Cartwright, we would be happy to have your statement.

SUMMARY STATEMENT OF GENERAL CARTWRIGHT

General CARTWRIGHT. Thank you, Mr. Chairman and Senator Inouye. I would like to take just a few minutes and make a few remarks. My presence here is to bring you up to date on some of the operational issues as the system starts to transition to the operational side.

I just want to walk back. In 2004, our goal was to provide a rudimentary system against a limited threat. That threat was defined as two to five missiles coming from North Korea. What we were able to put together at the early part of the year and at the end of 2004 was what I would describe as a thin line system. In other words, we had a command and control system that reached to the critical points. We had sensors that were on a single thread but were end to end, and we had a weapons system that was at that time at one base.

We put that system together. It was available. If there were an emergency, we could use it, but being a thin line system, it really was a system that was not set up to do both operations and research and development (R&D) simultaneously. So we have been

moving back and forth on a scheduled basis between operations and R&D with a focus mainly on R&D in 2005.

Our focus in 2005 was to build the system and start to put some depth and redundancy into the system to bring the assurance levels up and to bring the operational realism and start to train our soldiers to operate the system. Behind me is Lieutenant General Larry Dodgen who is my commander for missile defense. He has the responsibility of training the individuals to operate the system on a day-to-day basis.

In the early part of the year, we asked and worked with Secretary Rumsfeld to set up what we called a shakedown period, which in Navy terms was to take the system and put operators on the system and start to understand the strengths and weaknesses, start to understand the concept of operation that you would employ on a day-to-day basis, things as simple as four people sitting at consoles working the system, what if the display shuts off, what if the coms do not work, starting the build the procedures which also builds in the confidence for the soldier to be able to operate the system. These were critical things to start to understand, get the operators involved.

It also helped us shape and define what operationally realistic meant, what we needed to work with General Obering on, to make sure that the system matched up with the expectations of the soldiers, as we learned to operate the system. That has gone on since the beginning of the year. We have moved back and forth and scheduled activities. I think we are on our ninth iteration where we turn the system over to the operators, let them work on it for an extended period of time. That has given us a lot of insights and a lot of help in defining how we are going to use this system.

Another question that I routinely get is why do we need a defensive system. We are putting this investment in. I go back really to my marine routes on this. If you talk to Captain Cartwright or Private First Class (PFC) Cartwright about having a balanced offensive capability with a balanced defensive capability, I would not send a marine into the streets of Fallujah without armor. It makes a difference in how the enemy treats you and it makes a difference in how you behave in a threat environment. Having a balanced offense and defense in the sophisticated threats that we deal in today, we can have snipers and terrorists on the street who hide among civilians, take their first shot, thinking they are going to get the advantage by getting that first shot off with no regret factor because nobody will shoot back at them and you are worried about ducking. Having a defense makes all the difference in the world in the calculus of the mind of the adversary and the mind of our soldiers, sailors, airmen, and marines.

When we look at the threat that we are facing today, having only a strategy of mutual assured destruction, or offense only, is just not going to be robust enough for the diverse threat that we face today. We have to change the calculus in the mind of the enemy so that that first shot, they do not believe that they are going to escape with that with no regret. Number two, they have got to question whether they are going to be successful or not, and number three, they have got to believe that we will get them if they take that first

shot. It is just absolutely essential. So having a balanced offense and defense in the world we deal in today is absolutely essential.

The shakedown for us has provided our soldiers with the mind set and the confidence to operate the system. 2005, hopefully for us, brings additional weapons, additional sensors so that we have the backups and the redundancies and we are not relying on a single string. It brings a more robust command and control system, and we will start to get to the point where we also bring into the equation, as the administration has laid out, our first priority of defending the Nation, our second priority of defending our forward deployed forces. And with the Aegis systems that Senator Inouye alluded to, we start to get the capability to bring systems to bear that can defend our deployed forces wherever they are in the world. And to me that is essential. We have got to extend that umbrella out and have it available for our deployed forces and then our allies and friends in addition.

PREPARED STATEMENT

So I stand ready for your questions. I hope that gives you a context in which STRATCOM has come into this equation.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES E. CARTWRIGHT

Mr. Chairman and Members of the Subcommittee: This is my first opportunity to appear before you as Commander of the United States Strategic Command. Thank you for the time you've given me to discuss the missions assigned to us as we continue to prosecute the Global War on Terror and take on the challenge of combating weapons of mass destruction.

My prepared remarks cover USSTRATCOM's role in the challenging 21st Century environment and plans for addressing those challenges with capabilities to serve our nation's needs in war and in peace.

THE 21ST CENTURY GLOBAL ENVIRONMENT

Global interdependence—economic, political, and social—combined with near instantaneous global connectivity, is a trademark of the new century. It also heightens the importance of strong links between U.S. strategic objectives and regional operations. U.S. strategic objectives have profound influence on individuals, regions, nations, and non-state actors and networks. The tight linkage between U.S. strategic objectives and the conduct of regional operations is evident in our operations in Afghanistan and Iraq, and more recently in Asia in the aftermath of the tsunami. In Afghanistan, the strategic objective to combat global terrorism guided, as well as constrained, our regional decisions. The regional operations in Iraq are clearly influencing cultural, economic, and security considerations around the globe.

Our adversaries are using asymmetric approaches; exploiting social, political, and economic vulnerabilities to avoid confronting superior U.S. forces head on. We continue to see increases in the speed and deceptive scale of proliferation of potential weapons of mass destruction, including delivery and concealment capabilities. We see adversaries who would use improvised explosive devices (IEDs) and suicide bombs against their own people and infrastructure, as well as against deployed multinational forces. These adversaries have easy access to the same global technology base we do, and can exploit the same communication and information resources as the American public. They have proven they are an intelligent and adaptable enemy.

All operations, while regional in execution, have global consequence and therefore require a global perspective. Regional combatant commanders, who are responsible and accountable for conducting combat and peacekeeping operations in their areas of responsibility (AORs), have long depended upon support provided from outside their AORs. Much of that support, which in the past was provided on an ad hoc basis, has now been codified in the Unified Command Plan as a USSTRATCOM global responsibility. We are positioning USSTRATCOM to advance a distinctly global and strategic perspective on current and emerging capabilities necessary to

deter threats to our way of life, particularly those threats involving weapons of mass destruction. USSTRATCOM will enable combatant commander's regional operations through realization of a comprehensive set of global mission capabilities, soundly integrated to achieve more effective and efficient execution.

We look upon this responsibility as both an exciting challenge and a solemn obligation to the regional combatant commanders, the American men and women who serve in their AORs and to the American people.

GLOBAL ENABLERS

21st Century operations are fundamentally different from those of the last century. Combat operations are being conducted in rapidly changing circumstances, shifting from humanitarian operations to intense firefights within a few hundred yards of each other with little or no warning. This dynamic nature is matched by a varying composition of assisting partners. We must be ready to conduct integrated, distributed operations using global and regional military forces. In many situations, these forces will be augmented by other U.S. Government personnel, coalition and commercial partners, and possibly, non-governmental organizations. To plan and effectively execute these types of distributed, agile and integrated operations, the regional combatant commands increasingly rely on multiple capabilities the global commands must support or provide.

The Unified Command Plan expands USSTRATCOM responsibilities through the assignment of global mission areas that span levels of authority, cross regional boundaries and intersect with various national and international agencies. USSTRATCOM's missions are:

- Global deterrence;
- Global support from space-based operations;
- Global intelligence, surveillance, and reconnaissance;
- Global strike;
- Global information and network operations;
- Global command and control;
- Global integrated missile defense coordination; and
- Globally combating weapons of mass destruction.

Achieving the full potential of these missions is contingent upon identifying the right capabilities mix and sustaining our global reach through space. However, without the context of advanced situational awareness, and the power of collaboration, even the best tools may be insufficient to deter and defeat a determined adversary. We are placing an emphasis on the following global enablers:

The New Triad.—USSTRATCOM supports The New Triad concept; a strategic way ahead in pursuit of a more diverse set of offensive and defensive warfighting capabilities. We are active participants in all three legs of The New Triad: offensive nuclear and non-nuclear strike (including non-kinetic), passive and active defenses, and a defense infrastructure capable of building and sustaining all offensive and defensive elements, including the critical support areas of command and control and intelligence.

Coupled with improved collaboration and shared global awareness, The New Triad concept will enable more precisely tailored global strike operations. With a full spectrum of nuclear, conventional and non-kinetic options available, regional combatant commanders will be enabled to achieve specific local effects against high value targets in the context of the strategic objective.

While we are confident in our ability to support effective global strike operations today, we must continue to evolve that capability to meet the demands of an uncertain tomorrow. For example, I intend to conduct experiments to better understand the value of weapon accuracy within a range of stressing environments. If modeling and testing confirm the value of such capability, this may lead to new thoughts on the balance between nuclear and conventional strike alternatives.

The new responsibilities assigned to USSTRATCOM have required the command to broaden its Cold War focus from deterring nuclear or large-scale conventional aggression to becoming a major contributor to the much broader defense strategy. Nuclear weapons; however, continue to be important, particularly for assuring allies and friends of U.S. security commitments, dissuading arms competition, deterring hostile leaders who are willing to accept great risk and cost, and for holding at risk those targets that cannot be addressed by other means. As steward of the nation's strategic nuclear deterrent, we have two specific areas of focus—rationalizing our nuclear forces, and providing for a relevant nuclear stockpile in the context of The New Triad. At the same time we will continue to evaluate and provide a range of options, both nuclear and non-nuclear, relevant to the threat and military operations.

The New Triad concept presents an opportunity to reduce our reliance on nuclear weapons through the evaluation of alternative weapons, defensive capabilities and associated risk. It is our intent to have the upcoming Quadrennial Defense Review address nuclear issues, and the associated infrastructure, to determine transformation requirements for our nuclear capabilities in the 21st Century. We will look at rationalizing our nuclear forces as an element of the overall force structure and the proper tailoring of nuclear effects as part of the broad spectrum of national power. These assessments will be important to future operational planning as well as future budget plans.

Space.—The importance of the space mission to our national security cannot be overstated. The U.S. economy, our quality of life, and our nation's defense are all linked to our freedom of action in space. For example, satellites are at the heart of routine financial activities such as simple automatic teller machine operations or complicated international currency and stock market transactions. The telecommunication industry is heavily vested in space. Commercial airliners, container ships, trains, trucks, police, fire departments and ambulances have also become highly dependent upon space-based global positioning systems to enhance their ability to safely deliver people, goods and services. The fact is, our dependency on space increases every day—a fact not lost on our adversaries. This growing national dependence on space-based and space-enabled capabilities establishes a true imperative to protect our space assets and our ability to operate freely in, and from, space.

We currently enjoy an asymmetric advantage in space, but our adversaries are gaining on us. Our space support infrastructure is aging and, in some instances, on the verge of becoming obsolete. We will continue to face additional challenges as other nations exploit new technologies and capabilities in attempts to bridge the gap between them and us.

The space environment itself is also rapidly changing. For example, the number of objects in-orbit increases every month, while the size of those objects decreases. This is challenging our space surveillance technology, developed in the latter half of the 20th Century, because it was not designed to detect or track the current magnitude of new, smaller objects, including micro-satellites. This increases the chances of collisions, which threatens our manned spaceflight program; opens the door for unwarned action against U.S. satellites by adversaries; and limits our ability to protect our space assets.

We must do a better job of leveraging the capabilities of our space assets—in DOD, national and commercial systems. We must also maintain the ability to protect our own space assets and capabilities, both actively and passively, while denying our adversaries the military use of space—at the time and place of our choosing.

In order to bring these elements of space control together, our near-term plan is to work with the various space programs to identify potential gaps and make sure existing information and applications are available and provided to authorized users on a global network. This plan will serve as the basis for a concept of operations to exploit information from our space assets, providing space situational awareness to the regional combatant commands.

Distributed Operations.—For distributed, integrated operations, dominant situational awareness is an imperative—globally, regionally, and locally. It must exist across the full breadth and depth of operations, from planning and combat through post-conflict reconstruction, and ultimately, peacetime.

For our forces to effectively employ collaborative capabilities and capitalize upon situational awareness, we must enable them to create pictures of the battlespace tailored to their specific needs—what we refer to as User Defined Operating Pictures. It is USSTRATCOM's job to provide the global capabilities to enhance situational awareness, facilitate collaborative planning, and provide a basic User Defined Operating Picture capability for all of the combatant commands.

Many of the capabilities required for agile, distributed operations will be facilitated by space and enabled by a global information environment with ubiquitous, assured access to information, when and where any combatant commander needs it. To achieve this vision, the old mantra to provide information on a “need to know” basis, must be replaced by a “need to share.” Critical information that the warfighter didn't know existed, and the owner of the information didn't know was important, must be made available within a global information environment easily accessible to commanders at all levels.

Interdependent Capabilities.—Our action plan for global command and control focuses on ensuring the all-source information needed for effective operations is available to all theaters. For the global Intelligence, Surveillance, Reconnaissance (ISR) mission, that also means developing integrated and persistent systems capable of supporting precision targeting. USSTRATCOM has the lead for coordinating global

ISR capabilities and will be working closely with the regional combatant commanders, Joint Forces Command and the services to develop the associated strategy.

The Department's net-centric global information services, currently in development, are essential to our global missions. These services will connect global and regional applications and improve both horizontal and vertical information integration.

We are developing a prioritized plan for transitioning away from stove-piped legacy systems to capabilities that support broader information and applications access. Included in this plan are actions focused on leveraging existing legacy applications and data by making them more broadly accessible. Each user will be allowed the flexibility to select from any available data source, anywhere on the network, those objects most useful to them at any particular time. Additionally, any new data source will be available the moment it comes onto the network, rather than requiring a modification to existing systems, as is the case today. USSTRATCOM is an advocate for net-centricity. Our focus is on:

- Capability to enable our “internet-like” environment and access to information;
- Realization of a high-bandwidth, ubiquitous communications backbone to deliver information with high assurance and low latency; and
- Robust information assurance required to defend our networks and our information.

Creating a collaborative structure is more than just designing and disseminating tools—it is also about changing human behavior. Our objective is a global, persistent, 24/7 collaborative environment—comprising people, systems, and tools. Our future structure must support real time command and control at both the global and local levels as well as enable dynamic, adaptive planning and execution in which USSTRATCOM, the regional combatant commanders, and other geographically dispersed commanders can plan and execute operations together. Our collaborative environment must also provide the capability to “connect all the dots”—enemy dots, friendly dots, neutral dots, contextual dots—all the dots that matter—as they appear, rather than wait for a post-event analysis when all of the different data stores can be opened. With improved collaboration and shared awareness, we can more effectively conduct operations using the full spectrum of capabilities to achieve desired, focused effects against high value targets.

In that regard, we are actively assessing the currently available collaborative environment and processes and investigating potential pilot programs to encourage organizational information sharing to build trust in shared information. Fundamental to this issue is the establishment of data tagging standards and associated information assurance policies.

With regard to sharing information, we are in some respects navigating uncharted waters. While the value of sharing information with allies, coalition partners and other Federal departments and agencies is well understood, sharing information with industry or other private sources presents proprietary, intellectual property and privacy concerns which are not well understood. Such information has the potential to be of great value to USSTRATCOM and the regional combatant commanders in accomplishing our missions. We will be attentive to the actions currently being taken throughout the Federal government in response to Executive Order 13356, “Strengthening the Sharing of Terrorism Information To Protect Americans,” which may provide us valuable insight and guidance in this sensitive area.

BUILDING AN ASYMMETRIC ADVANTAGE

In addition to our role as steward of the nation's nuclear forces and guardian of global deterrence, USSTRATCOM now has the responsibility for working across regional boundaries to address threats in a global perspective. To achieve the asymmetric advantage we desire requires us to build the interdependent, collaborative, operational environment we've envisioned. It is our responsibility to provide global services and global context to the regional combatant commands and their deployed forces so we are collectively a more effective force—for warfighting, peace and all possible combinations of both.

New Command Structure.—As the latest step in maturing our approach to fulfilling USSTRATCOM's global mission responsibilities we are implementing a new command structure. This structure is critical to the asymmetric advantage we seek, leveraging essential competencies of associated components and key supporting agencies through an distributed, collaborative environment.

Rather than creating additional organizational layers, we are bringing existing commands and agencies under our global mission umbrella through the establishment of Joint Functional Component Commands. These interdependent Joint Functional Component Commands will have responsibility for the day to day planning

and execution of our primary mission areas: space and global strike, intelligence surveillance and reconnaissance, network warfare, integrated missile defense and combating weapons of mass destruction.

USSTRATCOM headquarters retains responsibility for nuclear command and control. Additionally, headquarters will provide strategic level integrated and synchronized planning to ensure full-spectrum mission accomplishment. USSTRATCOM will also advocate for the capabilities necessary to accomplish these missions.

This construct will allow us to leverage key, in-place expertise from across the Department of Defense and make it readily available to all regional combatant commanders. Our vision is for the combatant commanders to view any Joint Functional Component Command as a means by which to access all of the capabilities resident in the USSTRATCOM global mission set. Anytime a Combatant Commander queries one of our component commands, they will establish strategic visibility across our entire structure through our collaborative environment. The fully integrated response USSTRATCOM provides should offer the Combatant Commander greater situational awareness and more options than originally thought available. Specific Joint Functional Component Command responsibilities include:

—*Space and Global Strike.*—The Commander STRATAF (8th Air Force) will serve as the Joint Functional Component Commander for Space and Global Strike. This component will integrate all elements of military power to conduct, plan, and present global strike effects and also direct the deliberate planning and execution of assigned space operation missions. For plans not aligned with a specific mission set, the Joint Functional Component Command for Space and Global Strike is tasked to work in close coordination with USSTRATCOM headquarters as the lead component responsible for the integration and coordination of capabilities provided by all other Joint Functional Component Commands.

—*Intelligence Surveillance and Reconnaissance.*—The Director, Defense Intelligence Agency will be dual-hatted to lead the Intelligence, Surveillance, and Reconnaissance Joint Functional Component Command. This component is responsible for coordinating global intelligence collection to address DOD worldwide operations and national intelligence requirements. It will serve as the epicenter for planning, execution and assessment of the military's global Intelligence, Surveillance, and Reconnaissance operations; a key enabler to achieving global situational awareness.

—*Network Warfare.*—The Director, National Security Agency will also be dual-hatted to lead the Network Warfare Joint Functional Component Command. This component will facilitate cooperative engagement with other national entities in computer network defense and offensive information warfare as part of our global information operations.

Our coordinated approach to information operations involves two other important supporting commands. The Director, Defense Information Systems Agency also heads the Joint Task Force for Global Network Operations. This organization is responsible for operating and defending our worldwide information networks, a function closely aligned with the efforts of the Joint Functional Component Command for Network Warfare. Additionally, the Commander, Joint Information Operations Center coordinates the non-network related pillars of information operations: psychological operations, electronic warfare, operations security and military deception. Both the Joint Task Force for Global Network Operations and the Commander, Joint Information Operations Center will be full members of the USSTRATCOM distributed, collaborative environment.

—*Integrated Missile Defense.*—The Commander, Army Space and Missile Defense Command will head the Integrated Missile Defense Joint Functional Component Command. This component will be responsible for ensuring we meet USSTRATCOM's Unified Command Plan responsibilities for planning, integrating, and coordinating global missile defense operations and support. It will conduct the day-to-day operations of assigned forces; coordinating activities with associated combatant commands, other STRATCOM Joint Functional Components and the efforts of the Missile Defense Agency. The Joint Functional Component Command for Integrated Missile Defense is a key element of the "defenses" leg of The New Triad concept.

—*Combating Weapons of Mass Destruction.*—The Secretary of Defense recently assigned USSTRATCOM responsibility for integrating and synchronizing DOD's efforts for combating weapons of mass destruction. As this initiative is in its very formative stages, we have yet to formalize any specific competency structure. However, we anticipate establishing a formal relationship with the Defense Threat Reduction Agency as an initial starting point.

This new competency structure is in its infancy and will take several months to fully realize. There are detailed issues to work through, including the proper distribution of subject matter expertise and an assessment of expanding relationships with other U.S. Government departments.

A final element of our evolving organizational structure involves developing relationships with the private sector to build upon efforts under the Partnership to Defeat Terrorism. This important partnership with the private sector supports many of our national objectives and crosses into relatively uncharted territory.

—*Partnership to Defeat Terrorism.*—The United States has achieved success in the Global War on Terrorism by attacking terrorist infrastructure, resources and sanctuaries. Nevertheless, our adversaries continue to plan and conduct operations driven by their assessment of our vulnerabilities. The main vulnerability requiring our constant vigilance is the nation's economy, and one need look no further than the economic aftershock attributed to the 9/11 terrorist attacks to affirm this assertion. The risk is accentuated given the global underpinnings of our economic structure. Even a small-scale terrorist attack against a lower tier provider in a distant land can have wide-ranging and pervasive economic implications.

Given the evolving understanding of terrorist's use of global processes, the Partnership to Defeat Terrorism was created to intercede on behalf of combatant commanders, among others, and positively affect outcomes through connections with the private sector. Since November 2001, the Partnership to Defeat Terrorism has successfully combined private sector global processes with other elements of national power to help fight global terrorism as part of USSTRATCOM's global mission responsibilities. This fruitful relationship with the private sector has proven effective on a number of occasions and has garnered the support of influential leaders both within and outside government.

Yet, the Partnership to Defeat Terrorism is somewhat of an ad hoc process based on trusted relationships. As such, the value of the program is directly related to the availability of the participants. USSTRATCOM was recently contacted by a group of people from various non-military sectors, advocating the creation of a working group to formalize this ad hoc program to begin planning a more permanent approach for the long-term.

On a strategic level, the value of such an effort is the open realization that all elements of national power, which have not traditionally operated in a synchronized and coordinated role in National Security, understand the urgent need for their involvement.

Full realization of the benefits inherent in the distributed, interdependent organizational structure described above requires an effective collaborative operation. A true collaborative environment provides us the asymmetric advantage necessary to deter and defeat the agile adversaries we face in the 21st Century environment. In the future, these skills will take on even greater importance as we broaden our partner base within the U.S. government, with coalition partners, commercial partners, academia and others, including non-government organizations.

ACHIEVING THE STRATEGIC IMPERATIVE

Agile, responsive distributed operations, enabled by meaningful information exchange, shared objectives and shared situational awareness, are key to the successful performance of USSTRATCOM's global missions. We have assessed the capability gaps in our global mission areas and have developed action plans, working with our partner commands, to improve our collective ability to carry out operations at all levels.

USSTRATCOM's strategy is focused on:

- Stewardship of the strategic nuclear stockpile;
- Defending against asymmetric approaches used by our adversaries, including weapons of mass destruction;
- Responding effectively in a rapidly changing combat operations environment;
- Achieving prompt, predictable precision operations;
- Coordinating with U.S. and private sector partners in a collaborative environment;

Implementing this strategy relies on new and enhanced capabilities, including:

- Dominant situational awareness,
- A ubiquitous, assured, global information environment,
- Dynamic, persistent, trustworthy collaborative planning,
- User Defined Operating Pictures, using distributed, globally available information, and
- A culture that embraces “need to share” rather than “need to know.”

We are not there yet. Working with our partner commands, we have developed plans to improve our global capabilities. We need your continued support to deliver the capabilities needed to combat the threats of the 21st Century. We need your support for:

- Pursuit of high capacity, internet-like capability to extend the Global Information Grid to deployed/mobile users worldwide;
- Adoption of data tagging standards and information assurance policies to increase government-wide trusted information sharing;
- Technology experiments to enhance our understanding of the value of accuracy and stressing environments for current and future weapons.

USSTRATCOM recognizes what has to be done to be a global command in support of the warfighter. We are aggressively moving out on actions to ensure USSTRATCOM fulfills our full set of global responsibilities, supporting our national security needs in peace and in war.

Thank you for your continued support.

Senator STEVENS. Thank you.

General Obering, I was pleased to visit Fort Greely last month and delighted to have you here today.

STATEMENT OF LIEUTENANT GENERAL HENRY A. OBERING, III

General OBERING. Thank you very much. Good morning, Mr. Chairman, Senator Inouye, Senator Cochran. It is a privilege to be here this morning. As you said, we have had many accomplishments and a few disappointments since my predecessor last addressed this subcommittee, but overall the missile defense program remains on track.

Threats from weapons of mass destruction and ballistic missiles continue to present grave security concerns. Now, to deal with these, we are developing and incrementally fielding a joint, integrated, and layered ballistic missile defense system to defend the United States, our deployed forces, our allies, and our friends against all ranges of ballistic missiles. We have put the foundation of this system in place today.

We are requesting \$7.8 billion in fiscal year 2006, or roughly \$1 billion less than our fiscal year 2005 request. This funding balances continued testing and system improvement with the fielding and sustainment of the long-range ground-based midcourse defense components, our short- to intermediate-range defense involving the Aegis ships with their interceptors, and the supporting radars, command, control, battle management, and communication capabilities.

Now, the successful prototype interceptor test that we conducted in 2001 and 2002 gave us the confidence to proceed with the development and fielding of the system that relies primarily on the hit-to-kill technologies. While our testing has continued to build our confidence in the system, long-range interceptor aborts in our last recent test have been very disappointing. These aborts were due to a minor software problem in the first test and a ground support arm that failed to retract in the second. While these failures do not threaten the basic viability of the system, I have taken strong action to address them, which I have outlined in my written statement.

We remain confident in the system's basic design, its hit-to-kill effectiveness, and its inherent operational capability. Nevertheless, neither you, the American public, nor our enemies will believe in our ground-based Intercontinental Ballistic Missile (ICBM) defense

until we demonstrate its effectiveness by successfully conducting additional operationally realistic flight tests.

In planning our future test program, the Director of Operational Test and Evaluation and I have jointly approved an integrated master test plan effective through 2007. The plan includes combined developmental and operational testing with criteria for operational realism incorporated. Our pace in executing this flight test program for the long-range system will depend, however, on the recommendations of a mission readiness task force which I chartered and those recommendations are due in the coming weeks.

We are on track with our initial fielding of the ground-based and sea-based block 2004 interceptors, sensors, and the command, control, battle management, and communications components. Working closely with our warfighter partners, we have certified missile defense crews and put in place logistic support infrastructure and operational support centers. We have been in a shakedown period, as General Cartwright said, since last October to get us to the point where we could use this developmental system more routinely in an operational mode.

Over the next decade, we will move toward greater sensor and interceptor robustness and mobility while adding a boost-phase defense layer. We will continue development, testing, fielding, and support for the ground-based midcourse defense and the Aegis ballistic missile defense elements. We are also upgrading additional early warning radars and developing two new sensors, a very powerful sea-based X-band radar and a transportable X-band radar for forward basing. The terminal high altitude area defense program will resume flight testing this year and will continue into fiscal year 2006. In 2007, we plan to improve our sensor capabilities and coverage with the deployment of another forward-based X-band radar and the launch of two space tracking and surveillance system test bed satellites.

At the moment, we are preserving decision flexibility with respect to our boost-phase defense programs. The airborne laser has recently enjoyed success, achieving first light and first flight milestones, but many challenges remain and we still need an alternative. The kinetic energy interceptor provides that alternative, and I have restructured that program to focus on the successful demonstration of a high acceleration booster flight in 2008. If successful, it could also provide us an alternative mobile approach for our next generation boosters.

Finally, we have been working closely with a number of our allied and friendly governments to make missile defense a key element of our security relationships. We have signed framework agreements with Japan, the United Kingdom, and Australia, and are pursuing closer collaboration with Russia.

PREPARED STATEMENT

In closing, Mr. Chairman, I want to thank this subcommittee for its continued tremendous support. I also want to thank the thousands of dedicated and talented Americans working on the missile defense program. I believe that we are on the right track to deliver the unprecedented capabilities that we will need to close off a major avenue of vulnerability for this Nation.

Thank you, and I look forward to your questions.
[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL HENRY A. OBERING, III

Good morning, Mr. Chairman, Members of the Committee. It is an honor to be here today to present the Department of Defense's fiscal year 2006 Missile Defense Program and budget. The Missile Defense Agency mission remains one of developing and incrementally fielding a joint, integrated, and multilayered Ballistic Missile Defense system to defend the United States, our deployed forces, and our allies and friends against ballistic missiles of all ranges by engaging them in the boost, midcourse, and terminal phases of flight.

Our program, reflected in the fiscal year 2006 budget submission, is structured to balance the early fielding elements of this system with its continued steady improvement through an evolutionary development and test approach. The budget also balances our capabilities across an evolving threat spectrum that includes rogue nations with increasing ballistic missile expertise.

We are requesting \$7.8 billion to support our program of work in fiscal year 2006, which is approximately \$1 billion less than the fiscal year 2005 request. About \$1.4 billion covers the continued fielding and sustainment of our block increments of long-range ground-based midcourse defense components; our short- to intermediate-range defense involving Aegis ships with their interceptors; as well as all of the supporting radars, command, control, battle management and communication capabilities. About \$6.4 billion will be invested in the development foundation for continued testing and evolution of the system.

To provide the context for our budget submission, I would like to review what we have accomplished over the past year. And while I believe the Missile Defense Program is on the right track to deliver multilayered, integrated capabilities to counter current and emerging ballistic missile threats, I am planning to make some program adjustments in light of our two recent flight test failures.

I also will explain the rationale behind our testing and fielding activities and address the next steps in our evolutionary ballistic missile defense program.

THE EVOLVING SECURITY ENVIRONMENT

The threat we face from proliferating and evolving ballistic missile systems and associated technologies and expertise continues unabated. There were nearly 100 foreign ballistic missile launches around the world in 2004. This is nearly double the number conducted in 2003 and slightly greater than the number of launches in 2002. More than 60 launches last year involved short-range ballistic missiles, over ten involved medium-range missiles, and nearly twenty involved land- and sea-based long-range ballistic missiles.

Operations Desert Storm (1991) and Iraqi Freedom (2003) demonstrated that missile defenses must be integrated into our regional military responses if we are to provide adequate protection of coalition forces, friendly population centers, and military assets. We must expect that troops deployed to regional hotspots will continue to encounter increasingly sophisticated ballistic missile threats.

Nuclear-capable North Korea and nuclear-emergent Iran have shown serious interest in longer-range missiles. They underscore the severity of the proliferation problem. Our current and near-term missile defense fielding activities are a direct response to these dangers. There are also other ballistic missile threats to the homeland that we must address in the years ahead, including the possibility of an off-shore launch.

We have had recent experience with tragic hostage situations involving individuals, and we have witnessed how the enemy has attempted to use hostages to coerce or blackmail us. Imagine now an entire city held hostage by a state or a terrorist organization. This is a grim prospect, and we must make every effort to prevent it from occurring. Any missile carrying a nuclear or biological payload could inflict catastrophic damage. I believe the ability to protect against threats of coercion and actively defend our forces, friends and allies, and homeland against ballistic missiles will play an increasingly critical role in our national security strategy.

Missile Defense Approach—Layered Defense

We believe that highly integrated layered defenses will improve the chances of engaging and destroying a ballistic missile and its payload. This approach to missile defense also makes deployment of countermeasures much more difficult. If the adversary has a successful countermeasure deployment or tactic in the boost phase, for example, he may play right into the defense we have set up in midcourse. Layered defenses provide defense in depth and create an environment intended to frustrate

trate an attacker. The elements of this system play to one another's strengths while covering one another's weaknesses.

With the initial fielding last year of the Ground-based Midcourse Defense and Aegis surveillance and track capabilities of this integrated system, we are establishing a limited defensive capability for the United States against a long-range North Korean missile threat. At the same time, we are building up our inventory of mobile interceptors to protect coalition forces, allies and friends against shorter-range threats. With the cooperation of our allies and friends, we plan to evolve this defensive capability to improve defenses against all ranges of threats in all phases of flight and expand it over time with additional interceptors, sensors, and defensive layers.

Since we cannot be certain which specific ballistic missile threats we will face in the future, or from where those threats will originate, our long-term strategy is to strengthen and maximize the flexibility of our missile defense capabilities. As we proceed with this program into the next decade, we will move towards a missile defense force structure that features greater sensor and interceptor mobility. In line with our multilayer approach, we will expand terminal defense protection and place increasing emphasis on boost phase defenses, which today are still early in development.

Initial Fielding of Block 2004

Since my predecessor last appeared before this committee, we have made tremendous progress and have had a number of accomplishments. We also came up short of our expectations in a few areas.

We stated last year that, by the end of 2004, we would begin fielding the initial elements of our integrated ballistic missile defense system. We have met nearly all of our objectives. We have installed six ground-based interceptors in silos at Fort Greely, Alaska and two at Vandenberg Air Force Base in California. We completed the upgrade of the Cobra Dane radar in Alaska and the modification of seven Aegis ships for long-range surveillance and tracking support. These elements have been fully connected to the fire control system and are supported by an extensive command, control, battle management and communications infrastructure. In addition, we have put in place the required logistics support infrastructure and support centers.

Since October 2004, we have been in a "shakedown" or check-out period similar to that used as part of the commissioning of a U.S. Navy ship before it enters the operational fleet. We work closely with U.S. Strategic Command and the Combatant Commanders to certify missile defense crews at all echelons to ensure that they can operate the ballistic missile defense system if called upon to do so. We have exercised the command, fire control, battle management and communication capabilities critical to the operation of the system. The Aegis ships have been periodically put on station in the Sea of Japan to provide long-range surveillance and tracking data to our battle management system. We have fully integrated the Cobra Dane radar into the system, and it is ready for operational use even as it continues to play an active role in our test program by providing data on targets of opportunity. Finally, we have executed a series of exercises with the system that involves temporarily putting the system in a launch-ready state. This has enabled us to learn a great deal about the system's operability. It also allows us to demonstrate our ability to transition from development to operational support and back. This is very important since we will continue to improve the capabilities of the system over time, even as we remain ready to take advantage of its inherent defensive capability should the need arise.

Completing Block 2004

Today we remain basically on track with interceptor fielding for the Test Bed. We have recovered from the 2003 propellant accident, which last year affected the long-range ground-based interceptors as well as the Aegis Standard Missile-3 (SM-3) and Terminal High Altitude Area Defense, or THAAD, booster production. We should have ten more interceptors emplaced in Alaska by December of this year. In October, we received the first Standard Missile-3 for deployment aboard an Aegis ship. To date, we have five of these interceptors with a total of eight scheduled to be delivered by the end of the year. By then, we will also have outfitted two Aegis cruisers with this engagement capability. So, in addition to providing surveillance and tracking support to the integrated ballistic missile defense system, Aegis will soon provide a flexible sea-mobile capability to defeat short- to medium-range ballistic missiles in their midcourse phase.

Our sensor program is also on track. The Beale radar in California is receiving final software upgrades this spring and will be fully integrated into the system. We

are now testing a transportable X-band radar, which can be forward-deployed this year to enhance our surveillance and tracking capabilities. Our most powerful sensor capability, the Sea-Based X-band Radar (SBX) will be traversing the Atlantic and Pacific Oceans this year, on its way to Adak, Alaska, where it will be ported. This radar is so capable that, if it were sitting in Chesapeake Bay, it could detect a baseball-sized object in space over San Francisco. This sea-mobile midcourse radar will allow us to increase the complexity of our tests by enabling different intercept geometries. And when we deploy it in the Pacific Ocean, it also will have an inherent operational capability against threats from Asia. Finally, the RAF Fylingdales early warning radar in the United Kingdom will be fully integrated for missile defense purposes by early 2006 and will provide the initial sensor coverage needed against Middle East threats.

BMD elements will remain part of the system Test Bed even after we field them for initial capability. However, the Missile Defense Agency does not operate the BMD system. Our job is to provide a militarily useful capability to the warfighter. Because the BMD system is integrated and involves different Services, the MDA will continue to manage system configuration to ensure adequate integration of new components and elements and the continued smooth operation of the system.

For these reasons, Congress mandated the Agency to maintain configuration control over PAC-3 and the Medium Extended Air Defense System (MEADS) following their transfer to the Army. Regarding the transition of the system elements, we use several models. Each transition, to include time and method of transfer, will be unique. In some cases, it may not be appropriate to transfer a BMD system element to a Service. The Sea-Based X-band Radar, for example, will likely remain a Missile Defense Agency Test Bed asset and be made available for operational use as appropriate. In other words, the Services and the Missile Defense Agency will have shared responsibilities and will continue to work with the Secretary of Defense, the Services, and the Component Commanders to arrange appropriate element transfer on a case by case basis.

Building Confidence through Spiral Testing

The development and fielding of Block 2004 was initiated based on the confidence we built in our test program between 2000 and 2002. We successfully conducted four out of five intercept tests using prototypes of the ground-based interceptors we have in place today against long-range ballistic missile targets. In addition, in 2002 and 2003, we successfully conducted three intercept tests against shorter-range targets using an earlier version of the sea-based Aegis SM-3 interceptors we are deploying today. These tests demonstrated the basic viability and effectiveness of a system that relies primarily on hit-to-kill technologies to defeat in-flight missiles. In fact, we had learned as much as we could with the prototypes and decided it was time to restructure the program to accelerate the testing of the initial operational configurations of the system elements.

In 2003 and 2004, we had three successful flight tests of the operational long-range booster now emplaced in the silos in Alaska and California. The booster performed exactly as predicted by our models and simulations. In addition, between 2002 and 2004, we successfully executed 58 flight tests, 67 ground tests, simulations, and exercises, all of which have continued to bolster our confidence in the basic ballistic missile defense capabilities. In the past year, however, we had several concerns with quality control and, as a result, executed only two long-range flight tests since last spring.

The interceptor launch aborts in Integrated Flight Test (IFT)-13C last December and IFT-14 this past February were disappointments, but they were not, by any measure, serious setbacks. The anomaly that occurred in IFT-13C, in fact, is a very rare occurrence. As the interceptor prepares to launch, its on-board computer does a health and status check of various components. In that built-in test, interceptor operations were automatically terminated because an overly stringent parameter measuring the communications rate between the flight computer and its guidance components was not met. The launch control system actually worked as it was designed when it shut the interceptor down. A simple software update to relax that parameter corrected the problem. The fix was verified during subsequent ground tests and the next launch attempt. We did enjoy some success in the test. We successfully tracked the target and fed that information into the fire control system, a process that allowed us to successfully build a weapons task plan that we then loaded and, which was accepted, into the interceptor's computer.

In February we used the same interceptor to attempt another flight test. Again, the target successfully launched. The interceptor successfully powered up and worked through built-in test procedures and was fully prepared to launch. Again, the system successfully tracked the target and fed the information to the fire control

system, which generated a weapons task plan accepted by the interceptor's computer. This time, however, a piece of ground support equipment did not properly clear, and the launch control system did not issue a launch enable command.

Mr. Chairman, I can assure you that while these test aborts were major disappointments, they were not major technical setbacks. We maintain our confidence in the system's basic design, its hit-to-kill effectiveness, and its inherent operational capability. Because of our recent test launch aborts, I chartered an independent team to review our test processes, procedures and management. They reported their findings to me last month. They indicated that we had successfully demonstrated the hit-to-kill technology and achieved a major national accomplishment in fielding initial defensive capabilities. The team described the rapid development and initial deployment of the system as comparable to other major military efforts, such as the initial deployment of the Minuteman and Polaris ballistic missiles.

With the basic functionality demonstrated, the independent review team believed that we should now enter a "Performance and Reliability Verification Phase," in which mission assurance becomes the number one objective. They noted that our system reliability is based on multiple intercept attempts per engagement, whereas our system testing focuses on the performance of a single interceptor. They also observed that our flight testing has a strategic significance well beyond that normally associated with military systems' development.

The team recommended specific improvements in five areas. First, increase rigor in the flight test certification process, to include the addition of a concurrent and accountable independent assessment of test readiness. Second, strengthen system engineering by tightening contractor configuration management, enforcing process and workmanship standards, and ensuring proper specification flow down. Third, add ground test units and expand ground qualification testing. Fourth, hold prime contractor functional organizations (such as engineering, quality and mission assurance experts) accountable for supporting the program. And finally, ensure program executability by stabilizing baselines and establishing event-driven schedules.

I also named the current Aegis BMD program director, Rear Admiral Kate Paige, as the Agency's Director of Mission Readiness with full authority to implement the corrections needed to ensure return to a successful flight test program. We have pursued a comprehensive and integrated approach to missile defense testing under the current program and are gradually making our tests more complex. Prior to the establishment of the Mission Readiness Task Force, we had planned a very aggressive test program for the next two years. That test plan involved flying the ground-based interceptor to gain confidence in our corrections and conducting two more long-range interceptor tests this calendar year. These flight tests included: an engagement sequence using an operationally configured Aegis ship to provide tracking information to a long-range interceptor and an engagement sequence using an interceptor launched from an operational site, Vandenberg; tracking information provided by an operational radar at Beale; and a target launched out of the Kodiak Launch Complex in Alaska. We also planned to fly targets across the face of the Cobra Dane radar in the Aleutians and Beale in California. However, all follow-on GMD flight tests are on hold pending the implementation of the Independent Review Team recommendations and a return to flight recommendation by the Mission Readiness Task Force.

Missile defense testing has evolved, and will continue to evolve, based on results. We are not in a traditional development, test, and production mode where we test a system, then produce hundreds of units without further testing. We will always be testing and improving this system, using a spiral testing approach that cycles results into our spiral development activities. That is the very nature of spiral development. This approach also means fielding test assets in operational configurations. This dramatically reduces time from development to operations, which is critical in a mission area where this nation has been defenseless. Nevertheless, neither you, the American public nor our enemies will believe in our ground-based ICBM defense until we demonstrate its effectiveness by successfully conducting additional operationally realistic flight tests.

In fiscal year 2006, we are adding new test objectives and using more complex scenarios. Also, war fighter participation will grow. We plan to execute four flight tests using the long-range interceptor under a variety of flight conditions and, for the first time, use tracking data from the sea-based X-band radar.

In terms of our sea-based midcourse defense element, this past February, we successfully used a U.S. Navy Aegis cruiser to engage a short-range target ballistic missile. This test marked the first use of an operationally configured Aegis SM-3 interceptor. In the last three Aegis ballistic missile defense intercept flight tests, we incrementally ratcheted up the degree of realism and reduced testing limitations to the point where we did not notify the operational ship's crew of the target launch

time and they were forced to react to a dynamic situation. This year, we will conduct two more tests using Aegis as the primary engagement platform. In fiscal year 2006, Aegis ballistic missile defense will use upgraded software and an advanced version of the SM-3 interceptor to engage a variety of short- and medium-range targets, including targets with separating warheads. We also plan to work with Japan to test the engagement performance of the SM-3 nosecone developed in the United States/Japan Cooperative Research project.

Four Missile Defense Integration Exercises involving warfighter personnel will test hardware and software in the integrated system configuration to demonstrate system interoperability. War games also are an integral part of concept of operations development and validation. Four integrated missile defense wargames in fiscal year 2006 will collect data to support characterization, verification, and assessment of the ballistic missile defense system with respect to operator-in-the-loop planning and the exchange of information in the system required for successful development and system operation.

In addition to having laid out a very ambitious test plan, we are working hand-in-hand with the warfighter community and the independent testing community. We have more than one hundred people from the test community embedded in our program activities, and they are active in all phases of test planning, execution, and post-test analysis. We meet with them at the senior level on a weekly basis, and they help us develop and approve our test plans. All data from testing is available to all parties through a Joint Analysis Team and are used to conduct independent assessments of the system.

The Missile Defense Agency and Director, Operational Test & Evaluation have completed and jointly approved an Integrated Master Test Plan, effective through 2007. The plan includes tests that combine developmental and operational testing to reduce costs and increase testing efficiency. Within our range safety constraints, we are committed to increasing the operational aspects as I stated earlier. This accumulated knowledge helps inform the assessment of operational readiness.

Building the Next Increment—Block 2006

In building the Ballistic Missile Defense program of work within the top line budget reductions I mentioned earlier, we followed several guiding principles. To keep ahead of the rogue nation threats, we recognized the need to continue holding to our fielding commitments to the President for Blocks 2004 and 2006, including investment in the necessary logistics support. We also knew that we must prepare for asymmetric (e.g., the threat from off-shore launches) and emerging threat possibilities as well in our fielding and development plans.

In executing our program we are following a strategy to retain alternative development paths until capability is proven—a knowledge-based funding approach. This is a key concept in how we are executing our development program. We have structured the program to make decisions as to what we will and will not fund based upon the proven success of each program element. The approach involves tradeoffs to address sufficiency of defensive layers—boost, midcourse, terminal; diversity of basing modes—land, sea, air and space; and considerations of technical, schedule and cost performance.

The funding request for fiscal year 2006 will develop and field the next increment of missile defense capability to improve protection of the United States from the Middle East, expand coverage to allies and friends, improve our capability against short-range threats, and increase the resistance of the integrated system to countermeasures. We are beginning to lay in more mobile, flexible interceptors and associated sensors to meet threats posed from unanticipated launch locations, including threats launched off our coasts.

For midcourse capability against the long-range threat, the Ground-based Midcourse Defense (GMD) element budget request is about \$2.3 billion for fiscal year 2006 to cover continued development, ground and flight testing, fielding and support. This request includes up to ten additional ground-based interceptors, their silos and associated support equipment and facilities as well as the long-lead items for the next increment. It also continues the upgrade of the Thule radar station in Greenland.

To address the short- to intermediate-range threat, we are requesting approximately \$1.9 billion to continue development and testing of our sea-based midcourse capability, or Aegis BMD, and our land-based THAAD element. We will continue purchases of the SM-3 interceptor and the upgrading of Aegis ships to perform the BMD mission. By the end of 2007 we should have taken delivery of up to 28 SM-3 interceptors for use on three Aegis cruisers and eight Aegis destroyers. This engagement capability will improve our ability to defend our deployed troops and our

friends and allies. Six additional destroyers, for a total of 17 Aegis ships, will be capable of performing the surveillance and track mission.

THAAD flight testing begins this year with controlled flight tests as well as radar and seeker characterization tests and will continue into fiscal year 2006, when we will conduct the first high endo-atmospheric intercept test. We are working toward fielding the first THAAD unit in the 2008–2009 timeframe with a second unit available in 2011.

We will continue to roll out sensors that we will net together to detect and track threat targets and improve discrimination of the target suite in different phases of flight. In 2007, we will deploy a second forward-based X-band radar. We are working towards a 2007 launch of two Space Tracking and Surveillance System (STSS) test bed satellites. These test bed satellites will demonstrate closing the fire control loop and the value of STSS tracking data. We are requesting approximately \$521 million in fiscal year 2006 to execute this STSS and BMD Radar work.

All of these system elements must be built on a solid command, control, battle management and communications foundation that spans thousands of miles, multiple time zones, hundreds of kilometers in space and several Combatant Commands. This foundation allows us to mix and match sensors, weapons and command centers to dramatically expand our detection and engagement capabilities over that achieved by the system's elements operating individually. In fact, without this foundation we cannot execute our basic mission. That is why the Command, Control, Battle Management and Communications program is so vital to the success of our integrated capability.

Building a single integrated system of layered defenses has forced us to transition our thinking to become more system-centric. We established the Missile Defense National Team to solve the demanding technical problems involved in this unprecedented undertaking. No single contractor or government office has all the expertise needed to design and engineer an integrated and properly configured BMD system. The National Team brings together the best, most experienced people from the military and civilian government work forces, industry, and the federal laboratories to work aggressively and collaboratively on one of the nation's top priorities. However, integrating the existing elements of the Ballistic Missile Defense System proved to be very challenging. Today, we have streamlined the team's activities and realigned their priorities to focus on providing the detailed systems engineering needed for a truly integrated capability. The team has now gained traction and is leading the way to building the system this nation will need for the future.

Moving Toward the Future—Block 2008 and Beyond

There is no silver bullet in missile defense, and strategic uncertainty could surprise us tomorrow with a more capable adversary. So it is important to continue our aggressive parallel paths approach as we build this integrated, multilayered defensive system. There are several important development efforts funded in this budget.

We are preserving decision flexibility with respect to our boost phase programs until we understand what engagement capabilities they can offer. We have requested approximately \$680 million for these activities in fiscal year 2006.

In fiscal year 2006 we are beginning the integration of the high-power laser component of the Airborne Laser (ABL) into the first ABL weapon system test bed and will initiate ground-testing. Following that we will integrate the high-power laser into the aircraft and conduct a campaign of flight tests, including lethal shoot-down of a series of targets. We still have many technical challenges with the Airborne Laser, but with the recent achievements of first light and first flight of the aircraft with its beam control/fire control system, I am pleased with where we are today. We have proven again that we can generate the power and photons necessary to have an effective directed energy capability. An operational Airborne Laser could provide a valuable boost phase defense capability against missiles of all ranges. The revolutionary potential of this technology is so significant, that it is worth both the investment and our patience.

We undertook the Kinetic Energy Interceptor boost-phase effort in response to a 2002 Defense Science Board Summer Study recommendation to develop a terrestrial-based boost phase interceptor as an alternative to the high-risk Airborne Laser development effort. We will not know for two or three years, however, whether either of these programs will be technically viable. With the recent successes we have had with ABL, we are now able to fine-tune our boost-phase development work to better align it with our longer-term missile defense strategy of building a layered defense capability that has greater flexibility and mobility.

We have established the Airborne Laser as the primary boost phase defense element. We are reducing our fiscal year 2006 funding request for the KEI effort and

have restructured that activity, building in a one-year delay, in order to focus near-term efforts on demonstrating key capabilities and reduce development risks. We restructured the Kinetic Energy Interceptor activity as risk mitigation for the Airborne Laser and focused it on development of a land-based mobile, high-acceleration booster. It has always been our view that the KEI booster, which is envisioned as a flexible and high-performance booster capable of defending large areas, could be used as part of an affordable, competitive next-generation replacement for our mid-course or even terminal interceptors. Decisions on sea-based capability and international participation in this effort have been deferred until the basic KEI technologies have been demonstrated. The restructured Kinetic Energy Interceptor activity will emphasize critical technology demonstrations and development of a mobile, flexible, land-based ascent and midcourse engagement capability around 2011, with a potential sea-based capability by 2013. A successful KEI mobile missile defense capability also could improve protection of our allies and friends.

We are requesting \$82 million in fiscal year 2006 to continue development of the Multiple Kill Vehicle (MKV). MKV is a generational upgrade to ground-based mid-course interceptors to increase their effectiveness in the presence of countermeasures. We look forward to the first intercept attempt using MKV sometime in 2008.

Our flexible management structure allows us to adjust development activities based on demonstrated test results, improve decision cycle times, and make the most prudent use of the taxpayer's money. Using a knowledge-based funding approach in our decision making, we will conduct periodic continuation reviews of major development activities against cost, schedule, and performance expectations. We have flexibility in our funding to support key knowledge-based decision paths, which means that we can reward successful demonstrations with reinvestment and redirect funds away from efforts that have not met our expectations. We have assigned a series of milestones to each of the major program activities. The milestones will provide one measure for decision-making and help determine whether a program stays on its course or is accelerated, slowed, or terminated. This approach gives us options within our trade space and helps us determine where we should place our resources, based on demonstrated progress. The alternative is to terminate important development activities without sufficient technical data to make smart decisions. We believe that this approach also acts as a disincentive to our contractors and program offices to over-promise on what they can deliver.

International Participation

Interest in missile defense among foreign governments and industry has continued to rise. We have been working closely with a number of allies to forge international partnerships that will make missile defense a key element of our security relationships around the world.

The Government of Japan is proceeding with the acquisition of a multilayered BMD system, basing its initial capability on upgrades of its Aegis destroyers and acquisition of the Aegis SM-3 missile. We have worked closely with Japan since 1999 to design and develop advanced components for the SM-3 missile. This project will culminate in flight tests in 2005 and 2006. In addition, Japan and other allied nations are upgrading their Patriot fire units with PAC-3 missiles and improved ground support equipment. This past December we signed a BMD framework Memorandum of Understanding (MOU) with Japan to expand our cooperative missile defense activities.

We have signed three agreements over the past two years with the United Kingdom, a BMD framework MOU and two annexes. In addition to the Fylingdales radar development and integration activities this year, we also agreed to continue cooperation in technical areas of mutual interest.

This past summer we signed a BMD framework MOU with our Australian partners. This agreement will expand cooperative development work on sensors and build on our long-standing defense relationship with Australia. We also are negotiating a Research, Development, Test and Evaluation annex to the MOU to enable collaborative work on specific projects, including: high frequency over-the-horizon radar, track fusion and filtering, distributed aperture radar experiments, and modeling and simulation.

We have worked through negotiations with Denmark and the Greenland Home Rule Government to upgrade the radar at Thule, which will play an important role in the system by giving us an early track on hostile missiles. We also have been in sensor discussions with several allies located in or near regions where the threat of ballistic missile use is high.

Our North Atlantic Treaty Organization (NATO) partners have initiated a feasibility study for protection of NATO territory and population against ballistic missile

attacks, which builds upon ongoing work to define and develop a NATO capability for protection of deployed forces.

We are continuing work with Israel to implement the Arrow System Improvement Program and enhance its missile defense capability to defeat the longer-range ballistic missile threats emerging in the Middle East. We also have established a capability in the United States to co-produce components of the Arrow interceptor missile, which will help Israel meet its defense requirements more quickly and maintain the U.S. industrial work share.

We are intent on continuing U.S.-Russian collaboration and are now working on the development of software that will be used to support the ongoing U.S.-Russian Theater Missile Defense exercise program. A proposal for target missiles and radar cooperation is being discussed within the U.S.-Russian Federation Missile Defense Working Group.

We have other international interoperability and technical cooperation projects underway as well and are working to establish formal agreements with other governments.

CLOSING

Mr. Chairman, I want to thank this committee for its continued support of the Missile Defense Program. As we work through the challenges in the coming months, we will conduct several important tests and assessments of the system's progress. We will continue our close collaboration with the independent testers and the warfighters to ensure that the capabilities we field are effective, reliable, and militarily useful. There certainly are risks involved in the development and fielding activities. However, I believe we have adequately structured the program to manage and reduce those risks using a knowledge-based approach that requires each program element to prove that it is worthy of being fielded.

I believe we are on the right track to deliver multilayered, integrated capabilities to counter current and emerging ballistic missile threats. For the first time in its history, the United States today has a limited capability to defend our people against long-range ballistic missile attack. I believe that future generations will find these years to be the turning point in our effort to field an unprecedented and decisive military capability, one that closes off a major avenue of threat to our country.

Thank you and I look forward to your questions.

Senator STEVENS. Well, thank you very much.

General Cartwright, the defense budget is coming down, and I remember the time I made and I think Senator Inouye made the trip up there too. We made several trips to Alaska to accompany those who were making the scientific assessment of where these ground-based interceptors should be located. It may appear to some people that that decision was made because of my chairmanship. I do not think so. I was with the scientists when they said this is the place. As a matter of fact, they went to a place I would not have gone. It was at Fort Greely, which had already been closed. That community had been through a trauma of one base closure. It did not want to see a buildup and then a let down again. But I do believe that the decision has been made and we agreed with it.

NEAR-TERM PRIORITIES

I think we now find ourselves in the position, however, with the budget coming down. I have to ask, are we clearly focused on near-term priorities? It seems to me as you would want to balance the budget under these circumstances, that we probably should be looking more to the near-term deployment priorities. General Obering, I would assume that would be the Navy's Aegis system and the ground-based midcourse system. Would you comment on that first, General Cartwright, and then General Obering. Should we try to maintain that balance, let all of these programs go forward, but with emphasis on the near-term priorities?

General CARTWRIGHT. Senator, I think you categorized it correctly in that the lay down of the system was done based on the science involved in intercepting the logical threat zones coming toward the United States, but also with a mind toward the future of a global system and putting it in the right place to make sure that we could advantage ourselves for the entire United States and to the extent of the ground-based system, that we could protect our deployed forces and allies, that it was in its best position. We have evolved it that way, setting priorities to cover the largest area as quickly as possible.

In the balance between the fixed system that defends the United States in principal and the system that we have started to field and work on that deals with our deployed forces, those mobile capabilities like Aegis, we have adjusted the balance. We have looked at that balance and we are certainly trying to make sure that our investment pattern addresses both the defense of the United States and the defense of our forward-deployed forces in a way that makes sense and can match the technologies available to build those systems.

NEAR-TERM PRIORITIES—TECHNOLOGY

I will turn it over to General Obering to talk to the technology side of it.

General OBERING. Yes, sir. Senator, you are correct. I was not there at the time, but I do know that there were many factors that went into the decision to locate the interceptors at Fort Greely, not the least of which was soil composition and the makeup there and how it supported the silo construction, and also its ability to reach and to protect the United States from that type of great circle approach.

Your question about priorities. Sir, we are clearly focused on continuing to field the ground-based midcourse interceptors, and we have that in our budget to continue to do that and to continue to get those missiles into the ground there. We are also focused on, as you said, the Aegis with its mobile capability, not against an ICBM but against the shorter-range missiles, and its flexibility that it brings in the mobility.

While we are continuing to focus on that, we cannot give up the future, though. We have to continue that balance between near term and the longer term because building those defenses do take time and building these capabilities. So a lot of the decisions that we are making today will have consequences 5, 6, 10 years out that we have to pay attention to because the evolving threat environment, as we proceed in the future, and the uncertainty of that forced us to have to be able to do that. So we are trying desperately to reach that balance between the near-term priorities and the longer-term priorities that are involved in our development program.

Senator STEVENS. General Cartwright, your comment about the defense and offense I think is the most lucid explanation of why we have to have a ground-based system in terms of being able to do our utmost to catch that first one and to teach the person that launched it a very serious lesson. That is something that I think misses most people.

We in Alaska have looked at this as being there to deal with places like North Korea where they are so unpredictable that no one knows what they will do. They really do not have the massive capability of a Soviet Union, but they have got the capability, we believe, to launch a missile or missiles at us with warheads that would be very dangerous to our survival.

BALANCED FUNDING—AEGIS, LASER, GLOBAL MISSILE DEFENSE (GMD)

Now, are you satisfied with the way this funding is set forth in this budget in terms of balance? I am trying to get back again to the balance between the Aegis system, the laser system, and the ground-based system. Has this been worked out to your satisfaction?

General CARTWRIGHT. Senator, I think it has. The good news here is that in the shakedown, we have been given a voice in that discussion so that the warfighter is at the table and has an opportunity to make a contribution about that balance. Clearly that balance is very important to us. I believe that we are on the right path, that we are testing to the right criteria to keep it operationally realistic, allowing the testing to influence our decisions on what we buy and at what pace, and keeping the warfighter in mind, and working the balance between all of those three is critical. Like I say, the good news here is for STRATCOM we are at the table, we are a part of that dialogue, we are allowed to make input, and now we are getting to a point where that input has got the judgment of people sitting at the console working the system on a day-to-day basis and making contribution.

INFRASTRUCTURE CUTS

Senator STEVENS. Well, General Obering, I am informed that in the preparation of this program, there were \$80 million from the GMD program allocated to another portion of the system. Where did that go?

General OBERING. Sir, if you are referring to part of our infrastructure cuts, potentially is what you may be referring to. If I could for a second, I could put this in context.

As you heard in my opening remarks, we had a \$1 billion reduction overall in our program between 2005 and 2006. Even given that, the ground-based midcourse defense is \$300 million more in 2006 than in the President's budget 2005 request for 2006 in the balance, and it is almost \$3 billion across the future years defense program (FYDP) for the ground-based midcourse defense than it was in the 2005 President's budget.

Part of that budget reduction, though, was to try to get more efficient. General Kadish, my predecessor, did a great job in laying the technical foundation for the integration of these programs so that we can begin to integrate Aegis and the ground-based midcourse and terminal high altitude area defense (THAAD) and others. What we have not addressed, though, was the programmatic integration across the board such that we could begin to combine some of our overhead, if you want to call it that, our infrastructure, and getting more efficient in how we manage the programs. We had set a target of about \$300 million a year, beginning in 2006, to try to reduce our overhead by those amounts.

The ground-based midcourse portion of that is around \$60 million to \$80 million, in that region. Again, that is a better than fair share in terms of its portion of our budget overall. But we have taken that across the board, and we certainly hit much of our headquarters staff the hardest in this regard.

GLOBAL MISSILE DEFENSE SHORTFALL

Senator STEVENS. I am indebted to Ms. Ashworth for her research into this. But she tells me that there was a \$431 million shortfall in the President's 2006 budget as far as the ground missile defense system. So with the cooperation of the chairman, we added \$50 million to that supplemental that just passed to try and catch up on that. I am sure you are familiar with that. Is that shortfall still a realistic number?

General OBERING. Yes. I think if you are referring to the cost variance at the end of the current contract, yes, sir. It has actually been estimated between roughly that and as much as \$600 million or more. That is the total cost variance at the completion of the contract which is at the end of 2007, which represents less than a 5 percent variance in the overall, which is about a \$12 billion contract value. We have paid down about \$400 million of that, and so your help there has been tremendous in that regard.

Senator STEVENS. Thank you very much.

Mr. Chairman, do you have a time problem?

Senator COCHRAN. No.

Senator STEVENS. Senator Inouye.

AEGIS PROGRAM AND FUNDING CUT

Senator INOUE. Mr. Chairman, if I may follow up. The Aegis ballistic missile defense program has been very successful, five out of six intercepts, but as a result of the fiscal year 2006 reduction of \$1 billion, about \$95 million will be cut out of this test program and it might have an impact upon whether we have the signal processor, which I have been advised that it would be at least a year. Why are we setting aside such a successful program where the outcome is almost predictable and spending it on other riskier programs?

General OBERING. Yes, sir. First of all, the program has been very successful in the testing that we have done to date. Now, one of the things we have not done yet is fly against a separating target, and that is something that we do need to do because that represents the lion's share of the threats that we may be facing around the world.

The reason that we have not done that is because, if you recall, the one failure that we did have in the test program had to do with the divert attitude control system malfunction as we got into the higher pulses that we would need for a separating warhead. We have not completely fixed that yet in the program. We are still going through the ground testing for a new design to validate that we do have a fix. We think we have identified the root cause of that and we are taking steps to address that, but that is why we do not have a more robust profile either in the testing or in our production profile because we have not jumped all those technical hurdles yet, but we are in the process of doing that.

The reductions that were taken in Aegis—the program director, Admiral Paige, saw some ways that she could combine some of the testing that we are doing with our Japan cooperative program, also combine some of our software deliveries into more efficient drops, and we were able to achieve those savings as part of that overall reduction.

But it is a very successful program. We still have some things that we need to address there, though, before we can go full bore in that program.

AEGIS SIGNAL PROCESSOR

Senator INOUE. Would it improve the program if you got your signal processor?

General OBERING. Yes, sir, it would. It would allow us, again, to be able to address more complex threats, and it is very definitely a benefit to the Aegis program. There are other steps we can take by combining other sensors to achieve the same effect, but it certainly helps the Aegis program tremendously.

Senator INOUE. Then it would have some merit for the committee to look into that matter.

General OBERING. Sir, we would always enjoy your support. Yes, sir.

Senator INOUE. I would appreciate it if you could give us an unclassified version of a memo on the signal processor and the capabilities of it and how it would improve your Aegis program.

General OBERING. Yes, sir.

SPACE-BASED MISSILE DEFENSE TEST BED

Senator INOUE. The other question I have is on the space-based missile defense test bed beginning in 2008. Now, we have been told that this has a potentially large price tag, technological challenges, and tons of people objecting to it. I suppose we are going to spend a lot of money and it might require setting aside some of the less riskier programs to carry out the space program. Why move forward on another controversial, costly, and technologically riskier program when your other programs have not reached fruition yet?

General OBERING. Well, sir, what you are seeing reflected in our program is a very small effort, actually an experimentation program, a test bed that we start, relatively speaking, overall very small in the budget. The reason for that is, as I mentioned earlier, we are trying to deal with the world as it may exist in 10 years. In order to be able to address that, we believe that there are some prudent experimentation steps that we should take because, to be very honest with you, sir, in spite of what a lot of people will articulate, I am not at all certain that we have tackled all the technical issues associated with space-basing of interceptors. There are some questions that I think we need to answer in terms of the on-orbit storage, so to speak, of interceptors. There is a number of issues with respect to command and control, with being able to sense the rising targets and being able to distinguish those. There are a lot of technical challenges that we need to address. I think that while it is important to have the debate on the philosophical advantage and strategy of having space-based interceptors, it

would be prudent to lay in a technical experimentation program to see if we could even do that.

BATTLE MANAGEMENT COMMAND AND CONTROL

Senator INOUE. General Cartwright, we have been advised that at each stage of the missile defense mission, you will have combatant commanders in charge of identification, track, discrimination, and defending against incoming missiles. How are you going to coordinate all of this, especially when the time window is not that big?

General CARTWRIGHT. That is one of the key challenges in the system when you try to field a global system for which the decision windows to decide whether or not you have a threat coming at the United States or at our forces. Where did that threat come from, where is it going to, what should I use or what should the system use to engage it are all decisions that have to be made in a very timely fashion and really brings to the forefront the technical challenge of a global system.

The way we have set it up today is that Strategic Command provides to the regional commanders the capability. So for Northern Command and Pacific Command right now, we are providing them with all of the command and control capabilities necessary to analyze the threat when it is detected, align the sensors so that they can determine where that threat is going, characterize that threat, and then align the weapons and use the weapons if appropriate. In the case of Pacific Command, that capability resides in Hawaii at the commander's headquarters there. In the case of Northern Command, that capability resides in Colorado Springs with the headquarters there. We have built that system. This year sees the system being installed in Hawaii. In the first year, in 2004, we had the system installed at Northern Command and at STRATCOM with situation awareness systems deployed here in Washington to the Joint Staff and to the National Command Authority.

That is what we are working through in the shakedown period, understanding the concept of operations and how we will deal with a threat that we are watching nine time zones away and trying to manage both the sensors, the command and control, and the weapons. What we have seen to date is that it is in fact working, but we cross several lines of authority between, say, Pacific Command and Northern Command and STRATCOM, and in the time zones and where the sensors are located versus where the weapons are located, et cetera. It is a complex system. Like I said, in the shakedown, we have gotten to a point now where the soldiers are getting good confidence that the system, in fact, can perform, that the commanders can get sufficient information to make credible decisions about threats that may be presented in the system.

EXECUTIVE DECISIONMAKING COMMAND AND CONTROL

Senator INOUE. In this decisionmaking process, I presume the President and the Secretary of Defense are involved?

General CARTWRIGHT. Yes, sir. But as you can imagine, this is a stressing scenario because the timelines associated with those decisions for the stressing threats, which really are the threats to

Alaska and Hawaii, the timelines are much shorter than if you are traveling a greater distance, say, to the continental United States.

Senator INOUE. What would be the decision window for launching an interceptor at an incoming ballistic missile, if you can give it to us in open session? What is the time?

General CARTWRIGHT. I think we can do this in open session. The system is designed so that we can have a characterization of the threat in the first 3 to 4 minutes and that we have a decision window, depending on where the threat missile is moving, probably in the next 3 to 5 minutes in the short scenarios like Hawaii and Alaska and expands out as you go further. But you are eating up decision time. And so we are working through with the Secretary, with General Obering a set of tabletop exercises to walk us through and understand where the regret factors are, if you do not make a decision on time, when does that happen, when are the key windows and the vulnerabilities in the decision window that would allow us to commit a weapon against a threat in a timely fashion and have a secondary opportunity if at all possible.

As we work those through, then we are also working through is it phone calls that we make, do we use the command and control system and the displays to inform that National Command Authority, how are we going to bring them together? As you can imagine, getting the President, the Secretary, the regional combatant commander into a conversation and a conference in a 3-to 4-minute timeframe is going to be challenging. So what are the rules that we lay down? That is what the shakedown has been about. We are working very hard with the Secretary to lay down those rules and understand the risks associated with those very quick and timely decisions that are going to have to be made, particularly for Alaska and Hawaii when we deal with the North Korean threat.

Senator INOUE. In the Alaska and Hawaii situation, your decision window for life and death decisions would be less than 7 minutes?

General CARTWRIGHT. It would be right in that area, right about 7 minutes.

Senator INOUE. Thank you, sir.

Senator STEVENS. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

GROUND-BASED SYSTEM TESTING PROGRAM

The testing program for the ground-based system has had some recent difficulties after a series of successful intercepts have proven the capabilities are there in the system. What are your plans for future tests? Do you have the resources in this budget request that will enable you to carry those out?

General OBERING. Yes, sir. I will take that. The aborts that we had in our last two tests were caused—in the December timeframe, we had a software timing issue. As we got in and discovered the root cause, we determined that, first of all, it was a rare occurrence, and we have actually flown with that condition three times before with the booster. And it was correctable with a fix to one line of software code and one parameter in that software code.

The failure that we had to launch in February was due to a ground support arm that failed to retract. We now know what the

root cause of that was. We actually had done some work in the bottom of the silo to modify that because that silo was configured for a "BV" configuration booster, an earlier configuration that is no longer in the program, and the workmanship allowed some leakage and some moisture to gather in the bottom of the silo which caused corrosion around the shims in that arm on the hinge and basically bound up the hinge to be able to move away. And then we had the wrong size crush block. It kind of dampens the retraction of the arm so it does not bounce into the interceptor when it is launching. That was the wrong size and the wrong stiffness. So we had workmanship issues, we had quality control issues that we had to go back and address.

INDEPENDENT REVIEW TEAM AND TESTING

I got very angry about that because those are basic blocking and tackling that you have to do as part of any development program. That is why I chartered the independent review team that gave me their findings several weeks ago, and this mission readiness task force that is taking those recommendations along with their Aegis expertise from that program and putting that into a road back, a way ahead to a successful test program.

Some of the recommendations coming out of the independent team is that we need to do more ground qualification testing as part of our overall flight test program. We need to have a more rigorous flight certification, kind of a concurrent but independent assessment of our readiness to fly. And we are factoring that all into our test program.

The basic content of our tests will not change in terms of what we are planning to do over the next 2 years in terms of getting more realistic testing. We are going to launch targets out of Kodiak, Alaska like we did the last two tests, very successfully, by the way. Tremendous help and team support up there. It actually demonstrated that we could take the target information and inject that into our operational fire control system and get the interceptor to accept that, the flight computer and be ready to launch.

But we are going to do that in the next several years. We are going to take an operationally configured interceptor and fly it out of Vandenberg, which is an operational site. We are going to fly it across the face of the Beale radar, which is an operational radar with operational crews. So we are going to get more and more realism in our test profile.

Certainly the resources that we have—we believe that what we have programmed will allow us to do that, but that still depends somewhat on the recommendations that I will be getting from this mission readiness task force in the next several weeks.

General CARTWRIGHT. Could I just chime in just for one second?
Senator COCHRAN. Sure.

General CARTWRIGHT. Particularly on this last part that we talked about here of actually using the interceptors, launching them from operational sites, using operational crews, using operational sensors. These are the things that we on the STRATCOM side of the equation really wanted to see brought into the test program, and in 2005 and forward, General Obering has made a great effort to be able to bring that in because we think that is impor-

tant. It gives the soldier confidence that the system will work. It gives us confidence that the netting together of the system works. To me that is critical on the operational side. So I just want to kind of get that in and chime in on that, the support for that. To me that is very important.

OPERATIONAL AND TECHNICAL READINESS

Senator COCHRAN. Is the testing program far enough down the track now for you to be willing to use the interceptors that are in the ground in case of a crisis in trying to defeat a missile attack against the United States?

General OBERING. Sir, I will speak technically to that and General Cartwright can speak from an operational perspective. I believe the answer to that is yes. I believe that we have enough confidence that we will have a pretty good chance of that succeeding.

Now, I would like to fly the kill vehicle in its operational configuration. We have not done that. We flew prototypes of the kill vehicle in our successful intercepts in the past. About 67 percent the same hardware, 60 percent the same software, as we flew in our previous test, but we did a redesign for manufacturability and for more robustness in that kill vehicle. We have not flown that configuration, which I would like to do, and that is part of our coming test program to get into the air and get the data that we need from that testing to give you a full confidence answer.

General CARTWRIGHT. And I would chime in that from an operational standpoint for the system that we have today, one, we are confident that the crews are trained and can use the system and that the command and control system will, in fact, work for us; two, that the sensors and the weapons are netted in such a fashion that they will, in fact, provide us a great opportunity to intercept any kind of incoming threat. As it gets more redundancy, the system becomes more resilient, we understand better how to employ it, we will get better, but in an emergency, we are in fact in a position. We are confident that we can operate the system and employ it.

INTERNATIONAL COOPERATION

Senator COCHRAN. One of the things that occurs to me is that we are going to be depending on other nations to cooperate and support our efforts to have a successful, comprehensive, layered missile defense capability, radar sites in the United Kingdom, and elsewhere. Even cooperation in the development of the Arrow program is also contributing to our own improved knowledge and expertise in this area.

Are you pleased with the cooperation, generally speaking, internationally that we are receiving, or do we have problems that need to be addressed in diplomatic ways or any ways that we can provide funding in this budget cycle that would be helpful to you?

General OBERING. Sir, I will take the programmatic aspects of that. As I mentioned, we have signed agreements with Japan, with the United Kingdom, and with Australia now on broad memorandums of understanding to cover joint cooperative research and development, as well as procurement and cooperation.

To give you an example of the level of cooperation and interest, we co-host a conference every year, a multinational conference. Last year it was in Germany. We had over 850 delegates from more than 20 countries attend that conference. We were able to conduct bilateral discussions with many of the nations there, looking at what they are interested in and what they bring to the table. So I do see a rising tide of interest in missile defense. And I see concrete actions like the Japanese have taken and the investments that they have made in their budget for missile defense because they view the threat, I believe, similar to the way that we do, and the cooperation that we have received in the United Kingdom with the placement and the upgrade of the Flyingdales radar that is placed in that nation. So I think it is a very bright outlook, sir.

AIRBORNE LASER PROGRAM

Senator COCHRAN. Mr. Chairman, I have just one more question I will ask and then others, if it is okay, I will just submit for the record.

The airborne laser program is one that has potential for use as part of a comprehensive and layered program of missile defense. What is your impression so far? Do you have enough knowledge from tests that have been undertaken to lead you to a conclusion about the utility and the potential success of an airborne laser (ABL) program?

General OBERING. Well, sir, we achieved two major milestones in that program over this last year. The first light in the laser was extremely significant because we had a lot of critics in the past believe that that could never be done, which is the simultaneous ignition of those laser modules to get the power that we need to make this a very viable weapons system. We achieved that. We were able to achieve first flight of the heavily modified, in fact, the most heavily modified 747 in history.

We are continuing with the lasing test today as we speak, and we are continuing with the flight test where we begin to unstow the ball in the front of the aircraft. That should be coming in the next several weeks. So we are gaining confidence. We have tackled all of the major technical questions with respect to the operation of the system.

But there is still a long way to go between that and saying that we would have a viable operational capability. That is where we are today. As we go beyond these first major steps, tear down the laser, reassemble it on the aircraft, and then fly the joint weapons system, as I said, in the 2007–2008 timeframe, that is when we will have the real confidence to move forward. We are setting up a series of decision milestones then that we can provide to the Department, to the administration based on knowledge-based results from those tests.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator STEVENS. Thank you, Mr. Chairman. Glad to have you here.

OPERATOR EDUCATION REQUIREMENTS

Pardon my cold here a little bit, General.

I had a briefing at one place we will not talk about, but sitting was this young operator. He demonstrated how he would shift from one incoming missile to another one. I said, you know, that is pretty fast. He says, it is nothing like Nintendo, Senator. I want to ask a little bit about the educational requirements now. Are you running into problems with regard to educational requirements for the people who will man the system?

General CARTWRIGHT. I can ask General Dodgen back here who has the lead in the training side of this, but as I have, like you, gone out and sat and talked with these young soldiers as they work the consoles, it is not like Nintendo, but their minds tend to pick up the displays and all of the information and process it in ways that leaves me in awe, to tell you the truth. They are very good at it. They grew up understanding how to look at a screen and take in large amounts of information and process it and consistently come out with the right answers.

When we started into the training program, as you always do, whether it is an aircraft or a radar site, what do you display that cognitively will get the right information when you go into sensor overload in your brain, when people have a sense of urgency, when people are yelling in the back of the room? What gets into your head and do you make the right decisions? Part of our shakedown has been taking each operator up to a point of stress where they are at overload and then seeing what decisions do they make, what information do they actually use in those times of stress, and is it presented to them in a way that they will retain it. We are pretty confident that we have got the displays about right and the cognitive reaction to those displays, that they make the right decisions time and time again. We have multiple people on those consoles to ensure that we are making those decisions right.

But my sense is we have, in fact, got a good cadre of people, that the training regimen is replicatable and can be exported to a broader group of people. As you know, we are using Guard and Reserve people to do this, soldiers, and they are doing a great job with it. My sense is we do have the right people, the right skills, and that they can retain them and we can teach them on a sustaining basis.

Senator STEVENS. Going on from that, Senator Inouye and I were in the Persian Gulf War the night a young man on Joint Surveillance and Target Attack Radar Systems (J-STARS), which was deployed during the test phase, as a matter of fact, noticed that the headlights were going the wrong way. They were going north not south. It was his immediate perception of that that changed the course of that war.

AIRBORNE LASER APPLICATIONS

This is now getting to the point where this airborne laser system comes into play here too. Do you believe that that has applications beyond missile defense?

General CARTWRIGHT. Sir, as we understand both what the art of the possible would be in an energy-based system that moves at the speed of light and the range at which we could apply it, we are starting to look at the feasibility of other applications for that kind of technology, whether it be airborne, ground-based, mobile. We are looking at a wide variety of opportunities that could be presented

by having that kind of technology and starting to explore them. But we are still very early in the R&D phase. So these are feasibility studies. These are things that we are using, say, our universities, our military universities, to start to think about, how could you use this kind of a weapon in more than just the missile defense role.

Senator STEVENS. My last question. Many people have said to me the real problem here is how to hit a bullet with a bullet from 1,000 miles away. Does the airborne laser change that equation?

General CARTWRIGHT. My sense is it gives you more decision time because the weapon actually moves at the speed of light. So the first chance to strike the bullet, so to speak, to the last chance, you have more opportunity, more decision time, more chance for a second shot if the first one did not make it. We are trying to understand how precise do we have to be with this type of weapon. How much makes a difference? Is it millimeters? Is it bigger than that? We do not have those answers yet. But at the end of the day, the hope is that, one, you have more opportunities, larger decision time, more opportunities to make the right decision, and if you miss, for whatever reason, a malfunction or an aiming problem or something else, the opportunity to have subsequent shots is increased.

Senator STEVENS. Is it possible to separate that beam as it goes out so there is more than one opportunity to strike the incoming missile?

General OBERING. Sir, the aircraft has the ability to hit more than one missile. I cannot go into much more detail than that, but it does have the ability to do so.

Senator STEVENS. Well, you are in a very exciting area. As an old silo jockey, I envy you. Thank you very much.

Senator Inouye.

TERMINAL HIGH ALTITUDE AREA DEFENSE TESTING

Senator INOUE. Testing for THAAD has been continually slipping. Can you tell us in this hearing what the causes are and what your new schedule is going to be?

General OBERING. Yes, sir, I can. As you may recall, in August 2003, there was series of explosions at a motor supplier in California, in San Jose. It was the Chemical Systems Division of Pratt and Whitney. Now, unfortunately, that supplier handled all of THAAD's motors, and in the recovery from that, requalifying another supplier and moving out of that facility had an impact on the program and began to delay its return to flight test.

Also, the THAAD program, as I think you may be aware of, Senator, was plagued with quality control problems in its past in the 1999–2000 timeframe and the redesign that it went through, which I think is going to be very successful, and the manufacturability improvements that have been made have taken time. It is the reason it has not been back in flight.

It is now finished with almost all of its ground qualification testing. The flight test missile is in assembly as we speak in Troy, Alabama and will be shipped out for flight testing. We anticipate that to be by the end of June to return to flight, and then we look forward to an intercept attempt, after a series of guided flights. By the end of this calendar is what our plan is.

I believe that what I have seen—in fact, to be very frank with you, after I saw the quality control problems that we experienced on the ground-based midcourse system, I sent an audit team out to the contractor facilities for that program. I also sent an audit team to take a look at the THAAD program before flight to see if we had any problems, and I got a pretty glowing report coming back from there. So I am confident that we will be able to meet our objectives with that program, but as you said, the primary cause of that slippage was the recovery from that unfortunate explosion.

Senator INOUE. So you think you are on track now.

General OBERING. I think so, yes, sir.

MISSILE DEFENSE AGENCY \$1 BILLION CUT AND PROGRAMS AFFECTED

Senator INOUE. Now, the Missile Defense Agency has been told to take out \$1 billion. What programs do you believe will be impacted the most, if you can tell us?

General OBERING. Sir, we tried to, as I said, in the past balance this across our portfolio in terms of how much risk we were taking in the development programs and how much we were able to meet our fielding and our support commitments that we have made. The kinetic energy interceptor (KEI) program is where we have taken the largest amount of risk with this. That was in part due to two reasons.

One is because the inception of that program was as an alternative to the airborne laser, a risk reduction program for the airborne laser. That was at the recommendation of the Defense Science Board in 2002. We had laid in a fairly robust acquisition program for the kinetic energy interceptor. That included land-based and sea-based aspects to that. I felt that we were getting out in front of our headlights a little bit too much, so to speak, much like we had done on airborne laser. We did the same thing. We were spending money 2 years ago on airborne laser, worrying a lot about the operational support of that program before we had even generated first light out of the laser. We felt like that that had to be refocused, and that is what General Kadish and I did last year and we were successful in doing that.

We did much the same thing on KEI. What is going to make this program work is a very high acceleration booster, much, much, much faster in acceleration than the ground-based interceptor that we have today or Aegis or any of the others. So they had to demonstrate to me the ability to do that before we make them a full-blown acquisition program, number one.

Number two, if they are able to do that, it provides us some options for the Department on midcourse and even terminal phases because of that performance. It begins to expand our envelope, so to speak, that we can use. Even if we are backfilling missiles and silos in Fort Greely with this missile, it gives us that kind of capability.

So that is where we took the lion's share of the money in terms of that cut. That is also why you see that we did not terminate anything because I felt that we needed to balance our portfolio out.

Senator INOUE. In cutting out \$1 billion, do you believe you had to cut out some real flesh, muscle?

General OBERING. Well, what I would say that we did, sir, is we just accepted more risk in certain areas. We tried to and we did adhere, for the most part, to our fielding commitments, which is really the muscle and the flesh that you are referring to.

Senator INOUE. Well, I thank you very much. We will do our very best, sir.

General OBERING. Thank you.

Senator INOUE. Thank you, Mr. Chairman.

Senator STEVENS. Thank you very much.

Senator Cochran, do you have any further questions?

Senator COCHRAN. No.

OUT-YEAR FUNDING

Senator STEVENS. We thank you again. I really want you to know that I worry a little bit about the out-year funding with what is happening right now. I do hope that you will keep in touch with us as we go through this work on this subcommittee to see if we can find some way to alleviate some of that strain in the out-years by a proper allocation of the money now. I do not think we can get any more money. He has the problem now.

I do think we should make certain that the money in the near term is directed toward really being able to get a robust system in the near term. I can tell you that when I am home, everyone reads the papers about what is happening in North Korea. It is a very solid worry for those of us, I think in Hawaii probably to a lesser extent, but the offshore States do worry about that potential they have already. We believe they have it already. I cannot get into too much of that here today. But we want to work with you in every way possible to assure the near-term completion of the test phase, if we can. So call on us if there is anything we can do.

ADDITIONAL COMMITTEE QUESTIONS

We look forward to trying to have the subcommittee take a look at the ground-based laser again this year. We did that 3 years ago and I think we ought to play catch-up.

We do thank you, General Cartwright, General Obering.

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

QUESTIONS SUBMITTED TO GENERAL JAMES E. CARTWRIGHT

QUESTION SUBMITTED BY SENATOR TED STEVENS

GROUND-BASED MID-COURSE PROGRAM

Question. What additional military capabilities would you like to see within the Ground-Based Mid-Course Program? Would you use these Ground Based Interceptors if a missile were launched at the United States? In your opinion, how many interceptors does the United States need?

Answer. Today, we have a thin line Ground Based Mid-Course Defense System. Our focus for additional capabilities in the near-term is to increase the redundancy of the sensors and command and control components so we are not reliant on a single string.

Although the system is still rudimentary, I am confident that our crews are well trained and that the network of sensors, weapons, and command and control is configured to optimize success. In an emergency, we could employ Ground Based Interceptors against a missile launched at the United States. The number of interceptors

needed is an issue under constant study and will continue to evolve as the threats develop and ballistic missile technology continues to proliferate.

QUESTION SUBMITTED BY SENATOR PETE V. DOMENICI

CONVENTIONAL CAPABILITIES ROBUST NUCLEAR EARTH PENETRATOR

Question. General Cartwright, it is my understanding that as part of the expanded responsibilities of Strategic Command, your organization is directly involved in discussions concerning Robust Nuclear Earth Penetrator (RNEP).

As you know, the program was not funded for fiscal year 2005, but the budget for next year requests \$8.5 million to continue the study. I am interested in your views about the conventional capability of RNEP.

Would the RNEP sled-test data inform us also as to the safety and reliability of a conventional penetrator capability? Please discuss your views as to why this is important.

Answer. The Robust Nuclear Earth Penetrator (RNEP) study was initiated to determine the technical feasibility of a guided, 5,000-pound class nuclear earth penetrator capable of surviving penetration into the hard surface geologies that lie above most strategic hard and deeply buried targets. Data from the RNEP sled test supports nuclear or conventional weapons.

Modeling and simulation developed in the study predict the transfer of loads to internal hardware components. The sled test will provide critical empirical data to validate these models and simulations for both conventional as well as nuclear weapons.

QUESTION SUBMITTED BY SENATOR RICHARD C. SHELBY

JOINT FUNCTIONAL COMPONENT COMMAND FOR INTEGRATED MISSILE DEFENSE

Question. General Cartwright, I understand that U.S. STRATCOM has been assigned new missions over the past few years. As a result of these new missions, one of which is missile defense, you are presently taking steps to stand up Joint Functional Component Commands (known as JFCCs) for each of the new missions. Since today's hearing is focused on missile defense, I would like to focus on the JFCC for Integrated Missile Defense. I certainly understand that as a Combatant Commander, a primary focus must be placed on enhancing and fielding systems such as Patriot and the Ground-Based Midcourse Defense System. However, I am sure that you would agree that emphasis must be placed on developing the next generation of missile defense systems. Please share with the committee the process and agreements you have with the Missile Defense Agency regarding how technology development for future systems are prioritized and funded.

Answer. It is important the Combatant Commanders have an input into the development of future capability. We have addressed this process from two aspects to ensure we are capable of effectively advocating for future needs. First, the Warfighter Involvement Process was developed in concert with the Geographic Combatant Commanders' staffs and Missile Defense Agency (MDA) to provide the forum and framework to integrate Ballistic Missile Defense System users into the capability development and acquisition processes at MDA. Second, my Joint Functional Component Command for Integrated Missile Defense has recently concluded an agreement with MDA that defines their respective roles and responsibilities for advocacy, of advanced concept and technology demonstrations. It is through close working relationships such as these that we will ensure science and technology programs are prioritized and funded to meet our needs in the 10 to 15-year timeframe. I am confident we can work effectively with MDA to successfully field the next generation of missile defense systems.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL HENRY A. OBERING, III

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. The Administration is fielding the Navy's Aegis Missile Defense System and the Ground-Based Midcourse System. Do these remain your near-term deployment priorities? Does your budget reflect those priorities and your commitment for enhanced testing?

Answer. Yes, our near-term priority continues to be fielding these elements of the Ballistic Missile Defense System (BMDS). In 2004 we began fielding the initial elements of the Block 2004 BMDS. In 2005 we improved this capability by adding more Ground-Based Interceptors and the first Standard Missile-3 (SM-3) missiles. In fiscal year 2006 our objective is to complete the development, fielding and verification of Block 2004 and begin fielding the next increment of missile defense capability, Block 2006. This Block will add 10 Ground-Based Interceptors at Fort Greely as well as an Upgraded Early Warning Radar in Thule, Greenland and another Forward Based X-Band Radar. We also plan to deliver additional SM-3 missiles, and continue upgrading Aegis cruisers and destroyers.

All of this work involves continued development and deployment of near-term BMDS assets and this priority is reflected in our fiscal year 2006 budget request. Our budget includes about \$400 million in fiscal year 2006 to complete the initial Block 2004 fielding and about \$4.9 billion for the development and fielding of Block 2006.

Our commitment to enhanced testing is also a priority that is reflected in our fiscal year 2006 budget request. Resources for test and evaluation are included in our Test & Targets Program Element as well as the Program Elements for individual BMDS elements. Total funding for test and evaluation activities is about \$2.78 billion in fiscal year 2006 or about 35 percent of our budget request.

Let me note that the recent interceptor launch aborts in IFT-13C and IFT-14 in the Ground-Based Missile Defense (GMD) program have reinforced my commitment to our testing program. I have chartered an Independent Review Team (IRT) to review our test processes, procedures and management and they have reported back to me with a series of specific recommendations. In addition, I have appointed Rear Admiral Kate Paige as Director for Mission Readiness. She is leading a Mission Readiness Task Force and has full authority to implement the corrections needed to ensure a successful flight test program.

Question. It is very important that we do everything possible to get the most capability we can out of our missile defense systems, such as the Ground Based Interceptor (GBI), that we have already invested in so heavily. What are your plans for spiral development of the GBI, and how much funding do you have in the fiscal year 2006 budget and throughout the out-years for upgrading the capabilities of the GBI? Is this sufficient?

Answer. The Ground Based Interceptor spiral development strategy from fiscal year 2006 through fiscal year 2011 capitalizes on concurrent efforts to field additional interceptors while incorporating performance upgrades, as well as reliability, maintainability and producibility improvements. As we deploy and operate the Limited Defensive Operations capability, these development upgrades ensure that system limitations in operational performance, availability, or sustainability will be addressed. Additionally, the development program will ensure the interoperability of the Ground Based Interceptor with the other evolving elements of the Ballistic Missile Defense System and ensure that the technical capability of the Ground Based Interceptor will continue to improve and mature to meet the developing threat.

Development upgrades to be tested and fielded in fiscal year 2006 and fiscal year 2007 include Orbital and Lockheed Martin booster software builds; an Exoatmospheric Kill Vehicle processor upgrade; Exoatmospheric Kill Vehicle software algorithm enhancements; booster-aided navigation using booster Global Positioning System to improve interceptor accuracy; sensor manufacturing improvements and sensor enhancement for longer acquisition range; and configuration changes necessary to address improved shelf life/reliability. Development upgrades planned for fiscal year 2008 through fiscal year 2011 will focus on the expansion of the number and capability of Ballistic Missile Defense System Ground Based Interceptor Engagement Sequence Groups, Warfighter enhancement options, and improved reliability, availability, and maintainability. Development program activities are being closely coordinated with sustainment activities to ensure maximum feedback from the fielded architecture into the development effort.

Ground Based Interceptor component development is funded within the Ground Based Interceptor portion (which also funds flight and ground test interceptors, modeling and simulation development, common silo and common Command Launch Equipment development, launch complex ground/system testing, verification/validation and accreditation activities) of the Ground-Based Midcourse Defense development and test project. I attached a copy for the record of a table that provides the budgeted and planned amounts for Ground Based Interceptor component development from fiscal year 2005 through fiscal year 2011. I believe these amounts are sufficient.

BUDGETED AND PLANNED AMOUNTS FOR GROUND-BASED MIDCOURSE DEFENSE PROGRAM AND
GROUND BASED INTERCEPTOR COMPONENT DEVELOPMENT FROM FISCAL YEAR 2005 THROUGH
FISCAL YEAR 2011

[In thousands of dollars]

	Fiscal Year—						
	2005	2006	2007	2008	2009	2010	2011
Total GMD Budget	3,318,623	2,298,031	2,701,940	2,473,388	2,064,754	1,895,820	1,562,709
Total Development and Test	2,019,600	1,392,609	1,503,841	1,065,476	1,029,220	1,153,500	1,229,709
GBI (Includes Test GBI Assets)	621,577	359,900	515,300	413,325	399,400	383,500	388,225
GBI Component Development	200,800	182,100	198,400	171,300	145,400	132,700	135,600

Question. Have you discovered anything that would indicate that the GMD Technology does not work or do we still have the confidence in the interceptors that have been fielded at Fort Greely and Vandenberg Air Force Base? How do you plan to get GMD testing back on track? What will it cost to implement the recommendations of the Graham Panel?

Answer. In light of the two recent tests in which interceptors failed to launch, I chartered the Independent Review Team in February to examine the failures in recent integrated flight tests of the Ground-Based Midcourse Defense (GMD) element of the Ballistic Missile Defense System (BMDS). Dr. William Graham, Dr. William Ballhaus, and Major General (United States Army, Retired) Willie Nance (assisted by Dr. Widhopf and Mr. Tosney of Aerospace Corporation) were directed to: review analysis of the failures associated with Integrated Flight Tests 10, 13C, and 14; understand the causes of Ground-based Midcourse Defense failures; determine any impact of these failures and other problems with the Ground-Based Interceptors and ground support equipment located at Fort Greely, Alaska and Vandenberg Air Force Base, California; review the pre-flight preparation and test execution process and provide recommendations as appropriate; and review in detail all actions required for a successful launch.

The Independent Review Team completed its investigation and provided its outbrief to the Missile Defense Agency on March 31, 2005. The team determined that the inherent system design was sound and had been demonstrated to be effective in previous tests. The team also determined that in order to achieve a fully operational missile defense system, Ground-based Midcourse Defense needs to enter a new phase, one that emphasizes performance and reliability verification. Key recommendations include: establishing a more rigorous flight readiness certification process; strengthening systems engineering; performing additional ground-based qualification testing as a requirement for flight testing; holding contractor functional organizations accountable for supporting prime contract management; and assuring that the Ground-based Midcourse Defense program is executable.

I concur with their findings and recommendations. To focus on these and several other initiatives to improve our mission assurance and quality control processes throughout the Ballistic Missile Defense System, I chartered Rear Admiral Kate Paige as Director of Mission Readiness, with responsibility for overarching mission readiness. She leads a small, highly experienced Mission Readiness Task Force chartered in part to develop a plan for the next few flight tests, including objectives and schedules. This flight test plan is part of a larger plan, which addresses processes and procedures to enhance the verification of operational readiness of the Ground-based Midcourse Defense weapons system. The Independent Review Team report will be one of the many of inputs she uses to chart the way ahead. The Mission Readiness Task force recommendations will be available in June and will include cost and schedules for a new Ground-Based Midcourse Defense program plan. I will act upon these recommendations in the most effective manner possible.

Question. I'm pleased that Airborne Laser (ABL) has made so much progress the last year, although much work remains to be done. Do these accomplishments give you confidence that the program can continue to overcome its remaining challenges?

Answer. Yes. The two recent milestones were the culmination of a series of significant risk reduction activities including risk reduction demonstrations and component/subsystem demonstrations. The first laser light in the Systems Integration Lab was completed on November 10, 2004. The first aircraft flight with the combined Battle Management, Command, Control, Communications, Computers, and Intelligence and Beam Control/Fire Control systems was completed on December 3, 2004. The remaining program activities, with key knowledge points identified annually

will continue to build our confidence in overcoming the remaining challenges on the program.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

Question. I have been informed that Admiral Mullen, the President's nominee to be the next Chief of Naval Operations, views missile defense as a core Navy mission. As you noted in your testimony, the Navy has already deployed an Aegis cruiser with a midcourse defense capability, in addition to the Aegis system's surveillance and tracking capabilities. The Kinetic Energy Interceptor program offers the opportunity to expand on these mobile capabilities, and expand the layered system by providing a system that would engage its target during the boost phase. Could you update us on the progress of the Kinetic Energy Interceptor program?

Answer. The Kinetic Energy Interceptor program is on track to demonstrate key boost/ascent phase intercept capabilities this year as incremental steps towards a 2008 decision as to if and how to proceed further. We have in the field today a mobile Kinetic Energy Interceptor Battle Management, Command Control and Communications prototype that is demonstrating, with real-time and playback data, our ability to generate rapid and accurate fire control solutions with overhead sensor data. Next year we plan to upgrade this operational prototype to integrate and fuse Ballistic Missile Defense System Forward Based X-band radar data with the overhead sensors. This Kinetic Energy Interceptor fire control capability investment will pay dividends for the entire Ballistic Missile Defense System by improving our ability to track, type, and predict threat trajectories in the early phases of flight.

Our interceptor development team recently completed a wind tunnel test series and the composite case winding and cure of our second stage booster motor. We are on schedule for a late August/early September 2005 static firing of a tactically-representative (same burn time and size as the objective design) second stage with a trapped-ball thrust vector control system. A tactically-representative first stage static firing with a flex-seal thrust vector control system is planned for January 2006. The interceptor team will complete an additional eight static fires (four with each stage) prior to executing the full-scale booster flight test in fiscal year 2008.

The Kinetic Energy Interceptor specification requires a common interceptor design for land and sea basing operations. Sea-basing offers unique battlespace access, taking maximum advantage of KEI's mobility and its resulting ability to intercept missiles in their boost and ascent phases. We are working with the Navy to assess alternative platforms for this mission, including cruisers, destroyers and submarines. We expect to make a joint decision on a Kinetic Energy Interceptor platform strategy in late fiscal year 2006, but the acquisition of a sea-based Kinetic Energy Interceptor capability will not start until after our overall program plans are settled in fiscal year 2008.

We believe that, for modest increases in funding, we can extend KEI's boost/ascent capability to provide a flexible, mobile midcourse layer to the Ballistic Missile Defense Systems as a complement to fixed site Ground-based Midcourse and sea-based Aegis Ballistic Missile Defense. As a result, in fiscal year 2006 we are initiating requirements definition, concept design and performance assessment of the Kinetic Energy Interceptor capability in a mobile midcourse defense role (e.g., asymmetric defense of the United States and Allies).

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

VALUE OF TEST RANGES TO MISSILE DEFENSE AGENCY

Question. White Sands is perhaps the most unique installation in all of DOD and, when combined with Fort Bliss (most of which resides in New Mexico) and Holloman Air Force Base, it gives the Department a highly valuable venue for combining operations and testing.

Can you describe the value MDA places on its access to an installation like White Sands with its enormous geographic size and restricted airspace?

Answer. MDA seeks to achieve realistic testing environments and maintain safety to the maximum practical extent. The large land area, accompanying restricted airspace and mobile instrumentation at White Sands Missile Range provides an excellent location for the conduct of short range tactical ballistic missile intercept tests. In the 1990's, we developed the Fort Wingate Launch Complex as a remote target launch facility to effectively increase the range of the tactical ballistic missile intercept tests. Since that time, we have maintained the land lease and evacuation rights to the western and northern expansion areas to expand capability and enhance safe-

ty. We plan to retain the majority of this capability for upcoming Terminal High Altitude Area Defense testing in fiscal year 2006.

Question. Does this access provide the type of realistic testing environment needed to collect accurate data for your systems?

Answer. For short range tactical ballistic missile target profiles, White Sands Missile Range's size, restricted air space, and array of fixed and mobile instrumentation make it an excellent environment for testing. Target launch facilities that MDA added at Fort Wingate allow flight profiles of up to 370 kilometers into the range. As test envelopes continue to expand, the capability of White Sands Missile Range is being exceeded. That requires us to look toward other test range options. White Sands Missile Range cannot accommodate the trajectory and debris hazard patterns from higher energy medium-range, intermediate-range and intercontinental ballistic missile targets and interceptors within its boundaries. These scenarios require larger and more remote ranges that provide the kind of test scenarios and safety that we need.

Question. How will White Sands contribute to the success of the Ballistic Missile Defense System in the future?

Answer. There will continue to be opportunities to conduct Ballistic Missile Defense System tests at White Sands Missile Range. In addition to short range tactical ballistic missile tests, the Airborne Laser program, whose mission is to intercept targets in the boost phase, plans to conduct some initial tests at White Sands Missile Range.

White Sands Missile Range is involved in the development and deployment of mobile instrumentation and sensors and provides knowledgeable test support personnel to support Ballistic Missile Defense System testing as members of the Pacific Range Support Team. For example, White Sands Missile Range mobile instrumentation and approximately 45 White Sands Missile Range test personnel were recently deployed to Kodiak, Alaska in support of Ballistic Missile Defense System test operations and MDA plans on continuing to use this type of support in the future.

TERMINAL HIGH ALTITUDE AREA DEFENSE TEST SCHEDULE

Question. It is my understanding that the Terminal High Altitude Area Defense (THAAD) missile will return to flight testing at White Sands Missile Range this year, and that funding provides for additional tests next year.

What is the THAAD testing schedule for this year and next? What will be the nature of those tests?

Answer. *CY 2005 Flight Testing.*—THAAD Flight Test (FT)-01, planned in summer 2005, is a high-endoatmospheric Control Test Flight at White Sands Missile Range (WSMR). This mission will consist of a THAAD missile flight without a target to assess missile dynamic flight characteristics and vehicle controls in the high-endoatmospheric environment.

THAAD FT-02, planned in late fiscal year 2005, is the first integrated system test including all THAAD components (Missile, Launcher, Radar and C2BMC). This flight test will be conducted at WSMR and will include a virtual target (injected into the radar) in lieu of an actual target, and will exercise all functions except the seeker endgame.

THAAD FT-03, planned in early fiscal year 2006, is a Seeker Characterization flight with a target in the air, to characterize the behavior of the seeker. Although intended as a "fly by" against a live target, it could result in an intercept. This test will be conducted at WSMR against a HERA unitary target at a high-endoatmospheric altitude.

CY 2006 Flight Testing.—THAAD FT-04, planned in second quarter fiscal year 2006, is an intercept attempt against an exoatmospheric HERA separating target to be conducted at WSMR.

THAAD FT-05, planned in third quarter fiscal year 2006, is a low-endoatmospheric Control Test Flight at WSMR of a THAAD missile flight without a target to assess missile dynamic flight characteristics and vehicle controls in the low-endoenvironment.

THAAD FTT-06-1, planned in fourth quarter fiscal year 2006, is the first THAAD flight test at Pacific Missile Range Facility (PMRF). This is an integrated element test of a high-endoatmospheric intercept attempt against a foreign target. It is the first THAAD system test against a threat representative target.

THAAD FTT-06-2, planned in first quarter fiscal year 2007, is an intercept flight test mission at PMRF against a mid-endoatmospheric foreign target.

THAAD FTT-06-3, planned in first quarter fiscal year 2007, is an intercept flight test mission at PMRF against an exoatmospheric unitary target.

Question. Since prior THAAD testing ended in 1999, how has MDA incorporated those testing results into today's system to make the missile more producible and more reliable?

Answer. Since we completed testing in the previous phase of the program, we have implemented several initiatives that place increased emphasis and attention on quality, producibility, and reliability. Also, there was a comprehensive independent review conducted late in the previous phase of the program and those findings have been incorporated into this phase of development. These initiatives include an aggressive parts, materials, and processes program; reliability growth program; comprehensive closed-loop corrective action system; design simplification; enhanced Environmental Stress Screening (ESS); verification of critical missile functions (100 percent) prior to each flight; enhanced built-in test capability; and increased focus on foreign object elimination during assembly.

We have also made improvements in the area of producibility, such as a more modular missile design, use of flex cables, reduction/elimination of blind mates (or connections hidden behind another object), improved production test equipment, and use of automated test software. Additionally, we have made changes to improve reliability, such as review and approval of all parts and materials during the design phase, more robust ESS, extensive qualification of hardware beyond expected flight environments, and margin testing of assemblies.

ARROW MISSILE TESTING AT WHITE SANDS MISSILE RANGE

Question. I am told that White Sands Missile Range can support realistic testing of this shorter range Arrow missile.

In your opinion, should the United States be supportive of this new Arrow program?

Answer. The current Arrow system, supported by Patriot, has been developed and refined to defend Israel against medium-range and most short-range ballistic missiles, including SCUD missiles. In fact, flight testing in Israel and in the United States has shown the Arrow Weapon System to be effective against the short range threat. Furthermore, our joint U.S.-Israeli Arrow System Improvement Program continues to assess and improve the capability of the Arrow Weapon System to meet the evolving threat in the region.

The proliferation of very short range ballistic missiles and large-caliber rockets is of great concern to both Israel and the United States. At present, the Israeli Patriot system has the capability to intercept some of these threats, albeit at a relatively high cost. In the United States, the Missile Defense Agency and the military services are developing other systems that will add to this capability in the future.

We recognize that developing an effective yet low cost interceptor to defend against short range threats will be a significant challenge. Recently, Israel began evaluating the feasibility of two concepts for low-cost interceptor systems proposed by Israeli industry.

Question. If so, do you agree that White Sands is the proper venue for hosting Arrow tests?

Answer. It appears upon first examination that White Sands Missile Range is a suitable test range to conduct short range ballistic missile defense system testing; however, a final determination is contingent upon the results of the ongoing feasibility study.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

Question. General Obering, I am sure you would agree that the Joint Project Office for Ground-Based Midcourse Defense has been an essential organization for the development and integration of our system at Fort Greely, AK. As the Ground Based Midcourse Defense System continues to evolve and mature, what future role do you see for the JPO GMD?

Answer. The Ground-Based Midcourse Defense Joint Program Office has done, and continues to do, a remarkable job in developing, testing and fielding our initial defenses against intercontinental ballistic missiles. In the process, the Joint Program Office has developed an infrastructure and reservoir of experience and talent that we will continue to use for missile defense. As we move toward delivery of a truly integrated Ballistic Missile Defense System, we need to transform the Agency from one comprised of individual programs to one comprised of components that we can ultimately integrate into a layered ballistic missile defense system. Additionally, we are undertaking infrastructure reductions because of decreases in our topline budget over the next several years. To effectively deal with these, we are conducting an Agency-wide reengineering effort, which we expect to finish by the end of this

summer. I will at that time inform the Committee of what, if any, effect there will be on the Joint Program Office. However, I can assure the Committee that the expertise in the Ground-Based Midcourse Defense Joint Program Office will not be lost.

Question. Specifically, do you see their mission and responsibilities downsizing over the next year?

Answer. I believe that the pace of work for the Ground-Based Midcourse Defense Joint Program Office will continue to be high during fiscal year 2006. There will be an intense workload associated with the testing of the system as well as the production of additional interceptors. I do see, however, that there will be some changes in the Joint Program Office mission and responsibilities because of our reengineering and the Ground-Based Midcourse Defense program's progress. For example, I see some diminished need for the site activation activity in the Joint Program Office. During fiscal year 2006 Vandenberg Air Force Base and Fort Greely sites will mature and we are delaying a decision on a third site until fiscal year 2008. Importantly, we will leverage the site activation expertise within Ground-Based Midcourse Defense Joint Program Office in order to significantly improve Agency-wide efforts for site activation. Finally, there will be some consolidating of our functional activities such as contracting, security and testing in Huntsville to gain efficiencies and take broader advantage of the expertise we have developed in the Agency. I do not know how this will affect the Joint Program Office's mission and responsibilities. Once we complete the reengineering later this summer, I will inform the Committee if there is any downsizing in the Joint Program Office's mission and responsibilities.

Question. Let me follow up on the KEI program. General Obering, are there plans in place to stand up a project office for this important initiative?

Answer. We have had a project office in place since we signed the development contract with Northrop Grumman in December 2003. I expect we will be moving that project office to Redstone Arsenal as part of our reengineering effort.

Question. If so, can you share with the Committee some of the time line details?

Answer. We will be moving the program office responsibility to Redstone Arsenal over time beginning in 2006.

Question. I am concerned about the lack of emphasis within MDA on technology development. Technology development funding for sensor improvement, better software, faster communications systems, improved propulsion systems, lighter and stronger structures, better thermal control, enhanced signature discrimination, decoy concepts and detection techniques are all vital areas of interest. Does MDA have an adequate technology development budget to support spiral development of all of your systems?

Answer. We believe the fiscal year 2006 President's Budget strikes the right balance between fielding initial capabilities and developing future technologies. The Technology Program Element supports emerging technologies, including sensors, propulsion systems, radars, and discrimination. It also supports the need to address future threats or countermeasures, including technology work on enhanced discrimination, laser detection, and radar improvement efforts. Overall for fiscal year 2006, we remain focused on the specific technology efforts that are necessary to field capabilities for the Ballistic Missile Defense System.

Question. Do you have critical technology development requirements this budget isn't sufficient to support?

Answer. No. Our critical requirements are funded and the fiscal year 2006 BMD Technology Program Element funding meets near-term and far-term requirements for the Ballistic Missile Defense System. However, as we focused on technology needed to support the block upgrade plan for capability improvements, we made the decision to discontinue the Discriminating Sensor Technology, a breadboard Laser Radar [LADAR] for Kill Vehicles, after Advanced Measurements Optical Range testing for this project concludes. Additionally, we reduced by 40 percent the number of Laser Technology projects that integrate into Airborne Laser and laser radar sensor programs. We also delayed prototype demonstration efforts originally planned for the High Altitude Airship program due to funding reductions and programmatic issues.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

Question. General Obering, several years ago the Defense Department terminated the Sea-Based Area Theater Ballistic Missile Defense program and since that time I believe your agency has been focusing on developing and deploying a Sea Based Mid-course capability in your Aegis/SM-3 program. It would appear that in situa-

tions where our forces are projected from the sea into combat operations ashore, you have a serious defensive gap that could place our forces in a situation where they could suffer undue casualties from tactical ballistic missile attacks without an assured lethal terminal capability. Is your agency developing a plan and budget to fill that sea-based terminal gap?

Answer. The Navy and Missile Defense Agency are working together to identify options to provide a sea-based terminal ballistic missile defense capability. A joint working group was formally assembled in January to review recent analyses related to sea-based contributions to ballistic missile defense in the terminal phase. The objective of this assessment is to propose options that leverage existing Navy and MDA development programs in order to provide a mobile sea-based terminal BMD capability within the integrated layered ballistic missile defense system. The working group is scheduled to report its findings this summer, allowing us to make an informed decision in partnership with Navy leadership on an appropriate way ahead to address this need.

Question. I am concerned, General Obering, that with the exception of the PAC-3 program, which is a land-based system, that there are no funds in the budget to finance a Sea Based Terminal Ballistic Missile Defense capability that will give us the same hit-to-kill lethality that your agency produced in PAC-3 and SM-3 in either this year's budget or in future-year budgets. Are you concerned about this Sea-Based Terminal gap and if so, what can we do to help you address it?

Answer. Navy and MDA staffs are working closely to identify options leveraging existing Navy and MDA development efforts that can address this capability gap. We need to look at this issue in the context of the integrated layered system approach MDA is using to develop ballistic missile defenses. We have a joint working group that has been working this issue over the past several months and will report out this summer. We will work closely with Navy leadership to determine a way forward when we are better equipped to make an informed decision.

Question. General, would you mind furnishing for the record what the sea-based terminal plan ahead is and the associated budget needed to finance it before we mark up the President's Budget Request?

Answer. The President's fiscal year 2006 Budget Request represents the best mix of funding for development and fielding of the Ballistic Missile Defense System. The Navy and MDA staffs are working closely to lay out potential options for leveraging existing programs to provide a sea-based terminal defense capability in future blocks. We anticipate being able to make an informed decision on funding requirements in fiscal year 2007 and beyond after the joint Navy-MDA working group completes their assessment and reports out later this summer.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

COST

Question. President Bush has requested \$9 billion for missile defense for fiscal year 2006. The United States has spent \$92 million on missile defense since 1983 and the Administration anticipates spending an additional \$58 billion over the next six years. Some experts put the overall price tag at well over \$150 billion. Given the number of national defense priorities we face—providing for non-proliferation activities, deterrence, homeland security—how do you justify spending so much on missile defense?

Answer. I understand that from 1984 until now the total investment in ballistic missile defense made by MDA and its predecessor organizations has been about \$94 billion. To put that in perspective, this is a little more than 1 percent of the total Defense budget. Today, the United States has an initial capability to destroy missiles heading towards the United States where before we had none. The Block 2004 BMDS now in place cost about \$11.5 billion over the period fiscal year 2002-fiscal year 2006. The GAO Report 02-700R estimated damage costs for the terrorist attacks of September 11, 2001 alone at \$83 billion. The consequences of an attack by even a single WMD-tipped ballistic missile could cost far more.

PERFORMANCE AND TESTING

Question. The missile defense system experienced two test failures in December, 2004 and February, 2005. The system was not declared operational at the end of 2004 as had been planned by the Administration. What criteria will you use to determine whether or not the system will be declared operational? When do you believe this will occur? Will you move forward with declaring the system operational if future tests fail?

Answer. The initial Ballistic Missile Defense System elements planned by the Administration were deployed and operationally available at the end of 2004. Those elements could be placed into an operational status quickly should the situation dictate, and have been exercised to a launch ready status routinely during an on-going series of readiness demonstrations. However, the operational availability of the system must be balanced against the continuing need for testing and the integration of new features which provide expanded capability. But, if the nation needs it, we have an emergency capability.

The Secretary of Defense will make the decision to declare the missile defense system operational based on several criteria, including but not limited to performance demonstrated during tests. He will make that declaration when his confidence in system performance reaches a level against the predicted threat he is comfortable with. Conversely, he will also make that declaration when the risk from that threat increases to the point he is uncomfortable without the protection the system provides, limited as it is today.

When this occurs is difficult to say. Highly visible, successful flight tests build confidence in the system, but so do the less visible testing of individual components, modeling and simulations which are on-going and continuous, and held in conjunction with the war fighters. The war fighter's assessment of the system's utility, and their willingness to accept it in its current state, also builds my confidence.

Whether or not a subsequent flight test failure would preclude declaring the system operational would depend on the root cause of the test failure. A failure that identifies an unanticipated problem that requires a system-wide reconfiguration could, depending upon risk, preclude an operational declaration. A failure due to an individual component which can be identified and corrected quickly may not.

Question. You have said that the system could be "turned on" at any time, if an emergency arose. Do you have any plans to test the system as it would operate in that situation?

Answer. Yes, the Missile Defense Agency—working closely with the Warfighter and testing community—conducts a wide variety of exercises and tests of the Ballistic Missile Defense System. For instance, there is a continuing exercise program that uses the operational system for Ballistic Missile Defense System Capability Readiness Exercises. These events are carried out to allow the Warfighters and technicians to practice and improve tactics, procedures, processes and checklists for such things as bringing the Ballistic Missile Defense System from one readiness condition to another. These activities have already successfully demonstrated our ability to transition the system from a developmental configuration to a defense capable configuration. The exercises have also demonstrated the ability of our Combatant Commanders to operate the system in the defense capable configuration.

To characterize the performance of the currently available system, we have been conducting and will continue a flight and ground test program. The test program will increase the realism of our tests in a measured fashion, commensurate with risk and with the constraints of flight test range safety, and the needs for engineering data collection and evaluation. Although the Ground-Based Midcourse Defense element recently conducted two flight tests where the interceptor did not launch, there were significant segments of the test that operated successfully, providing excellent insight into technical and operational performance of those aspects of the system. For example, the target warhead configuration and motion was realistic and threat representative. The only sensor data allowed into the fire control processing was representative of the current operational system. The system demonstrated the ability to acquire, to track, classify, do real time engagement planning, generate sensor, communication, and weapon task plans, and to bring the interceptor to within two seconds of launch.

I have asked Admiral Paige and her Mission Readiness Task Force to propose a plan for the next few flight tests, including objectives and schedules. This flight test plan is part of a larger plan, which addresses processes and procedures to enhance the verification of operational readiness of the GMD weapons system. Defining flight test objectives and schedules will be a logical part of this ongoing process. Over time, we intend to fold in more and more data from operational sensors and incorporate additional operational sensors (Aegis Ballistic Missile Defense Long Range Surveillance and Tracking Destroyers, Upgraded Early Warning Radar at Beale Air Force Base, Forward Based X-Band Radar Transportable, the Sea-Based X-Band Radar, and others). We plan to begin launching operational missiles (configured for test in terms of range safety and data telemetry) from operational silos at Vandenberg Air Force Base, California. As the Missile Defense Agency further develops the GMD test plan, program and procedures, we will continue to work closely with the Operational Test agencies and the Warfighter to craft test objectives and scenarios that further increase operational realism. The Warfighter is already an active par-

ticipant in all aspects of the ground and flight test program and such participation has increased our confidence in the operation of the system.

Question. In other words, will you test the system as it is currently being available, so we can get some sense of its capability right now? That would mean testing the system with:

- No prior information on the enemy target, its launch time, intended target, trajectory, or target cluster;
- No GPS or C-band beacon on the target reentry vehicle;
- No SBIRS-High or STSS or simulated information from such sources;
- With only early warning radars, e.g. Aegis, Beale;
- With no floating X-band radar until it is actually operational;
- With only DSP for satellite coverage.

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Question. When do you plan to test against: a. a tumbling warhead? b. against more than one target warhead? c. without prior knowledge of the target, its trajectory, or the target cluster? d. at night? e. without a GPS or C-band beacon on the target warhead?

Answer. The Missile Defense Agency, working closely with the Director of Operational Test & Evaluation, has developed the BMDS test bed that significantly improves the test infrastructure by providing operational assets to participate in more operationally realistic, end-to-end ground tests and flight test scenarios. The Missile Defense Agency and the Director of Operational Test & Evaluation are working with the Operational Test Agency team to increase operational realism through the test planning process, consistent with the maturity of the Ballistic Missile Defense System test bed. The test bed enables the Department of Defense to develop operational concepts, techniques, and procedures, while allowing the Operational Test & Evaluation office to exploit and characterize its inherent defensive capability. “Oper-

ational Testing” is a term typically used for traditional tests that are conducted on mature developmental systems by an operational test agent. Because of the scope and complexity of BMDS, as well as the urgency of the mission, DOT&E, their operational test agents, the BMDS operational military commands and MDA have teamed to conduct tests that meet all our objectives as we incrementally increase system capability through the spiral Block process. The term “operationally realistic” is used for these combined tests to identify those processes, procedures and scenarios that are the same as or closely replicate those that will be used in real world operations.

All operationally oriented testing of complex systems is necessarily constrained by such real world issues as the need for range safety and to equip the missile with instrumentation to collect data. In a system as geographically dispersed as GMD, the issue of test geometries vs. operational assets and test launch facilities is an added constraint which we are mitigating with the ability to launch targets from Kodiak, Alaska, among other initiatives.

We will continue to work closely with the Operational Test agencies and the Warfighters to craft test objectives and scenarios; in particular, Warfighters have already begun participating directly in ground and flight testing in an operationally realistic manner. As the system maturity increases and is demonstrated in test, we will further increase the operational realism of the tests, in a measured fashion to help us evaluate the system’s technical and operational capabilities.

Question. Why is there no operational testing planned for the ground-based mid-course system deployed in Alaska and California, but only “more operationally realistic tests?”

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Question. Isn’t it useful to test a system under operationally realistic conditions, i.e., operational testing, to determine the true effectiveness of the system?

Answer. Yes. Testing the BMDS in scenarios that closely approximate all the conditions and environments of actual operational missions provides the fullest demonstration of system effectiveness. The BMDS test program will progressively increase scenario realism, as the system matures, to the extent possible within the constraints of flight safety and geographical limitations of the test ranges. BMDS tests include both developmental and operational test objectives and requirements. In general, the BMDS test program will increase operational realism with each successive test as outlined in the Joint MDA and DOT&E document “Ballistic Missile Defense System Response to Section 234 Increasing Operational Realism” dated April 4, 2005.

Question. If the missiles deployed in Alaska and California are “better than nothing” and the United States is wary of a North Korean ballistic missile threat, why isn’t the system turned on 24/7?

Answer. The fielded Ballistic Missile Defense System Test Bed supports the continued development and testing of new and evolving Ballistic Missile Defense System technologies. We have an emergency capability now, and we are making progress towards being able to operate on a 24/7 basis. The system has not been turned on 24/7 because, since October 2004, we have been in a “shakedown” or check-out period similar to that used as part of the commissioning of a U.S. Navy ship before it enters the operational fleet. We work closely with U.S. Strategic Command and the Combatant Commanders to certify missile defense crews at all echelons to ensure that they can operate the ballistic missile defense system if called upon to do so. We have exercised the command, fire control, battle management and communication capabilities critical to the operation of the system. The Aegis ships have been periodically put on station in the Sea of Japan to provide long-range surveillance and tracking data to our battle management system. We have fully integrated the Cobra Dane radar into the system, and it is ready for operational use even as it continues to play an active role in our test program by providing data on targets of opportunity. Finally, we have executed a series of exercises with the system that involves temporarily putting the system in a launch-ready state. This has enabled us to learn a great deal about the system’s operability. It also allows us to demonstrate our ability to transition from developmental testing to operational support and back. This enables us to continue to improve the capabilities of the system over time, even as we remain ready to use its inherent defensive capability should the need arise.

INTERCEPTORS

Question. Can you explain to me why we should continue to purchase additional ground-based interceptors, specifically why we should initial funding for #31–40, when we have not had a single successful test with this model?

Answer. North Korea’s Taepo Dong-2 intercontinental ballistic missile could deliver a nuclear warhead to parts of the United States in a two-stage variant and all of the North America in a three-stage variant. This missile may be ready for testing. The Defense Intelligence Agency has assessed that Iran will have the technical capability to develop an ICBM by 2015, though it is not clear that they have decided to field such a missile. Additionally, according to the Warfighters, one of the primary system limitations is that there are too few interceptors. Finally, all of our testing indicates that the interceptor design is sound. Our recent failures have not been related to the interceptor design, and though disappointing, I do not think these failures warrant a costly break in our plan for continued development and testing of the interceptor. We have already stretched out the delivery of the Ground Based Interceptor 21–30 buy to the greatest extent possible without causing a break in manufacturing. If deficiencies are discovered in future flight or ground testing, we have time to accommodate them.

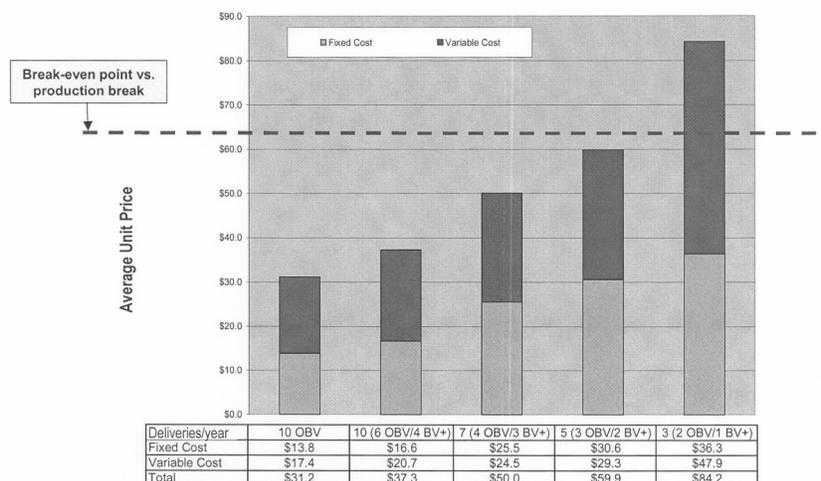
Question. You have testified previously [before the SASC, April 7] that it would cost \$260 million to \$300 million to reconstitute the ground-based interceptor booster production should it be shut down. Can you please break down those costs in detail—how much would be fines we would pay, how much would be restarting the line?

Answer. The primary driver for the cost of a break in the manufacturing line is the length of time the line is not operational. The longer the shut down period, the greater the increased costs for reconstituting the 2nd and 3rd tier vendor base and for mitigating the effects of loss of quality control processes and subcontractor/supplier obsolescence. If there is a three-month break, the estimated cost to restart the manufacturing line is \$237 million. If there is a six-month break, the estimated cost is \$262 million. If there is a one-year break, the estimated cost is \$300 million. The major cost drivers for a six-month break are: loss of learning (\$72 million), restoration/recertification of the manufacturing line(s) (\$105 million), loss of sole source 2nd and 3rd tier vendors (\$45 million), and subcontractor/supplier parts obsolescence (\$40 million).

The Missile Defense Agency views the break even point for the ground based interceptor manufacturing lines as less than five interceptors per year. Below five per year, the unit costs of the manufactured interceptors increase to a point where it is more cost effective to allow the manufacturing line break. However, the current Agency budget provides for no less than eight interceptors per year. This profile does not provide for optimum unit cost efficiency but it does provide an acceptable

unit cost and precludes any break in the manufacturing line. I have provided a copy of the Manufacturing Rate Impact on GBI Unit Prices chart for the record.

Manufacturing Rate Impact on GBI Unit Prices



Question. You have said that the kill vehicle has 62 percent of the same software and 67 percent of the same hardware as the version flight tested years ago. That means that over one-third of the system is different, yet we are planning to buy ten more of these kill vehicles and the boosters that go with them, despite the fact that we don't have a single successful test with this booster or kill vehicle. Why does that make sense?

Answer. The overall functionality of the kill vehicle has not changed since the earliest flight tests demonstrated the soundness of the basic design. The changes have focused on producibility, parts obsolescence, reliability, and algorithm improvements. These changes have been verified by extensive ground-based hardware- and processor-in-the-loop testing. Buying more kill vehicles is not a high risk proposition.

Question. Are any missile defense tests planned from the silos in which interceptor missiles are currently installed?

Answer. Although, we may at some future date conduct Ground-based Missile Defense flight testing out of Fort Greely, Alaska where interceptors are currently installed, plans for such flight test from the silos in Fort Greely are being held in abeyance pending required environmental and safety approval processes. The Ground-based Missile Defense system also currently has four operationally configured silos at Vandenberg Air Force Base. Two of these Vandenberg AFB silos, do not currently have interceptors installed, and we intend to use these silos for missile defense flight testing.

I have asked Admiral Paige and her Mission Readiness Task Force to propose a plan for the next few flight tests, including objectives and schedules. This flight test plan is part of a larger plan, which addresses processes and procedures to enhance the verification of operational readiness of the GMD weapons system. Defining flight test objectives and schedules will be a logical part of this ongoing process. Admiral Paige and the Mission Readiness Task Force will recommend a path forward for the GMD program.

COUNTERMEASURE AND COUNTERMEASURE TESTING

Question. You recently said that the ground-based system has been tested against balloon countermeasures. However, those tests involved balloons that were significantly different in size than the warhead, and therefore had significantly different infrared signatures. In essence, you demonstrated that your sensors and interceptor can differentiate between large, medium and small. While this is a significant ac-

complishment, it's also something that dogs and one-year old babies can do. But it is nothing like situation the defense would face in the real world, where the balloons and the warhead would be made to look alike. How would the system differentiate in that scenario?

Answer. [Deleted].

Question. If North Korea launched a missile at us today, and the target suite included a dozen or more objects designed to have infrared signatures identical to the warhead, how could the kill vehicle decide which was the real target?

Answer. The Ground-Based Midcourse Defense Exoatmospheric Kill Vehicle decides between the warhead and other objects by using multiple infrared and visible sensors, each capable of measuring multiple features. These features are based upon fundamental physical characteristics of the object. Non-warhead objects generally do not have signatures identical to the warhead for all the measured features. Flight testing has demonstrated the ability of the EKV to discriminate between the real target and other objects with similar infrared signatures. In addition, it is important to point out that the kill vehicle also relies on other GMD system elements for input. For instance, data from ground-based radars are relayed to the Exoatmospheric Kill Vehicle and are also used to decide which object is the warhead. The radar data represents an independent set of target features, making it more difficult for all warhead target features to be replicated by the other objects. The combination of infrared and visible sensors, and radar data enable the GMD system to discriminate between warheads and countermeasures and debris.

Question. What is the status of the Red, Blue, and White teams created to increase the robustness of the countermeasures element of the missile defense testing program? Are they still functioning? How do they interface with the Missile Defense Agency?

Answer. The Missile Defense Agency Countermeasures/Counter-Countermeasures Program's Red, Black, Blue, and White Teams are active and functioning. The Red, Black, Blue, and White Teams assess technical risks, identify mitigation approaches, and support development of engineering changes to the baseline Ballistic Missile Defense System to improve performance against adversary capabilities, focusing primarily on addressing countermeasures. The teams are managed and funded under the Missile Defense Agency Deputy for Systems Engineering and Integration, and their products are integrated across all aspects of the Ballistic Missile Defense System, to include testing.

Question. A group of 22 scientists recently said that the current system "will be unable to counter a missile attack that includes even unsophisticated countermeasures." Do you agree with that assessment?

Answer. No, based upon a large body of ground and flight test data I disagree with that assessment. The ability of the Ballistic Missile Defense System to respond to countermeasures has always been a critical objective of the MDA ground and flight test program. The Ground-Based Midcourse Defense element, for example, executed in fiscal year 2004 and fiscal year 2005 a series of high-fidelity hardware-in-the-loop ground test campaigns employing operational hardware and software; these tests included various so-called unsophisticated countermeasures. The hardware-in-the-loop test campaigns were preceded by a detailed series of ground test events using high fidelity digital simulations of the Ballistic Missile Defense System. These digital simulations included various countermeasures but with a significantly larger number of countermeasure variations. These tests have indicated that the Ballistic Missile Defense System has a significant initial capability to operate against some countermeasure types.

In parallel with the ground test venues, there has been flight testing of the Ground-Based Midcourse Defense. Using a prototype Ground-Based Interceptor, GMD was successfully tested against increasingly threat-representative separating reentry vehicles accompanied by various debris and countermeasure objects with four hit-to-kill successes out of five tests.

Research, development and testing of new discrimination approaches also continues. The development effort includes dedicated countermeasure flight tests as well as dedicated counter-countermeasure ground and flight test demonstrations. Comprehensive countermeasure data have been acquired during these developmental flight tests for all the countermeasures listed above; flight data on other more advanced countermeasures have also been obtained. These data are currently being used in the development and testing of additional counter-countermeasures capabilities to be implemented in Block 2004 Ballistic Missile Defense System and beyond.

Question. Vice Admiral Lowell Jacoby, the Director of the Defense Intelligence Agency, recently suggested that North Korea may have developed a small nuclear warhead cable of being delivered onto U.S. territory. Do you agree with that assess-

ment? If the North Koreans don't have the capacity today, how soon could they develop it?

Answer. As Mr. Di Rita pointed out in the press conference on April 29th, there is no new assessment on North Korea. Just to reiterate the official assessment of the Taepo Dong-2, I'd like to quote from Vice Admiral Jacoby's February 16th statement to the Senate Select Committee on Intelligence, "North Korea continues to invest in ballistic missiles to defend itself against attack, achieve diplomatic advantage and provide hard currency through foreign sales. Its Taepo Dong-2 intercontinental ballistic missile may be ready for testing. This missile could deliver a nuclear warhead to parts of the United States in a two stage variant and target all of North America with a three stage variant."

EFFECTIVENESS

Question. In March of 2003, Edward "Pete" Aldridge, who was then the Under Secretary of Defense for Acquisition, Technology and Logistics, testified before the Senate Armed Services Committee that the ground-based interceptor system would be 90 percent effective. Can you explain how he arrived at that figure and what data it is based on? Do you agree with his assessment?

Answer. Yes, I agree with his assessment. The effectiveness figure you cited is known as Probability of Engagement Success. The equation relating the probability of engagement success includes the number of shots and the probability of kill of the interceptors. It also includes all non-kill contributions such as availability, detection, tracking and planning which are correlated with each shot against a single missile.

[Deleted].

Question. David Duma, the Acting Director of the Pentagon's Operational Test and Evaluation Office, recently testified that "I don't think that you can say the system is operationally ready today." What is your view of his assessment?

Answer. David Duma made two principal points in his testimony. I concur with both. First, he stated that "integrated ground testing results to date indicate the testbed has the potential to defend against a limited attack under certain conditions," but "difficulties in the flight test program have delayed the confirmation of intercept capability using the testbed." He also stated that the "maturity of the testbed will not yet support realistic operational end-to-end testing." Both points are valid, and we at the Missile Defense Agency are working hard to address them in the remaining months of 2005.

The recent test aborts we experienced were major disappointments, but they were not major technical setbacks. We recognize the importance of demonstrating the effectiveness of our system, and realize that confidence in its capabilities will be limited until we can demonstrate a successful intercept during an operationally realistic test. We currently plan to conduct an end-to-end test with operational assets this calendar year, and expect to execute three to four more during 2006. In planning our future test program, I work closely with Mr. Duma, and we have jointly approved an integrated master test plan through 2007 that combines developmental and operational testing to reduce costs and increase test efficiency.

The maturity of the testbed will also increase significantly when the Sea-based X-band radar arrives in the North Pacific later this year. While COBRA DANE and Aegis radars can provide initial defensive capability, this new radar is an essential element to provide mid-course discrimination and track updates.

Until we complete operationally realistic testing, we will not have complete confidence that the system is operationally ready. We do, however, currently have deployed an increasingly robust system that provides an emergency capability.

Question. The Missile Defense Agency has not been able to conduct a successful test even of the highly scripted series currently underway since October 2002? How can the system have any credibility?

Answer. The Ground-based Midcourse Defense System has proven Hit-to-Kill technology works, and that far-flung sensors, command & control components and interceptors can work together to kill a threat target. It has done this not only through 5 successful flight tests, but also through significant integrated ground testing of the software/hardware-in-the-loop, providing confidence that the system will perform as designed.

The Agency was not successful on recent flight tests, two of which failed to launch the interceptor. However, we have root caused the problems, implemented corrective actions, and brought in two separate teams of experts to independently assess these and other processes across the program. The Independent Review Team (IRT), led by Dr. Bill Graham, reviewed the flight failures, and recommended process changes to address flaws that they identified. The Director, MDA then established the Mis-

sion Readiness Task Force, including elements of GMD and Boeing, under the command of RAdm Kate Paige to implement changes as necessary to assure a GMD system that is ready and able whenever called upon by an operational commander, or a test director, based on recommendations from the IRT, GMD & Boeing initiatives, and her own Task Force.

The successful testing that has been accomplished to date does not excuse the recent flight failures, but it does put the condition of the system in perspective and provide confidence that we do indeed have a thin line of defense available to us today.

Examples of the successful testing accomplished over the last one-two years follow:

Four software/hardware-in-the-loop Integrated Ground Tests, and four System Integration and Check-Out Tests using the actual deployed system. Integrated Ground Tests use a software and hardware-in-the-loop configuration in the laboratory to test the system against an array of threat scenarios. Approximately 80 percent of the laboratory ground test configuration is the real Ground-based Midcourse Defense Software/Hardware and the remaining 20 percent is simulated. The simulated portions of the test configurations are accredited to represent the threat, environments, and those portions of the system such as interceptor fly out, that are not possible in a laboratory. A comprehensive set of System Integration and Check Out tests on the deployed system certify that the Ground-based Midcourse Defense interfaces are fully operational in a fielded environment.

Ground-based Midcourse Defense conducted a successful flight test of the operational configuration of the booster vehicle in January 2004.

During IFT-13C and IFT-14, the two recent flight tests where the interceptor failed to launch, we were able to test the command and control components and their ability to accurately generate sensor, communications and weapons task plans necessary to automatically initiate the interceptor launch process.

IFT-13C and IFT-14, as well as the Integrated Ground Tests and System Integration and Check Out Tests, exercised the warfighting procedures, with soldiers under operational command operating the warfighting consoles and operational test agencies observing and evaluating.

Question. The United States has been vigorously pursuing a national missile defense for many years. Do you believe that our program has served as a deterrent on the nuclear weapons aspirations of either the Iranians or the North Koreans?

Answer. I have not seen any evidence that would indicate that either North Korea or Iran has been deterred in their nuclear weapons aspirations by our program. I am certain, however, that the serious commitment the United States has demonstrated to developing and fielding effective missile defenses has greatly complicated the ability of North Korea and Iran to threaten the United States with nuclear weapon delivery systems.

SUBCOMMITTEE RECESS

Senator STEVENS. Our subcommittee will now stand in recess until next Tuesday, May 17, when we receive testimony from public witnesses concerning the President's budget request. That will be an almost all-day hearing.

Thank you very much.

[Whereupon, at 10:59 a.m., Wednesday, May 11, the subcommittee was recessed, to reconvene at 2:30 p.m., Tuesday, May 17.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2006**

TUESDAY, MAY 17, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:28 p.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens, Bond, and Inouye.

NONDEPARTMENTAL WITNESSES

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good afternoon. This is the afternoon for public witnesses for consideration for the fiscal year 2006 defense budget. We have 25 witnesses who have indicated they want to testify or submit statements for the record. To keep us on schedule, we are going to have to ask that you limit your testimony to 4 minutes each. I have to warn you there is going to be votes throughout the afternoon and Senator Inouye and I are going to be leap-frogging back and forth, and we have scheduled this this afternoon because we believe that there is going to be all sorts of problems on the floor tomorrow.

We do appreciate your interest and want you to know, as we have every year, we are going to review carefully the items you present to us. Your prepared statements will be included in the record in full, and when my good friend comes, Senator Inouye, our co-chairman, we will, as I indicated, share listening to your presentations.

Our first witness is Susan Lukas, the Legislative Director of the Reserve Officers Association of the United States. Ms. Lukas.

STATEMENT OF SUSAN E. LUKAS, LEGISLATIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Ms. LUKAS. Mr. Chairman, on behalf of over 75,000 members of the Reserve Officers Association (ROA), I would like to thank you for this opportunity to speak today.

The Reserve components have always relied on Congress to provide appropriations for their equipment requirements. While active duty considers Guard and Reserve needs, as you know, they do not always rate high enough to be funded in the President's budget. In particular, your subcommittee's support has been invaluable.

Our testimony this year mainly focuses on equipment needed for force protection and mission support. While one would not nec-

essarily think of Army trucks as offering personal protection, this war has shown us how vulnerable our people are when driving vehicles.

At a recent ROA convention, an Army non-commissioned officer (NCO) said he worked hard to train his soldiers how to drive in convoy, but nothing could prepare them for the conditions they had to operate under. He said one of the first things he learned was to drive as fast as if your life depended on it, because it did.

You can well imagine, between those conditions, the environment and demands, the fleet is aging quickly. For example, there are about 1,800 long haul tractor-trucks being used in Iraq. Forty percent of the fleet is at a 20-year life expectancy level. The new trucks will reduce fuel and can accept 2,900 pounds of up-armor-ing. This is but one example of the trucks that need replacement in the Army.

The Naval Reserve needs to meet mission requirements by replacing their C-9 fleet as it is not compliant with either future global navigation requirements or European flight restrictions.

Congress has supported appropriations for the littoral surveillance system and continuing support would allow the Naval Reserve to meet their homeland security mission and deploy this equipment with the fleet.

The Air Force Reserve equipment requirements focus on counter-measure protections such as the large aircraft infrared counter-measures system (LAIRCM), LITENING Pods, color radar for C-130s, and C-5 Airlift Defense Systems. I will not go into detail on the equipment as it is covered in our written testimony.

Several years ago ROA suspected stop-loss and mobilization would reduce recruiting and retention. Unfortunately, this has happened. The Reserve chiefs recently testified before your subcommittee that increased bonus authority has made a difference. While bonuses are an effective tool, ROA asks for consideration to fully fund advertising and marketing, tuition assistance, family support, special training, and school tours.

In closing, the bond between the United States (U.S.) military and our civilian communities is strengthened by the mobilization of neighbors and fellow workers, our reservists and National Guardsmen. The move toward using the Guard and Reserve to meet operational requirements is a natural evolution of this very capable force. However, force transformation needs to retain surge capability in order to meet emerging threats or demands. The Guard and Reserve can be configured to meet both operational and surge requirements.

I look forward to answering any questions you may have and again thank you for allowing me to speak to the subcommittee.

[The statement follows:]

PREPARED STATEMENT OF SUSAN E. LUKAS

INTRODUCTION

ROA's legislative goals for this year have focused on mobilization and recruiting and retention. These goals come from our members as they identify problems or suggest improvements to the situations they encounter. Since we are not in the Department of Defense's chain of command we provide a source for candid discourse without fear of retaliation. ROA will continue to support the troops in the field in any way we can.

A key factor in supporting the Reserve Components is funding their training needs. Cost avoidance cuts for the past 2 years have forced the services to take reductions in mobilization training, demobilization training, recruiting training, annual training, special training, and bonus authorities' accounts. ROA urges Congress to fully fund these accounts and reverse the cost avoidance reductions.

NATIONAL GUARD AND RESERVE EQUIPMENT

Army Reserve

Equipping both existing units and new units will be a considerable task. Units that deployed and took their equipment to combat have left the equipment in the theater. It may have even been damaged or destroyed. Many units were already short critical equipment. As the Army Reserve creates its "force packages" it is understood that the earlier deploying force package units will be equipped first. Other units will have "mission essential equipment for training" and as they move closer to their respective rotation dates, they will receive more of their needed equipment. There will also likely be increased use of pre-positioned equipment much the same as was done during the Cold War and to an extent is being done today. The Army Reserve has identified fiscal year 2006 as the "Year of Equipping." In doing so, they are giving particular emphasis to critical equipment shortfalls that will impact the transformation to rotational force packages, training, and mission accomplishment. Many of the items on the "Unresourced Equipment and Modernization Requirements" have not changed. Priorities may have moved up or down and quantities may have increased.

Light Medium Tactical Vehicle (LMTV)

This critical item was No. 1 in fiscal year 2005 and will remain the No. 1 equipment priority in fiscal year 2006. As indicated earlier, the Army Reserve's transportation role is crucial to mission accomplishment. The FMTV replaces many Vietnam-era trucks whose effective life cycle ended some time ago.

Required.—4,512; *Short.*—2,683; *Fiscal Year 2006 Buy.*—600; *Cost.*—\$91.8 million.

Medium Tactical Vehicle (MTV)

This item was No. 2 last year and remains the No. 2 equipment priority. The vehicles that the MTV's replace are past their useful life and the cost to keep them running can challenge the cost of procuring the newer and more efficient MTV. The requirement has not changed and the number that is currently on hand is staggeringly low.

Required.—8,784; *Short.*—6,712; *Fiscal Year 2006 Buy.*—800; *Cost.*—\$146 million.

Multi-Band Super High Frequency Terminal

The Army Reserve provides the majority of the Theater Signal management in the Army. The terminal provides inter-theater and intra-theater range extension support. The fiscal year 2005 buy would fill the requirement of one integrated Theater Signal Brigade.

Required.—50; *Short.*—46; *Fiscal Year 2006 Buy.*—10; *Cost.*—\$30 million.

Truck, Cargo PLS 10X10 M1075 and PLS Trailer

Again, the combat service support role of the Army Reserve highlights the need for the most current model. This requirement also includes the Tactical Fire Fighting Truck.

Truck/Trailer Required.—929/1,484; *Short.*—275/769; *Fiscal Year 2006 Buy.*—88/56; *Cost.*—\$25.4 million/\$3.0 million.

Improved High Frequency Radio (IRFR)

Provides voice transmission for battle command and is the primary means of communications for maneuver battalions.

Required.—1,750; *Short.*—937; *Fiscal Year 2006 Buy.*—937; *Cost.*—\$39.8 million.

High Mobility Multi-Purpose Wheeled Vehicle (HMMWV)

This is the standard version of the much used workhorse of the Army. All units need them. Many in the Army Reserve are older models and Active Army "hand-me-downs" that might not meet deployment standards when a unit is mobilized.

Required.—13,919; *Short.*—1,543; *Fiscal Year 2006 Buy.*—321; *Cost.*—\$24.0 million.

Up Armored High Mobility Multi-Purpose Wheeled Vehicle (HMMWV)

Much has been reported about the need for this critical vehicle in the combat zones. Many units are attempting to "up-armor" their vehicles in the theater with whatever might be available. This is a survival item and needs to be resourced.

Required.—738; *Short.*—705; *Fiscal Year 2006 Buy.*—308; *Cost.*—\$55.1 million.

Truck, Tractor Line Haul (M915A3)

These vehicles haul bulk fuel and supplies from port to combat areas for disbursement to brigades. About 1,800 trucks are currently being used in Iraq. Forty percent of the fleet is at their life expectancy level of 20 years and the current replacement plan would take many out to over 30 years old. The Line Haul Tractor would decrease fuel demands and maintenance costs. Fuel savings alone could buy 140 trucks. Most importantly the suspension system is configured to accept the 2,900 pounds of up-armorings required for each truck.

Required.—2,445; *Short.*—1,389; *Fiscal Year 2006 Buy.*—92; *Cost.*—\$87 million.

HEMTT Load Handling System

This requirement would fill the much needed requirement for the Improved Cargo Handling Operations and Medical Supply Companies. At the present time, there are none on hand in these units.

Required.—44; *Short.*—44; *Fiscal Year 2006 Buy.*—44; *Cost.*—\$10 million.

Tactical Fire Fighting Truck

This improved item of equipment is critical to both the Army Reserve's Engineer Fire Fighting units as well as Ammunition Support Teams.

Required.—72; *Short.*—43; *Fiscal Year 2006 Buy.*—10; *Cost.*—\$6.0 million.

Prior to 1997, the National Guard and Reserve Equipment Appropriation was a critical resource to ensure adequate funding for new equipment for the Reserve Components. The much-needed items not funded by the respective service budget were frequently purchased through this appropriation. In some cases it was used to bring unit equipment readiness to a needed state of state for mobilization. Frequently the funds were used to purchase commercial off the-shelf items that units were unable to obtain through traditional sources. However, in 1997 an agreement between the administration and Congress eliminated the account with the objective of the active component providing the needed funds through their individual appropriations.

The Reserve and Guard are faced with mounting challenges on how to replace worn out equipment, equipment lost due to combat operations, legacy equipment that is becoming irrelevant or obsolete, and in general replacing that which is gone or aging through normal wear and tear. Today, the ability to use NGREA funds for cost effective acquisition is virtually non-existent as the amount appropriated is a fraction of what the Army Reserve requires to meet immediate needs. An analysis has shown that with the implementation of the post-1997 policy, there has been an overall decrease in procurement for the reserve components. In fiscal year 2004, procurement for the Reserve Components as a percentage of the DOD procurement budget is at its second lowest in recorded history at 3.19 percent. This comes even after a congressional add of \$400 million for NGREA. Meanwhile, procurement for the Active Component continues to realize consistent real growth from fiscal year 1998 through fiscal year 2009 of 108.6 percent. In the past, the use of "cascading" equipment from the Active Component to the Reserve Component has been a reliable source of serviceable equipment. However, with the changes in roles and missions that have placed a preponderance of combat support and combat service support in the reserve components, there has not been much left to cascade. Also, funding levels, rising costs, lack of replacement parts for older equipment, etc. has made it difficult for the Reserve Components to maintain their aging equipment, not to mention modernizing and recapitalizing to support a viable legacy force. The Reserve Components would benefit greatly from a National Military Resource Strategy that includes a National Guard and Reserve Equipment Appropriation.

Naval Reserve

C-40

The Navy requires a Navy Unique Fleet Essential Airlift Replacement Aircraft. This aircraft was designated as the C-40A and will replace the aging C-9 fleet. Boeing offered the 737-700 new technology aircraft in response to the Navy's request for proposal.

The C-40A, a derivative of the 737-700C is a Federal Aviation Administration (FAA) certified, high performance, fixed wing aircraft that will accommodate 121 passengers, or 8 pallets of cargo, or a combination configuration consisting of 3 pallets and 70 passengers. The C-40A is able to carry 121 passengers or 40,000 pounds of cargo, compared with 90 passengers or 30,000 pounds for the C-9. In addition, the maximum range for the Clipper is approximately 1,500 miles more than the C-9.

Upgrading the aging C-9 Skytrain II airframe with new engines and avionics was considered, but that would leave new equipment in a 30-year-old+ airframe. The Navy's aging C-9 fleet is not compliant with either future global navigation requirements or noise abatement standards that restrict flights into European airfields. Twenty-two aircraft remain to be replaced.

A recent study by the Center for Naval Analyses recommends three additional C-40A be procured to meet global operational requirements and replace the C-9.

Littoral Surveillance System

Two Littoral Surveillance System (LSS) have been authorized by congress by fiscal year 2003. This provides timely assured receipt of all-weather, day/night maritime and littoral intelligence, surveillance and reconnaissance data. A third system would be used to support the Navy and would be an ideal mission to support Naval and Coast Guard Maritime Defense operations, when not deployed. The LSS system has been incorporated into the Joint Fires Network (JFN) and the cost for this new system is \$2.0 million per set.

JFN provides near real time intelligence correlation, sensor control and planning, target generation, precise target coordinates, moving target tracks and battle damage assessment capabilities to support more timely engagement of time critical targets. This capability allows a ship with the full JFN suite to share a greatly improved battlespace picture very quickly with other ships in the area of operations.

The system, along with the Army's Tactical Exploitation System-Forward and the Marines Tactical Exploitation Group, share a common software baseline, ensuring joint interoperability.

At least 141 Reservists have been trained to run the two systems, which is viewed as a Naval Reserve mission.

Air Force Reserve

C-5s

C-5s are unique national assets that are unrivaled in range and payload. Air Force and industry studies confirm the viability of the C-5 fleet (As and Bs) to serve until approximately 2040. These assessments resulted in the Air Force initiating a two-phased modernization program designed to improve C-5 reliability, maintainability, and availability. Modernization of C-5As assigned to the Air Force Reserve should be advanced concurrently with Air Force active duty units to include both the Avionics Modernization Program (AMP) and the Reliability Enhancement and Re-engining Program (RERP). C-5 modernization is the most cost effective solution for generating strategic airlift.

Requirement.—ROA urges Congress to authorize and appropriate funds to modernize C-5As with AMP and RERP concurrent with active duty C-5Bs.

C-17

The C-17 Globemaster III is the newest, most flexible cargo aircraft to enter the airlift force. The C-17 is capable of rapid strategic delivery of troops and all types of cargo to main operating bases or directly to forward bases in the deployment area. The aircraft is also capable of performing tactical airlift and airdrop missions when required. The C-17 is the Nation's lowest risk program to increase capability.

Requirement.—Commitment needed beyond 180 in January 2006 due to long lead items. Additionally, consideration for procurement beyond 180 aircraft will support C-17s in the AFR and will increase the Nation's surge capability.

C-40C

Air Mobility Command's programmed force structure, based on C-9 retirement schedule, does not include more than three C-40s for the AFR even though a hearing before Congress by the Air Force stated the demand for airlift was more than the availability of aircraft. For instance, the appropriate number of Operational Support Aircraft (OSA) does not exist to sufficiently meet increasing Congressional Delegation, Combatant Commander, or team travel requests. Operations and Maintenance are unfunded in fiscal year 2006 and fiscal year 2007 for C-9s and C-40Cs.

Requirement.—Increase procurement of C-40 aircraft by at least six additional aircraft to ensure an adequate special mission airlift force for the AFR by at least two C-40s per year for 3 years.

C-130J

AFRC C-130E aircraft are reaching the end of their economic service life, are becoming difficult to support, and must soon be replaced. The Air Mobility Command has selected the C-130J to replace these 40+ year old aircraft for both active, Reserve, and Guard C-130E units. The C-130J is the latest version of the venerable C-130 Hercules and utilizes advanced composite materials, integrated digital avi-

onics and a state-of-the-propulsion system to provide significant performance improvements, new mission capabilities, and reduced life cycle costs. The recently executed C/KC-130J Multiyear Contract provides these aircraft at significant cost savings to the government while accelerating deliveries to units currently in conversion such as the 53rd Wing at Keesler AFB, MS.

Requirement.—ROA urges Congress to authorize and appropriate funds for the C/KC-130J Multiyear Procurement as requested in the President's Budget Request for fiscal year 2006.

Large Aircraft Infrared Countermeasures System (LAIRCM)

The AN/AAQ-24 V (13) LAIRCM is an infrared countermeasure system designed to protect both fixed and rotary wing aircraft against man-portable (shoulder-launched) infrared-guided surface-to-air missiles.

Requirement.—HC-130/C-130H3, \$225.1 million.

LITENING AT Advanced Targeting Pod

Precision Attack Targeting System program was developed to fill the need for precision strike capability in the Air Reserve Component (ARC). The 25 pods will be used in AFRC A/OA-10 and B-52 aircraft.

Requirement.—A/OA-10 and B-52, 25 pods, \$53.0 million.

APN-241 Low Power Color Radar for C-130s

The AN/APN-241 combat aerial delivery radar provides enhanced safety and operational performance for C-130 aircrews. It offers the tanker/transport community some of the same advanced technologies originally developed for fighter aircraft. These technologies include high-resolution ground-mapping modes that enable very precise navigational fixes and aerial cargo drops.

Requirement.—C-130H2, \$37 million.

C-5A Airlift Defensive Systems

The Air Force Reserve Command has a total of 32 C-5A aircraft in its inventory. Currently, that aircraft has no viable onboard defensive system against surface to air (SAM) missiles. Funds to pay for the Part A and B installation of AN-AAR-47 and ALE-47 defensive systems stripped from C-141 aircraft as these systems become available to the SPO.

Requirement.—C-5A 32 A/C \$30.0 million.

Situational Awareness Data Link for A-10s and HH-60s

The Situation Awareness Data Link (SADL) integrates U.S. Air Force close air support aircraft with the digitized battlefield via the U.S. Army's Enhanced Position Location Reporting System (EPLRS). More than just a radio or a data modem, SADL provides fighter-to-fighter, air-to-ground and ground-to-air data communications that are robust, secure, jam-resistant and contention-free. With its inherent position and status reporting for situation awareness, SADL provides an effective solution to the long-standing air-to-ground combat identification problem for preventing unintentional fratricide (http://www.raytheon.com/products/sadl_eplrs/).

Requirement.—A/OA-10 and HH-60, \$7.7 million.

MILITARY PERSONNEL

Recruiting and Retention

Army Reserve

As combat operations in Iraq and Afghanistan become "stability" operations, it is expected that the Army Reserve and National Guard will make up 50 percent or more of the force. Both the Active Component and the Reserve Component will move to a rotational plan that will provide both predictability and stability for soldiers. The Army Reserve will organize its units into "force packages" that will help ensure that Reserve Component Soldiers will be available for 1 year out of every 5 to 6 years. This predictability will ease the pressure on soldiers, their families, and their employers.

According to the Army Public Affairs announcement, May 3, 2005, "As of end of the April reporting period, Recruiting Command accessed 7,283 Soldiers for the U.S. Army Reserve, 79 percent of the year-to-date mission. The fiscal year 2005 Army Reserve recruiting mission is 22,175." For the month of April the command fell short by 37 percent. The bonus program from last year helped to reduce recruitment and retention losses but with all other conditions remaining the same both areas will still be below goals. To overcome this, the Army Reserve needs to fully fund their bonus program to \$149.5 million and increase AGR recruiter positions with funding to \$59.1 million.

Navy Reserve

There are several challenges facing the services with recruiting and retention. The Naval Reserve recruiting is softer than many of the Navy's leadership would like to admit. The USNR has been slow to implement recruiting bonuses and the result is that the USNR is behind the power curve when compared to the other services with recruiting incentives for prior service members. The combined recruiting command has falling short of USN and USNR goals, and its Reserves are receiving short shrift for recruiting priorities. Even though the Navy is supporting deep cuts for its Naval Reserve (10,300 in fiscal year 2006) the need to recruit for the USNR has not lessened. To meet its shortcomings, the USNR is turning to activating drilling Reservists to fill the recruiter gap. When a problem exists, you call up the Reserves.

Air Force Reserve

Prior Service Availability.—In a 10-year period the Air Force Reserve went from accessing 50,507 in 1992 to 14,950 in 2005 and this trend has continued for the past 3 years. All of the services are experiencing this trend as the Guard and Reserve have gradually shifted to an operational force. The significance of recruiting fewer prior service personnel is lower average levels of experience residing in the Reserve Components and loss of investment in specialty training. According to the Air Force Reserve the most frequent reasons ADAF separatees give for not joining AFRC are:

- Want to wait and see what happens (with world events);
- Have seen Reservists deployed and don't want to risk same;
- Done my time, not interested in continuing;
- Have been told Reservists are first to be deployed;
- Concerned Reserve status will negative impact civilian employment;
- Negative feedback from activated IMAs;
- Bad press coverage—impression active forces place Reservists & Guardsman on front lines.

Recruiting Non-Prior Service Personnel.—A decrease in prior service means an increase in the need for non-prior service personnel to meet recruiting goals. A corresponding increase in the need for training dollars results at a time when the administration wants to decrease budgets. The use of non-prior service also results in less availability of forces as they move through the training pipeline. Once formal professional military education is completed training continues in a member's specialty, which means it can take between 1 to 2 years before an individual can perform duty somewhat independently.

ROA recommends supporting bonus incentives and reverse cost avoidance reduction trends that cut the reserve personnel and technician accounts.

Mobilization/Demobilization Impacts to Recruiting and Retention

The impact of mobilization and demobilization does not rest just with the military member; it also affects their families and employers. This is important to note because they in turn factor in an individual's decision on whether or not to stay in the military.

Two of the biggest problem areas that ROA members continue to share information on are with medical and pay problems.

Comment: I am a mob'd reserve COL at Walter Reed with PTSD. The problem I see that Reservists and Guardsmen are seeing is that the burden of proof for absence of preexisting is on us. I have seen soldiers with severe PTSD (suicidal/homicidal) be valued by the board here at Walter Reed with 0 percent because they concluded he was bipolar when he entered service, never mind the war exacerbating the condition. I am seeing extremely low valuations of disabilities for loss of limb and other traumatic wounds.

Comment: Here's the issue in a nutshell: Soldiers, according to the Army Reserve Magazine, are eligible for Tricare benefits 90 days prior to mobilization. We have a group order from First Army. When soldiers call Tricare they are told that they cannot be enrolled in Tricare without an individual order. Soldiers are eligible for this insurance but cannot get it. Individual orders will not come until soldiers arrive at the Mobilization station. Basically, we're eligible, but there is no vehicle to provide this insurance. One example, our new officer's wife may be pregnant. (the 2LT type) They currently have no medical coverage. He is covered while on 29 day orders, but his wife has no coverage. According to the AR Magazine, he should be covered. This is a wonderful benefit, but de facto nothing has changed since individual orders, which are required to get coverage, don't come until the active duty period commences.

Comment: Just wanted you to know that DEERS has dropped my family from Tricare dental for the 4th or 5th time.

Comment: Well, today is Day 12 of 12 in a row, with a 3-day weekend ahead to recover. Of note, however—and I really hate to continue to bring up pay issues, but I (and hundreds of other recently demobilized reservists) have not been paid out accrued pay—and it's been over 3 months now. SOMEONE has to do something to force DFAS to pay us . . . but who? I'm convinced no one cares or they simply can't fight the bureaucracy. I am owed over \$6,000 (after taxes) . . . the issues with DFAS continue—that organization needs to be seriously investigated and heads need to roll! I will have to take out a loan rather than pay with the cash that I earned—how sad is that?

Comment: I just wanted to touch base with you prior to leaving active duty. I wanted to check on the status of any potential article that was being written and also any help from the ROA regarding the way that reservists (especially Army reservists) have been treated with regard to reimbursements and pay. Since October 1, I have been receiving only one-third of my normal paycheck. Fortunately, I will be demobilizing on November 9, 2004. Regardless, a large portion of any article written MUST include how DFAS (Indianapolis office) made multiple errors and, yet, reservists (and their families) are paying for their mistakes daily.

Comment: In late September I received a letter from DFAS stating that I had received per diem in error and now owed the government \$11,696. I contacted an individual at DFAS and he said that the Army had decided to use DOD Directive 4515.14 as a guide to determine payment of per diem for soldiers in the Washington, DC area. He also told me that there were lots of other soldiers in the same situation and everyone had been assessed with a debt for travel advances paid. I asked what could be done and he said that he will submit a request for waiver of debt for me to DFAS Denver. A few months later we learned that DFAS Denver had denied waivers close to 900 soldiers in this situation. We attempted to find out from DFAS Denver how to file an appeal of their decision to the Defense Office of Hearings and Appeals (DOHA) and received no help. October 1, I checked my bank account and discovered that my direct deposit was only \$548, I quickly determined that amount to be approximately one-third of my usual deposit and guessed that DFAS had decided to collect on the debt in the punitive manner of two-thirds confiscation. With no warning from DFAS or the Army that this was about to occur I was placed immediately in a dire financial situation. I sought help from Army Community Services by applying for a no interest loan from Army Emergency Relief only to be denied a loan because I only had 35 days left on active duty, which would not guarantee loan repayment.

Force Shaping

The U.S. Naval Reserve has become a test bed for Active and Reserve Integration (ARI) and Zero Based Review (ZBR). While these two policies make for good endorsements on transformation, the impact of these policies will have a negative impact on retention. The bottom line of these new policies has been a recommendation within the Presidential Budget of a cut of 10,300 to the USNR in fiscal year 2006. Many within the Naval Reserve question the validity of these recommendations. The near term plan for the USNR is to force shape to Army support; which isn't necessarily preparing the force for the next at sea battle.

The force being fashioned by Iraq is a USNR made up of SeaBee's, security forces, port security, custom agents and intelligence. This will be a more junior force. While the gain may be less in pay and compensation; the cost will be to experience and skill sets.

The Zero Based Review (ZBR) which has recommend cutting the Naval Reserve from an end-strength of 84,300 to about 64,000 members did not include all of the roles, missions and demands for Reservists. Among the roles left out of this calculation were joint, and homeland security requirements. Yet Congress is being asked to cut the USNR to 70,000.

To reverse a growing trend ROA recommends:

- Slow down and reduce the cuts planned for fiscal year 2006; at a minimum the cut of 10,300 should be spread out over 4 to 5 years.
- Determine what future roles the USNR will be supporting which could lead to increases in end-strength, and;
- Redo the USNR Zero Based Review to include joint and homeland defense requirements. This ZBR should be ongoing rather than periodic.

CONCLUSION

DOD, as we all know, is in the middle of executing a war—the Global War on Terrorism and operations in Iraq are directly associated with that effort. For the

Department, worries have emerged about additional spending during these military actions. Almost every initiative to include proposed changes to personnel practices and improvements in compensation programs are quickly placed under a "what will it cost?" scrutiny. It is ROA's view that this scrutiny is too often oriented toward immediate costs with a lack of appropriate regard for long-term results versus life cycle costs. This is not to say that prudent, fiscal personnel and budget policies and processes should be ignored. At all times what is being achieved should respectfully be balanced with how something is being achieved.

From a positive aspect, DOD's work to change and transform is admirable. Although many issues effecting Reservists are difficult and complex, the Departments of Defense, Homeland Security, Health and Human Services have all accomplished much in streamlining and updating mobilization and demobilization and in working health care challenges of wounded military members. There are still areas that need scrutiny such as depot support and regeneration costs for equipment and training. The war on terrorism is our Nation's first threat and this threat will not go away. The Reserve Components will take part in countering this threat for many years to come which offers us the best opportunity to resolve these issues once and for all.

Senator STEVENS. Thank you very much, Ms. Lukas. I am sure you realize that this base closure process we are going through is to free up money to modernize some of that equipment, just as you indicated. We do have a vast need for improved trucks and improved vehicles. We are sending the Strykers over there so that they can drive them 65 miles an hour and still be safe. But there are not enough of them over there yet.

But I thank you very much for your testimony and hope you will be pleased with the results.

Ms. LUKAS. Thank you, sir.

Senator STEVENS. Thank you very much.

Next is Command Master Sergeant Retired Mark Olanoff, Retired Enlisted Association. Yes, sir. Nice to see you again, sir.

**STATEMENT OF COMMAND MASTER SERGEANT MARK H. OLANOFF,
U.S. AIR FORCE (RETIRED), EXECUTIVE DIRECTOR, THE RE-
TIRED ENLISTED ASSOCIATION**

Sergeant OLANOFF. Good to see you again, sir, Mr. Chairman.

First I would like to start and thank you and Senator Inouye for everything you have done for us, because, you know, over the years we have come to see you and talked about issues that really are not within your purview, like concurrent receipt and survivor benefit offsets and health care for those over 65, which is now TRICARE for Life.

You told us at one hearing, you might remember, a few years ago that we had to go to the authorizing committee to fix those problems, and we did that. Here is the debate that happened in the fiscal year 2001 conference report, in which virtually every Senator who spoke supported the improvements for health care. I just want to read a couple points that Senator Warner had to say.

He said that: "I turn now to what is the most important single item in this conference report, military health care, particularly for our retired personnel and their families. History shows they are the best recruiters of all."

In another part of the record he says: "Two weeks ago in the testimony before the Senate Armed Services Committee and the House Armed Services Committee, General Hugh Shelton, Chairman of the Joint Chiefs of Staff, and each of the service chiefs strongly supported making this benefit permanent and using the accrual amount method of financing. The Joint Chiefs have repeat-

edly testified that failing to honor the commitment to our retirees has been detrimental to their recruiting and retention efforts.”

Yet today we see op-ed pieces put out by the Pentagon that now say that military retirees are a drain on the active duty force and the Reserve component. This is far from the truth. As you know, Mr. Chairman, your subcommittee appropriates money for discretionary funding. We won the battle on TRICARE for Life through the Armed Services Committee, not here. We won the battle on concurrent receipt through the authorizers and it was paid for through the Treasury, not from the Defense Department. The survivor benefit correction that was done in last year’s defense bill was offset by crazy accounting the way they do things here, but there was an offset of mandatory funding. We did not buy tankers that we were going to buy.

So for the Pentagon to now say that we are a drain on their budget is totally unfair. The last point, Mr. Chairman, is I did some checking to find out why the Pentagon does not talk about civilian retirees, why they are not a drain on their budget. There is a good reason. I found out that the health care—72 percent that the Government funds for retirees of the civil service—is funded through the Office of Personnel Management (OPM) budget, which means there is no accrual accounting like there is for TRICARE for Life.

So I believe that we have an obligation to fund military health care for military retirees who have earned their benefits. Again, I would like to thank you very much for everything that you have done to help us over the years.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you very much.

I was just talking about looking into that. We will look into that.

Sergeant OLANOFF. Thank you, sir.

Senator STEVENS. We appreciate it.

[The statement follows:]

PREPARED STATEMENT OF MARK H. OLANOFF

Mr. Chairman, it is an honor for The Retired Enlisted Association to testify on our concerns for military and veterans’ before your committee.

The Retired Enlisted Association is a Veterans’ Service Organization founded 42 years ago to represent the needs and points of view of enlisted men and women who have dedicated their careers to serving in all the branches of the United States Armed Services active duty, National Guard and Reserves, as well as the members who are doing so today.

FUNDING FOR ACTIVE DUTY, NATIONAL GUARD AND RESERVE FORCES

The Retired Enlisted Association generally supports the administration’s request to support today’s troops and looks forward to working with the committee to that end. TREA is working on issues with the Senate Armed Services Committee to improve the quality of life for all components, retirees and their survivors.

DOD HEALTH CARE

I would like to start with a statement made by Senator John Warner (Virginia), Chairman of the Senate Armed Services Committee during the debate on the fiscal year 2001 National Defense Authorization Act concerning the Healthcare provisions:

“I turn now to what is one of the most important single item in this conference report—military healthcare, particularly for our retired personnel and their families. History shows they are the best recruiters of all.”

The conference report before the Senate fulfills an important commitment of “healthcare for life” made by the recruiters—the U.S. Government—beginning in World War II and continuing through the Korean war and the Viet Nam war. The goal of making that commitment was to encourage service members to remain in uniform and become careerists. Simply put, a commitment of health care for life in exchange for their dedicated career service.

Again, this convergence report fulfills the promise of healthcare for life. I am proud of the bipartisan unanimity with which the Senate Armed Services Committee supported this initiative—an initiative never taken before by a congressional committee.

Let me describe for my colleagues and for our active and retired service members around the world the legislation in this conference report to authorize health care benefits for Medicare-eligible military retirees and their families, and how we arrived at this outcome.

For as long as I can remember, military recruits and those facing re-enlistment have been told that one of the basic benefits of serving a full military career is health care for life. We all know now that this commonly offered incentive was not based in statute, but was, nonetheless, freely and frequently made; it is a commitment that we must honor.

Let me briefly review the history of military health care. Military medical care requirements for activity duty service members and their families were recognized as early as the 1700’s. Congressional action in the last 1800’s directed military medical officers to attend to military families whenever possible, at no cost to the family. During World War II, with so many service members on activity duty, the military medical system could not handle the health care requirements of family members. The Emergency Maternal and Infant Care Program was authorized by Congress to meet this need. This program was administered through state health agencies.

The earliest reference in statute defining the health care benefit for military retirees was in 1956 when, for the first time, the Dependent’s Medical Care Act specified that military retirees were eligible for health care in military facilities on a space-available basis. In 1966, this Act was amended to create the Civilian Health and Medical Program of the Uniformed Services, CHAMPUS, to supplement the care provided in military facilities. This legislation, in 1966, specifically excluded from coverage military retirees who were eligible for Medicare—a program which had been enacted by the Congress 1 year earlier, in 1965.

The exclusion of over age 65, Medicare-eligible military retirees from guaranteed care from the military health care system was masked for many years because the capacity of military hospitals and the military medical system exceeded that required to care for active duty service members; therefore, many Medicare-eligible retirees were able to receive treatment, on a space-available basis, at military facilities. In the 1990’s, we began to reduce the size of our military services and the base realignment and closure, BRAC, rounds began to close bases—and military hospitals—all across the Nation. The combined effect of fewer military medical personnel to provide care and the closure of over 30 percent of the military hospitals eliminated the excess capacity that had been so beneficial to military retirees. Also during this decade the retiree population grew dramatically, adding pressure to the military health care system. The true magnitude of the problem was finally exposed.

All of us have heard from military retirees who served a full career and, in so doing, made many sacrifices. Many times the sacrifices these heroic veterans made resulted in serious medical conditions that manifested themselves at the time in their lives when they were pushed out of the military health care system. As a nation, we promised these dedicated retirees health care for life, but we were ignoring that promise.

On February 23, 2000, I introduced a bill, S. 2087, that provided for access to mail order pharmaceuticals for ALL Medicare-eligible military retirees, for the first time. The legislation also would improve access to benefits under TRICARE and extend and improve certain demonstration programs under the Defense Health Program.

On May 1, 2000, I introduced S. 2486, which added a retail pharmacy component to the previous legislation, providing for a full pharmacy benefit for all retirees, including those eligible for Medicare.

On June 6, Senator Tim Hutchinson and I introduced S. 2669, a bill that would extend TRICARE eligibility to all military retirees and their families, regardless of age. Later that same day, I amended the defense authorization bill to add the text of S. 2669. This legislation provided uninterrupted access to the Military Health Care System, known as TRICARE, to all retirees.

Permanently funding the military retiree health care benefit will be seen by retirees, active duty service members and potential recruits as the Nation keeping its commitment of health care for life to military retirees. Those serving today and

those who are joining the military will see that the promise of a lifetime of health care, in return for serving a full career, will be honored in perpetuity.

Two weeks ago, in testimony before both the Senate Armed Services Committee and the House Armed Services Committee, General Hugh Shelton, Chairman of the Joint Chiefs of Staff, and each of the service chiefs strongly supported making this benefit permanent and using the accrual account method of financing. The Joint Chiefs have repeatedly testified that failing to honor the commitment to our retirees has been detrimental to their recruiting and retention efforts.”

TREA is very concerned with recent articles in national newspapers that the Department of Defense is worried that costs for military retiree benefits are taking funds away from the troops. These statements are not accurate.

TREA urges the subcommittee to fully fund DOD's health care account to include a seamless transition with the Department of Veterans' Affairs. Further, TREA recommends report language that specifically prohibits the Department of Defense from raising TRICARE co-payments in fiscal year 2006. Finally, TREA recommends an oversight hearing with the Department of Defense and stakeholders to discuss differences between entitlement and discretionary spending.

BASE REALIGNMENT AND CLOSURE

TREA realizes that this subcommittee has very little to do with the BRAC process, however, section 726 of the fiscal year 2004, National Defense Authorization Act (Public Law 108-136) states “Working group on military health care for persons reliant on health care facilities at military installations to be closed or realigned”. Although this working group has been established by DOD and the group has had one meeting, this issue will become very important after the BRAC list is finalized.

TREA urges the subcommittee to be aware of this issue when appropriations are made to fund BRAC.

CONCLUSION

TREA is very grateful for this opportunity to testify before the Defense Appropriations Subcommittee and would like to thank Chairman Stevens and Ranking Member Inouye for their many years of support to the defense of our country.

Senator STEVENS. Our next witness is Retired Captain Marshall Hanson, Chairman of the Association for America's Defense. Yes, sir.

STATEMENT OF CAPTAIN MARSHALL HANSON, U.S. NAVAL RESERVE (RETIRED), CHAIRMAN, ASSOCIATIONS FOR AMERICA'S DEFENSE

Captain HANSON. Thank you, sir. Mr. Chairman, the Associations for America's Defense (A4AD) are very grateful to testify today on issues of national defense equipment and force structure. We would like to thank this subcommittee for its stewardship on defense issues and setting the example by its nonpartisan leadership.

Support for our deployed troops continues to be a priority and warrants top importance. The Reserve Enlisted Association, which belongs to A4AD, had one of its members mobilized by the marines who is currently in Iraq. When asked about up-armorings of vehicles in country, I got an answer from this sergeant by e-mail just yesterday that I would like to share with the subcommittee. He said:

“Sometimes I see soldiers going out in home-armored vehicles. We call them grenade buckets. Our teams have two vehicles and one of them is a bucket, though this week we will be getting it refurbished. They are going to take off the homemade armor and add higher sides, higher back gate, generation three armor doors, and armor the cab's canvas roof. Unfortunately, I was told that we will still need to add the Kevlar blast pads on the rear wheel wells because the armor does not protect the troops that sit in the back. Another problem is that these pads can catch fire.

“The insurgents have started using antitank mines, which have killed about four soldiers in the next area of operation. We had a first sergeant here who may lose his leg. We cannot really armor a Hummer enough to stop these mines. We do the best we can with the armor and use our intel, tactics, and procedures to stop the improvised explosive devices (IEDs) and car bomb attacks.

“Overall, the main difficulty with the up-armor is the logistics with getting the vehicle to the up-armor location. They expect us to take off the welded homemade armor without technical support and then there is the risk of driving the unprotected vehicle to the armoring sites. Both vehicles we use have some wear and tear and could use refurbishing. This is the standard around here, although the 7-ton truck and the light medium tactical vehicles (LMTV) are in good condition.” End quote.

A4AD is concerned about this wear and tear on fielded equipment and how our soldiers and marines who are returning from the combat theater without equipment because they must leave it behind. For the demobilized, readiness will become an issue because there is no equipment left to train on. Included in our written testimony is a list of unfunded equipment we would like to see procured for Active and Reserve components.

It also should be remembered that equipment is only as good as the people who use it. We believe Congress must continue to make it a high priority to increase end strengths because this type of combat we are seeing is stressing our military troops. People are more than just human capital assets and if they are overtasked and undervalued we will see a growing recruiting and retention problem.

Further, proposed cuts to some of our Guard, Reserve, and Active services may be sending out the wrong message to future adversaries and to our troops in the field. Increases should be made to both the Active and Reserve components as the Department of Defense (DOD) missions will continue beyond just the operational, to include strategic contingencies and homeland defense.

We are at a point in our history where we are defending our national interests at the same time that we are defining our future security systems. Let us not overstep our capabilities at the risk of defense. The responsibilities that you bear toward the future are great and I am sure the opinions you are given are many.

Thank you for your ongoing support of the Nation, the armed services, and the fine young men and women who defend our country. I am available for any questions.

[The statement follows:]

PREPARED STATEMENT OF MARSHALL HANSON

INTRODUCTION

Mister Chairman and distinguished members of the committee, the Associations for America's Defense (A4AD) are very grateful for the invitation to testify before you about our views and suggestions concerning current and future issues facing the defense appropriations.

The Association for America's Defense is an adhoc group of 12 military and veteran associations that have concerns about national security issues that are not normally addressed by The Military Coalition, and the National Military Veterans Alliance. Among the issues that are addressed are equipment, end strength, force structure, and defense policy. Collectively, we represent about 2.5 million members, who are serving our Nation, or who have done so in the past. The number of supporters

expands to beyond 5 million when you include family members and friends of the military.

A4AD, also, cooperatively works with other associations, who provide input while not including their association name to the membership roster.

CURRENT VERSUS FUTURE; ISSUES FACING DEFENSE

The Associations for America's Defense would like to thank this committee for the on-going stewardship that it has demonstrated on issues of Defense. At a time of war, its pro-defense and non-partisan leadership sets the example.

Members of this group are concerned that U.S. Defense policy is sacrificing future security for near term readiness. So focused are our efforts to provide security and stabilization in Iraq, that risk is being accepted as an element in future force planning.

A Pentagon criticism is that our Armed Forces are archaic; structured for a Cold War. Instead, transformation is now being touted that would now emphasize "boots on the ground," while at the same time it encourages technological improvements that would jump a generation of weapons. Yet force planning is being driven by the Global War on Terrorism, plans to democratize the Middle East, and to allow for budget limitations. Cuts are being suggested for legacy weapons and infrastructure to pay for current operations and future combat systems.

What seems to be overlooked is that the United States is involved in a Cold War as well as a Hot war. While the United States is preoccupied with the Middle East and with the near-term crisis posed by North Korea's, China expands its influence over Africa, South America, and the underbelly of the former Soviet Union. It builds a military designed to counteract American military, and is erecting a Chinese stronghold of territorial claims and international lawfare.

Our military leadership defends its policy with proud display, testifying to the fact that our aircraft, missiles and ships have a greater capability and effectiveness than ever in the past. Yet within the last decade, our picket lines of defense have been gapped several times to respond to distant crises. Platform numbers and location are as significant as accuracy and payload.

China is the elephant in the war room that many force planners hope will just go away. As the United States expends resources in the Middle East and re-structures the military to fight terrorism, China patiently waits for America to weaken by withdrawing itself globally by transforming into a smaller force. China also awaits for another advantage which could be caused by the GWOT: the erosion of the American national will.

The Pentagon has suggested that technology will keep us ahead. By reducing procurement of the next generation of systems that are already planned by the armed services, and by pouring money into future combat systems DOD claims that we will maintain a tactical advantage. The question asked by many within the A4AD, will our adversaries wait until we attain this future?

FORCE STRUCTURE CONCERNS

Aging Equipment

Tactical Air.—The rapidly aging F-15 Eagles first flew in the 1970's. In recent mock combat against MiG, Sukhoi and Mirage fighters, foreign air forces scored unexpected successes against the Eagles. What is characteristic of paradigm shifts in air superiority is that they are invariably driven by one or another technological advance. New air dominance platforms are urgently needed. The F/A-22 Raptor and the Joint Strike F-35 fighters represent vital and complementary capabilities.

Airlift.—Hundreds of thousands of hours have been flown, and millions of passengers and tons of cargo have been airlifted. Both Air Force and Naval airframes and air crew are being stressed by these lift missions. Procurement needs to be accelerated and modernized, and mobility requirements need to be reported upon.

Fleet Size.—The number of ships in the fleet is dropping. At the end of April, the Navy had 288 ships. The Chief of Naval Operations, Admiral Vern Clark, in testimony before Congress talked about a 260 ship fleet by the year 2035.

Under the 260-ship plan, ship purchases and spending would show a peak-and-valley pattern over the 2006-2035 period. Through 2015, the Navy would buy an average of 9.5 ships per year, at an annual cost of about \$14.4 billion. The fleet would peak at 326 ships in 2020 and then gradually decline to 260 by 2035. The mid-to-late 2020's would be a period of low ship purchases under the 260-ship plan.

As recently as 2003, the U.S. Navy was telling Congress that its long-term goal was a 375-ship Navy. According to Admiral Clark, the 260-ship plan would cost about \$12 billion a year for ship construction, and the 325-ship plan would cost about \$15 billion a year for shipbuilding.

The administration procurement rate is too low and has yet to even reach a 9.5 ships per year procurement rate to support a build-up toward 2020. It appears that the Navy won't even attain the numbers discussed by the CNO before Congress.

Admiral Clark has accepted the DOD premise that technology can replace humans, and now seems to favor a smaller Navy because of lower cost and reduced manpower. He has also instituted new procedures like surging aircraft carriers to meet crises and keeping ships deployed overseas while rotating the crews. To some this means the Navy will need no more than 325 ships and possibly as few as 260. Yet this also means we will wear out people and equipment faster.

A4AD favors a larger fleet because of an added flexibility to respond to emerging threats. It is also believes that Congress should explore options to current ship design, configuration, and shipbuilding methods which have created billion dollar destroyers.

A Changing Manpower Structure

Air Force.—Compared to the Cold War Air Force, today's USAF is small and based mostly in the United States, necessitating rapid, large-scale deployments over long distances. Over the last two decades, the active duty Air Force was reduced by nearly 40 percent—from 608,000 to 359,000 uniformed members. Higher retention rates have caused the active duty force to expand temporarily to 375,000. Now the Air Force must shrink by some 16,000 Airmen in order to meet the fiscal year 2005 authorized force level of 359,000 people. While the force shrinks, operations tempo at stateside and overseas bases remains high. Airmen are working long hours, deploying with ever-increasing frequency to hot spots around the world, and spending more time away from their families. To accommodate the new steady state, service leaders have extended overseas rotations for each Air and Space Expeditionary Force (AEF), raising it from 90 days to 120 days. Combat deployments have been extended. Crews are flying longer missions and have less ground time between missions.

Air Guard and Reserve.—Across the board, the Total Force is straining to meet new requirements and challenges. The Air National Guard and Air Force Reserve have been activated at unprecedented levels. Since September 11, 2001, the Air Force has mobilized nearly 65,000 Guardsmen and Reservists. Together, they constitute 20 percent of Air Force AEF packages supporting operations in Southwest Asia. Additionally, they conduct 89 percent of air patrols over American cities in support of Operation Noble Eagle. In spite of enormous challenges, morale throughout the Total Force remains high. Senior Air Force leaders at present do not seek an increase in USAF end strength.

A4AD cautions that if the level of operations continues at the current pace, a decision to request more manpower cannot be avoided. The bottom line is that resources must be matched to tasking.

Army.—The Active Army is currently re-structuring all three components (Active, Reserve, Guard) in an attempt to create 77 Brigade Combat Teams and the necessary support organizations. To do this, the Army has a short-term increase in end strength of 30,000. Many in Congress feel that the increase should be permanent and possibly increased further.

As part of its efforts to increase the number and deployability of the Army's combat brigades, the Pentagon has begun the Army's Modularity Program. The fiscal year 2006 request contains no funding for the program.

Army Reserve.—The Army Reserve has a mandated end-strength of 205,000. It is likely that they will not end the year within the 2 percent variance authorized by Congress. It should be considered that part of the Active Army end-strength increase should be devoted to full-time support in the Army Reserve and Guard. This would enhance readiness as well as provide important mentoring to soldiers in anticipation of future deployments. At the present time, although retention in the Army, Army Reserve and Army National Guard remains high, recruiting challenges continue. A4AD anticipates that there will be an increased need for monetary incentives in all components.

Navy.—The official Navy posture is that its force level will reduce from approximately 360,000 sailors today to something in the neighborhood of 315,000 by the year 2012. A4AD has had an internal debate among its own membership on this manpower policy, some favor cuts, while others favor increases. Manpower is expensive, but it is people, not technology that have always won past battles and salvaged ships. If we tailor our fighting force too tightly with a level that is too low, we could create a force without indemnity.

Naval Reserve.—New Navy policies have lead to a recommendation within the Presidential Budget of a cut of 10,300 to the USNR in fiscal year 2006. A4AD disagrees. At a time when the USN plans to cut the active force, these skillsets of these

people should be placed into the Naval Reserve. Yet rather than increase the USNR as a hedge against policy, the Navy wants proportionally bigger cut from its Reserve.

The Zero Based Review (ZBR) which has recommended cutting the Naval Reserve from an end-strength of 84,300 to about 64,000 members did not include all of the roles, missions and demands for Reservists. Among the missions not included in this review were joint, homeland security requirements, spec-ops and non-planned M-day demands. Aviation hardware units were also not included in the ZBR.

Further, proposed civilianization of drilling Reserve and Full Time Staff billets do not address the call for war fighting skills and risks. A prime example is the Naval Reserve Construction Seabees Battalions, which were proposed for reduction prior to 9/11, are now touted as the USNR's best assets.

At a minimum, the proposed USNR fiscal year 2006 cut needs to be spread over a number of years, and the Naval Reserve roles and missions needed to be examined.

Marines.—As the Marine Corps is increased in size, the USMC wants to maintain the right number and mix of trained experienced Marines with first tour recruits. Ideally, 70 percent of the USMC is first tour, with the remaining 30 percent on extended service. With an expanded force, this ratio has been changing so that the number of first tour Marines is growing beyond the 70 percent. The Marine Corps will need to retain a greater number of individuals to offset new trainees with experienced leadership. Gradual increases need to be implemented to maintain the ratio of first tour to experienced Marine.

Marine Forces Reserve.—With a similar ratio as the Active component, historically 70 percent of the USMCR force has been non-prior service. But this ratio has now climbed past 74 percent which causes concern. Retention is also becoming a challenge which exasperates the non-prior service ratio. No immediate increase beyond 500 additional would be recommended for the USMCR.

Coast Guard Reserve.—The Coast Guard Selected Reserve has been held to 8,100 members by appropriation restriction, and no one in the Coast Guard leadership has been an advocate to ask for additional funding to even cover for the 10,000 billets that have been authorized by the Armed Services Committees.

The 8,100 manning level is no higher than it was prior to the terrorist attacks on September 11. Yet, the number of missions for the Coast Guard Reserve has increased. Coastal maritime defense is considered by many to be the most important challenges facing the United States today. Two requirements based studies conducted since 9/11 recommended that the USCGR strength be increased to 17,353 and 18,031 respectively. USCGR appropriations need to support authorization levels.

Increasing End Strength

The Army's fiscal year 2006 budget request does not include funding for its 30,000-troop increase, nor does the Marine Corps request include funding for a 3,000-troop increase. Total estimated cost for the additional forces is \$3.5 billion.

A4AD has continuing concerns about the mismatch between reducing active duty and reserve force strengths and the increasing mission requirements. While retention rates remains high, the effects of the heightened OPTEMPO are beginning to have a measured impact. If the current Active Duty end strength was adequate, the demand for Reserve and Guard call-up would not be so urgent.

End strengths need to be closely examined by both the House and Senate as a first step in addressing this situation.

Regeneration / Resetting of Equipment

Aging equipment, high usage rates, austere conditions in Iraq, and combat losses are affecting future readiness. Equipment is being used at 5 to 10 times the programmed rate.

Additionally, to provide the best protection possible for Soldiers and Marines in the combat theater, many units have left their equipment behind for follow-on units, and are returning with no equipment. Without equipment on which to train after de-mobilization, readiness will become an issue.

The Army, Army Reserve, Army National Guard, Marines and Marine Forces Reserve need continued funding by Congress for equipment replacement.

Counter-measures to Improvised Explosive Devices

A4AD would like to commend the committee for supporting enhanced counter-measures for air and ground troops now deployed. For ground troops, the biggest threat to safety remains the improvised explosive device or IED. As you know, these devices use simple electronic transmitters—like garage door openers, remote controls for toys or cell phones—to detonate a disguised explosive as a convoy or unit

on patrol passes by. These devices are usually well concealed in ordinary roadside debris like tires or dead animals. One response of the Congress to this extraordinary threat to our ground forces has been to call for and fund the accelerated purchase and deployment of up-armored Humvees.

A4AD would like to point out to the committee, however, that Humvees are not the only vehicle operated in theater and that the emphasis on up-armoring one type of vehicle has left others with little to no protection. For example, by up-armoring Humvees, we provide a greater degree of safety for troops escorting a convoy, but no additional protection for those troops driving the large supply trucks that are part of the same convoy. Cost-effective solutions that can provide an enhanced degree of safety do exist, however, in the form of electronic countermeasures. These devices work in one of two ways: either by pre-detonating an IED or by preventing the detonation through jamming of the signal. The committee has already seen fit to support the deployment of these types of solutions through the reprogramming of \$161 million in last years' supplemental for Iraq and Afghanistan operations, but we believe that more remains to be done. We would encourage and request the committee to look at specifying that additional funds be made available for the purpose of purchasing and deploying more electronic countermeasures for ground troops. In this way we can provide a greater degree of safety to all of the troops facing the IED threat, no matter what type of vehicle they may be operating.

Continued emphasis is needed for the procurement of sufficient quantities of countermeasures to protect every unarmored personnel carrier now deployed in the battle space.

Aircraft Survivability Equipment

As for air crews, they face non-traditional threats used by non-conventional forces and deserve the best available warning and countermeasure equipment available to provide the greatest degree of safety possible. As an example of this threat, one need only look at the downing of a privately-operated helicopter as recently as 1 month ago. A4AD hopes that the committee will continue to support the purchase and deployment of warning and countermeasures systems for both fixed and rotary wing aircraft across all of the services and insure that the latest and most advanced versions of these protections are made available to all units now deployed or slated for deployment in the future—be they active duty, Guard or Reserve.

Continue to support the purchase and deployment of warning and countermeasures systems for both fixed and rotary wing aircraft across all of the services and insure that the latest and most advanced versions are available.

Maintaining the National Guard and Equipment List

Pressure continues within the Navy and the Coast Guard to combine various appropriations so that Reserve equipment accounts would be merged with that of the parent service.

A single equipment appropriation for each service would not guarantee that the National Guard and Reserve Components would get any new equipment. The National Guard and Reserve Equipment Account (NGREA) is vital to ensuring that the Guard and Reserve has some funding to procure essential equipment that has not been funded by the services. Without Congressional oversight, dollars intended for Guard and Reserve Equipment might be redirected to Active Duty non-funded requirements. This will lead to decreased readiness.

This move is reminiscent of the attempt by DOD to consolidate all pay and O&M accounts into one appropriation per service. Any action by the Pentagon to circumvent Congressional oversight should be resisted.

A4AD asks this committee to continue to provide appropriations against unfunded National Guard and Reserve Equipment Requirements. To appropriate funds to Guard and Reserve equipment would help emphasize to the Active Duty that it is exploring dead-ends by suggesting the transfer of Reserve equipment away from the Reservists.

Unfunded Equipment Requirements

(The services are not listed in priority order.)

Air Force

F/A-22 and F/35 Joint Strike Fighter
Accelerate C-17 and C-130J procurement
Update Tanker Fleet
E-10 multi-sensor Command and Control Aircraft
Space Radar

Air Force Reserve

C-9/C-40 Personnel Sustainment (O&M) Scott AFB—\$40.8 million
 C-130/HC-130 Large Aircraft I/R Counter Measures—\$225.1 million
 A-10 LITENING Advanced Targeting Pod Procurement—\$53.0 million
 C-130 APN-241 Radar—\$37.0 million
 Tactical Data Link for A-10/HH-60—\$7.7 million

Air Guard

Accelerate C-17 Airlifter (8) add (7)—\$180 million each
 Aircraft Rescue and Fire Fighting Vehicles
 E-8C Joint STARS Aircraft Re-engine
 Patient Decontamination Assemblages (20)—\$3.4 million
 Bioenvironmental Assemblages (10)—\$1.0 million

Army

The Army spent \$62.4 billion on O&M in fiscal year 2004, is estimating O&M spending of \$45.4 billion in fiscal year 2005, and is requesting only \$31.8 billion in fiscal year 2006. If these figures are accurate, then Army O&M spending has declined by roughly 50 percent in the space of 2 years for a military that's the same size and actively engaged in combat operations in Iraq, Afghanistan, and other regions of the world.

Army Reserve

Light Medium Tactical Vehicles [LMTV] (600)—\$92 million
 Medium Tactical Vehicles [MTV] (800)—\$146 million
 Multi-Band Super High Frequency Terminal (10)—\$30 million
 Truck, Cargo PLS 10x10 and PLS Trailer (44/88)—\$12.7/\$4.8 million
 High Mobility Multi-Purpose Wheeled Vehicle (279)—\$21 million

Army Guard

Funding for Rapid Field Initiative, special equipment and protective garments. RFI is a kit of approximately 50 essential items that provide the most up-to-date equipment to Soldiers at war.

High Mobility Multi-Purpose Wheeled Vehicle (HMMWV, short 13,265)
 Single Channel Ground Air Radio Sys. (SINCGARS, retire obsolete 20,000 VRC-12)
 Night Vision Goggles (NVG, short 100,000)

Marine Corps

Mountain and Cold Weather Clothing Equipment—\$24.9 million
 Modernization of Medical Allowance Lists—\$19 million
 Shelters and Tents—\$23.4 million
 Portable Tent Lighting—\$8.5 million
 Tactical Radios (PRC-117 and 150)—\$25 million

Reserve Marine Corps

Initial Issue equipment—\$10 million
 Mountain and Cold Weather Clothing Equipment—\$8.4 million
 Portable Tent Lighting—\$3.5 million
 Shelters and Tents—\$5.2 million
 Light Armored Vehicles (LAV -25, 48)—\$104 million

Navy

Aircraft Survivability Equipment—(5) MH-53E, (18) H/MH-60, (37) P-3 AIP—\$22.1 million
 Low Band Transmitter (Jammer) pods (11)—\$16.4 million
 SH-60B/H Armed Helo Kits (28)—\$58.3 million
 Expand Maritime Interdiction Outfitting—personal protection, secure comms & cargo access —\$10.5 million
 Accelerate repair/replace theater small arms—\$24.0 million

Naval Reserve

C-40 A Inter-theater Transport (2)—\$135 million
 Littoral Surveillance System, LSS coastal defense (1)—\$19 million
 Explosive Ordnance Disposal/Naval Coastal Warfare Tactical Vehicles and Support Equipment —\$14.5 million
 EOD/NWC Small Arms—\$36.8 million
 Funds for activation—Funds associated for Reservist mobilize for GWOT

CONCLUSION

A core of military and veteran associations is looking beyond personnel issues to the broader issues of National Defense. As a group, we will continue to meet in the future, and hope to provide your committee with our inputs.

Cuts in manpower and force structure, simultaneously in the Active and Reserve Component are concerns in that it can have a detrimental effect on surge and operational capability.

This testimony is an overview, and expanded data on information within this document can be provided upon request.

Thank you for your ongoing support of the Nation, the Armed Services, and the fine young men and women who defend our country. Please contact us with any questions.

Senator STEVENS. We do not have any questions. He is right, of course, and the difficulty is we still have to find a way to build them that way to start with. The up-armorings is costing us too much money. We have to go back sometimes two or three times to get it right.

We appreciate your testimony, though. We will continue to work with you on that.

Captain HANSON. Thank you, sir.

Senator STEVENS. The next witness is Dr. Jennifer Vendemia of the American Psychological Association.

STATEMENT OF JENNIFER VENDEMI, Ph.D., ON BEHALF OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION

Dr. VENDEMI. Thank you, Mr. Chairman. I am Dr. Jennifer Vendemia from the University of South Carolina Psychology Department and I am testifying today on behalf of the American Psychological Association (APA), a scientific and professional organization of more than 150,000 psychologists and affiliates.

Although I am sure you are aware of the large number of psychologists providing clinical services to our military members here and abroad, you may be less familiar with the extraordinary range of research conducted by psychological scientists within the Department of Defense. Our behavioral researchers work on issues critical to national defense with support from the Army Research Institute and Army Research Laboratory, the Office of Naval Research, the Air Force Research Laboratory, and additional smaller human systems research programs in the Office of the Secretary of Defense, Defense Advanced Research Projects Agency (DARPA), the Marine Corps, and the Special Operations Command.

For example, my own brain imaging research, which received generous funding through this committee in fiscal year 2005, seeks to model the neurocognitive processes of lying in order to formulate new deception detection techniques using measures of specific brain activity. As a university researcher, I also collaborate with scientists conducting credibility assessment studies at the nearby DOD Polygraph Institute at Fort Jackson and the DOD Counterintelligence Field Activity here in Washington. Deception and its accurate detection is of course at the heart of counterintelligence work and the research collaborations with DOD are designed to bridge results from my investigations in basic psychophysiology to the more applied mission-specific science and technology work that supports counterintelligence activities. APA encourages the subcommittee to increase funding for these very small but critical research programs.

In terms of the overall defense science and technology (S&T) account, the administration requested less in fiscal year 2005 than the enacted fiscal year 2004 amount and congressional appropriators in turn provided a significant increase over both the budget request and the fiscal year 2004 level, for a total of \$13.33 billion. For fiscal year 2006, the President's budget request of \$10.52 billion for DOD S&T has again fallen short of both the fiscal year 2005 budget request and the fiscal year 2005 enacted level, representing a 21 percent decrease.

As a member of the Coalition for National Security Research, APA recommends the DOD science and technology program be funded at a level of at least 3 percent of total DOD spending in fiscal year 2006 in order to maintain global superiority in an ever-changing national security environment.

Total spending on behavioral and cognitive research, in other words human-centered research, within DOD has declined again in the President's fiscal year 2006 budget. Specific human factors and manpower-personnel-training programs were cut in the Army. The Navy's applied programs in human systems and warfighter sustainment took substantial hits. Support for the Air Force's applied human effectiveness, crew systems, and personnel protection accounts were down in the President's budget request.

We urge you to support the men and women on the front lines by reversing another round of dramatic detrimental cuts to the human-oriented research within the military laboratories and by increasing support to behavioral research programs within DOD activities related to credibility assessment and counterintelligence.

Thank you very much.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF JENNIFER VENDEMLIA

"Conflict is, and will remain, essentially a human activity in which man's virtues of judgment, discipline and courage—the moral component of fighting power—will endure . . . It is difficult to imagine military operations that will not ultimately be determined through physical control of people, resources and terrain—by people . . . Implicit, is the enduring need for well-trained, well-equipped and adequately rewarded soldiers. New technologies will, however, pose significant challenges to the art of soldiering: they will increase the soldier's influence in the battlespace over far greater ranges, and herald radical changes in the conduct, structures, capability and ways of command. Information and communication technologies will increase his tempo and velocity of operation by enhancing support to his decision-making cycle. Systems should be designed to enable the soldier to cope with the considerable stress of continuous, 24-hour, high-tempo operations, facilitated by multi-spectral, all-weather sensors. However, technology will not substitute human intent or the decision of the commander. There will be a need to harness information-age technologies, such that data does not overcome wisdom in the battlespace, and that real leadership—that which makes men fight—will be amplified by new technology. Essential will be the need to adapt the selection, development and training of leaders and soldiers to ensure that they possess new skills and aptitudes to face these challenges."—NATO RTO-TR-8, Land Operations in the Year 2020.

Mr. Chairman and members of the subcommittee, I'm Dr. Jennifer Vendemia from the University of South Carolina Psychology Department. I am submitting testimony on behalf of the American Psychological Association (APA), a scientific and professional organization of more than 150,000 psychologists and affiliates.

Although I am sure you are aware of the large number of psychologists providing clinical services to our military members here and abroad, you may be less familiar with the extraordinary range of research conducted by psychological scientists with-

in the Department of Defense (DOD). Our behavioral researchers work on issues critical to national defense, with support from the Army Research Institute (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); the Air Force Research Laboratory (AFRL), and additional, smaller human systems research programs in the Office of the Secretary of Defense, the Defense Advanced Research Projects Agency (DARPA), the Marine Corps, and the Special Operations Command.

For example, my own brain imaging research, which received generous funding through this committee in fiscal year 2005, seeks to model the neurocognitive processes of lying in order to formulate new deception detection techniques using measures of specific brain activity. As a university researcher, I also collaborate with scientists conducting credibility assessment studies at the nearby DOD Polygraph Institute (DODPI) at Fort Jackson and the DOD Counterintelligence Field Activity (CIFA) here in Washington. Deception, and its detection, is of course at the heart of counterintelligence work, and the research collaborations with DOD are designed to bridge results from my investigations in basic psychophysiology to the more applied, mission-specific science and technology work that supports counterintelligence activities.

I would like to address the fiscal year 2006 human-centered research budgets for the military laboratories and programs within the context of the larger DOD Science and Technology budget.

DOD SCIENCE AND TECHNOLOGY BUDGET

The President's budget request for basic and applied research at DOD in fiscal year 2006 is \$10.52 billion, a 21 percent decrease from the enacted fiscal year 2005 level and a decrease from the President's fiscal year 2005 budget request. APA joins the Coalition for National Security Research (CNSR), a group of over 40 scientific associations and universities, in urging the subcommittee to reverse this cut in support and dedicate at least 3 percent of total DOD spending to 6.1, 6.2 and 6.3 level research in fiscal year 2006.

As our Nation rises to meet the challenges of current engagements in Iraq and Afghanistan as well as other asymmetric threats and increased demand for homeland defense and infrastructure protection, enhanced battlespace awareness and warfighter protection are absolutely critical. Our ability to both foresee and immediately adapt to changing security environments will only become more vital over the next several decades. Accordingly, DOD must support basic Science and Technology (S&T) research on both the near-term readiness and modernization needs of the department and on the long-term future needs of the warfighter.

In fiscal year 2005, the administration requested \$10.55 billion for defense S&T, less than the enacted amount in fiscal year 2004. Congressional appropriators in turn provided a significant increase over both the budget request and the fiscal year 2004 level, for a total of \$13.33 billion. For fiscal year 2006, the President's budget request of \$10.52 billion for DOD S&T again fell short—of both the fiscal year 2005 budget request and the fiscal year 2005 enacted level (a 21 percent decrease).

Despite substantial appreciation for the importance of DOD S&T programs on Capitol Hill, and within independent defense science organizations such as the Defense Science Board (DSB), total research within DOD has remained essentially flat in constant dollars over the last few decades. This poses a very real threat to America's ability to maintain its competitive edge at a time when we can least afford it. APA, CNSR and our colleagues within the science and defense communities recommend funding the DOD Science and Technology Program at a level of at least 3 percent of total DOD spending in fiscal year 2006 in order to maintain global superiority in an ever-changing national security environment.

BEHAVIORAL RESEARCH WITHIN THE MILITARY SERVICE LABS

In August, 2000 the Department of Defense met a congressional mandate to develop a Report to the Senate Appropriations Committee on Behavioral, Cognitive and Social Science Research in the Military. The Senate requested this evaluation due to concern over the continuing erosion of DOD's support for research on individual and group performance, leadership, communication, human-machine interfaces, and decision-making. In responding to the committee's request, the Department found that "the requirements for maintaining strong DOD support for behavioral, cognitive and social science research capability are compelling" and that "this area of military research has historically been extremely productive" with "particularly high" return on investment and "high operational impact."

Despite the critical need for strong research in this area, the administration has proposed an fiscal year 2006 defense budget that again would slash funding for

human-centered research. APA urges the committee to, at a minimum, restore proposed fiscal year 2006 cuts to the military lab behavioral research programs.

Within DOD, the majority of behavioral, cognitive and social science is funded through the Army Research Institute (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); and the Air Force Research Laboratory (AFRL). These military service laboratories provide a stable, mission-oriented focus for science, conducting and sponsoring basic (6.1), applied/exploratory development (6.2) and advanced development (6.3) research. These three levels of research are roughly parallel to the military's need to win a current war (through products in advanced development) while concurrently preparing for the next war (with technology "in the works") and the war after next (by taking advantage of ideas emerging from basic research). All of the services fund human-related research in the broad categories of personnel, training and leader development; warfighter protection, sustainment and physical performance; and system interfaces and cognitive processing.

Despite substantial appreciation for the critical role played by behavioral, cognitive and social science in national security, however, total spending on this research declined again in the President's fiscal year 2006 budget. Specific human factors and manpower/personnel/training programs within the applied 6.2 and 6.3 accounts were cut in the Army, and the Navy's applied 6.2 programs in human systems and warfighter sustainment took substantial cuts. Similarly, support for the Air Force's applied 6.2 and 6.3 level human effectiveness and crew systems and personnel protection accounts were down in the President's budget request.

In addition, I know first-hand the value of supporting the smaller, but mission-critical, behavioral research programs within DOD, particularly those related to credibility assessment and detection of deception. APA encourages the committee to increase funding for these programs.

Behavioral and cognitive research programs eliminated from the mission labs due to cuts or flat funding are extremely unlikely to be picked up by industry, which focuses on short-term, profit-driven product development. Once the expertise is gone, there is absolutely no way to "catch up" when defense mission needs for critical human-oriented research develop. As DOD noted in its own Report to the Senate Appropriations Committee:

"Military knowledge needs are not sufficiently like the needs of the private sector that retooling behavioral, cognitive and social science research carried out for other purposes can be expected to substitute for service-supported research, development, testing, and evaluation . . . our choice, therefore, is between paying for it ourselves and not having it."

The following are brief descriptions of important behavioral research funded by the military research laboratories:

ARMY RESEARCH INSTITUTE FOR THE BEHAVIORAL AND SOCIAL SCIENCES (ARI) AND
ARMY RESEARCH LABORATORY (ARL)

ARI works to build the ultimate smart weapon: the American soldier. ARI was established to conduct personnel and behavioral research on such topics as minority and general recruitment; personnel testing and evaluation; training and retraining; and attrition. ARI is the focal point and principal source of expertise for all the military services in leadership research, an area especially critical to the success of the military as future war-fighting and peace-keeping missions demand more rapid adaptation to changing conditions, more skill diversity in units, increased information-processing from multiple sources, and increased interaction with semi-autonomous systems. Behavioral scientists within ARI are working to help the armed forces better identify, nurture and train leaders. One effort underway is designed to help the Army identify those soldiers who will be most successful meeting 21st century non-commissioned officer job demands, thus strengthening the backbone of the service—the NCO corps.

Another line of research at ARI focuses on optimizing cognitive readiness under combat conditions, by developing methods to predict and mitigate the effects of stressors (such as information load and uncertainty, workload, social isolation, fatigue, and danger) on performance. As the Army moves towards its goal of becoming the Objective Force (or the Army of the future: lighter, faster and more mobile), psychological researchers will play a vital role in helping maximize soldier performance through an understanding of cognitive, perceptual and social factors.

ARL's Human Research & Engineering Directorate sponsors basic and applied research in the area of human factors, with the goal of optimizing soldiers' interactions with Army systems. Specific behavioral research projects focus on the devel-

opment of intelligent decision aids, control/display/workstation design, simulation and human modeling, and human control of automated systems.

Office of Naval Research (ONR)

The Cognitive and Neural Sciences Division (CNS) of ONR supports research to increase the understanding of complex cognitive skills in humans; aid in the development and improvement of machine vision; improve human factors engineering in new technologies; and advance the design of robotics systems. An example of CNS-supported research is the division's long-term investment in artificial intelligence research. This research has led to many useful products, including software that enables the use of "embedded training." Many of the Navy's operational tasks, such as recognizing and responding to threats, require complex interactions with sophisticated, computer-based systems. Embedded training allows shipboard personnel to develop and refine critical skills by practicing simulated exercises on their own workstations. Once developed, embedded training software can be loaded onto specified computer systems and delivered wherever and however it is needed.

Air Force Research Laboratory (AFRL)

Within AFRL, Air Force Office of Scientific Research (AFOSR) behavioral scientists are responsible for basic research on manpower, personnel, training and crew technology. The AFRL Human Effectiveness Directorate is responsible for more applied research relevant to an enormous number of acknowledged Air Force mission needs ranging from weapons design, to improvements in simulator technology, to improving crew survivability in combat, to faster, more powerful and less expensive training regimens.

As a result of previous cuts to the Air Force behavioral research budget, the world's premier organization devoted to personnel selection and classification (formerly housed at Brooks Air Force Base) no longer exists. This has a direct, negative impact on the Air Force's and other services' ability to efficiently identify and assign personnel (especially pilots). Similarly, reductions in support for applied research in human factors have resulted in an inability to fully enhance human factors modeling capabilities, which are essential for determining human-system requirements early in system concept development, when the most impact can be made in terms of manpower and cost savings. For example, although engineers know how to build cockpit display systems and night goggles so that they are structurally sound, psychologists know how to design them so that people can use them safely and effectively.

SUMMARY

On behalf of APA, I would like to express my appreciation for this opportunity to present testimony before the subcommittee. Clearly, psychological scientists address a broad range of important issues and problems vital to our national security, with expertise in understanding and optimizing cognitive functioning, perceptual awareness, complex decision-making, stress resilience, and human-systems interactions. We urge you to support the men and women on the front lines by reversing another round of dramatic, detrimental cuts to the human-oriented research within the military laboratories, and by increasing support to behavioral research programs within DOD activities related to credibility assessment and counterintelligence.

Below is suggested appropriations report language which would encourage the Department of Defense to fully fund its behavioral research programs within the military laboratories:

"DEPARTMENT OF DEFENSE

"RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

"Behavioral Research in the Military Service Laboratories.—The Committee notes the increased demands on our military personnel, including high operational tempo, leadership and training challenges, new and ever-changing stresses on decision-making and cognitive readiness, and complex human-technology interactions. To help address these issues vital to our national security, the Committee has provided increased funding to reverse cuts to basic and applied psychological research through the military research laboratories: the Air Force Office of Scientific Research and Air Force Research Laboratory; the Army Research Institute and Army Research Laboratory; and the Office of Naval Research."

Senator STEVENS. Our next witness I hate to leave sitting here, Dr. Polly. I will be right back. There is a vote. If you look back and

see all those lights, that means that we are in the last part of the vote.

Our next witness is Dr. David Polly, Professor and Chief of Spine Surgery at the University of Maryland, formerly of Walter Reed Hospital, an eminent surgeon who made it possible for me to walk straight up again.

STATEMENT OF DAVID W. POLLY, JR., M.D., PROFESSOR OF ORTHOPAEDIC SURGERY AND CHIEF OF SPINE SURGERY, UNIVERSITY OF MINNESOTA, ON BEHALF OF THE AMERICAN ASSOCIATION OF ORTHOPAEDIC SURGEONS

Dr. POLLY. Thank you, sir.

Senator STEVENS. Thank you very much.

Dr. POLLY. Mr. Chairman and Senator Inouye: I thank you for this opportunity to testify today. I am Dr. David Polly, Professor of Orthopaedic Surgery at the University of Minnesota, and I speak on behalf of the American Academy of Orthopaedic Surgeons.

I have personally cared for injured soldiers at Walter Reed during four different military conflicts and have been deployed to a war zone as an orthopaedic surgeon in the military. My last assignment was as Chair of the Department of Orthopaedic Surgery and Rehab at Walter Reed.

I speak today in support of the proposal to establish an Orthopaedic Extremity Trauma Research Program at the U.S. Army Institute of Surgical Research (ISR) at Fort Sam Houston, Texas, to fund intramural and extramural orthopaedic trauma research. It is no surprise that approximately 70 percent of all the trauma out of Afghanistan and Iraq is extremity trauma and it is orthopaedic-related—upper extremity, lower extremity, as well as spine trauma. Body armor has done a remarkable job of protecting the soldier's torso, but his or her extremities are very vulnerable to attacks, especially with IEDs. Wounded soldiers who may have died in previous conflicts from their injuries are now surviving and have to recover from these devastating injuries.

There are remarkable examples of injured soldiers overcoming all odds and returning to full function and even Active duty, including the recent return of Captain David Rozelle to duty in Iraq as the first amputee returning to a combat zone in this conflict.

The American Academy of Orthopaedic Surgeons has worked closely with top military orthopaedic surgeons at war class facilities, including the Institute for Surgical Research, Brooke Army Medical Center, and Walter Reed, to identify gaps in orthopaedic trauma research, specifically the need for improved anti-microbial bone replacement, systems for rapid wound irrigation, cleaning and debridement, laboratory investigations of pathogenesis and treatment of persistent infections in orthopaedic trauma, and surgical and pharmacologic methods to treat direct multiple trauma.

To ensure that sufficient research is being supported on orthopaedic musculoskeletal trauma, it is critical that a dedicated program be created within the DOD. Thus the establishment of this orthopaedic trauma research program at ISR.

It is important to note that military orthopaedic surgeons, in addition to personnel at the U.S. Army Medical Research and Materiel Command at Fort Detrick, have had significant input into the creation of this proposal and fully support its goals.

I commend Congress for its commitment to the amputee care funding, especially the establishment of the Amputee Center at Walter Reed, which is near and dear to my heart. Thank you, sir. But another goal must be to do everything possible to salvage wounded limbs in the first place so that a soldier ideally does not need the Amputee Care Center at all. An expanded Federal commitment to orthopaedic extremity trauma would move us closer to this goal.

National Institutes of Health (NIH) funding is directed at problems facing the U.S. population as a whole. This type of war extremity trauma is unique to DOD and not highly prioritized within the NIH. With over 70 percent of military trauma being orthopaedic-related, orthopaedic extremity trauma research clearly would be of great benefits to the sons and daughters of America serving in the global war on terror and in future conflicts.

On behalf of America's soldiers, military orthopaedic surgeons in every branch of the service, and the American Academy of Orthopaedic Surgeons, I respectfully request that this subcommittee establish and fund the Orthopaedic Trauma Research Program to be administered at the U.S. Army Institute of Surgical Research.

Thank you for this opportunity.
[The statement follows:]

PREPARED STATEMENT OF DAVID W. POLLY, JR.

Chairman Stevens, Ranking Member Inouye, Members of the Senate Defense Appropriations Subcommittee, thank you for the opportunity to testify today. My name is David W. Polly, Jr., MD., and I speak today on behalf of the American Academy of Orthopaedic Surgeons, of which I am an active member, as well as on behalf of military and civilian orthopaedic surgeons involved in orthopaedic trauma research and care.

I am a graduate of the United States Military Academy at West Point and was an airborne ranger serving as a line officer in the Army. Subsequently, I attended medical school at the Uniformed Services University of the Health Sciences and trained in orthopaedic surgery at Walter Reed Army Medical Center. I have personally cared for injured soldiers at Walter Reed during four different military conflicts and have been deployed to a war zone as a military orthopaedic surgeon. My last assignment was as Chair of the Department of Orthopaedic Surgery and Rehabilitation at Walter Reed. I retired at the end of 2003 after 24½ years of service. I am currently Professor of Orthopaedic Surgery and Chief of Spine Surgery at the University of Minnesota.

I would like to cover several topics today. First, I would like to discuss the common types of orthopaedic trauma seen out of Iraq and Afghanistan. Second, I will comment on the current state of orthopaedic trauma research. Third, I would like to offer a military perspective, as laid out yearly in extensive research priorities documents, of the direction in which orthopaedic research should head in order to better care for soldiers afflicted with orthopaedic trauma. Finally, I would like to encourage subcommittee members to consider favorably a proposal to create a peer-reviewed grant program, administered by the U.S. Army Institute of Surgical Research (USAISR), to fund intramural and extramural orthopaedic trauma research.

ORTHOPAEDIC TRAUMA FROM OPERATION IRAQI FREEDOM (OIF)

The Armed Forces are attempting to recover significantly injured soldiers to return them to full function or by limiting their disabilities to a functional level in the case of the most severe injuries. The ability to provide improved recovery of function moves toward the goal of keeping injured soldiers part of the Army or service team. Moreover, when they do leave the Armed Forces, these rehabilitated soldiers have a greater chance of finding worthwhile occupations outside of the service and continuing to contribute positively to society. The Army believes that it has a duty and obligation to provide the highest level of care and rehabilitation to those men and women who have suffered the most while serving the country.

It probably comes as no surprise that approximately 70 percent of trauma seen out of Iraq and Afghanistan, as well as in previous conflicts, is orthopaedic-related, especially upper and lower extremity and spine. For example, during the USNS Comfort's 6-month deployment, surgeons on board performed 498 orthopaedic-related procedures accounting for almost 85 percent of the total surgical procedures performed. Of the 210 injured soldiers who have returned to Tripler Army Medical Center in Honolulu, 70 percent have had orthopaedic injuries. For the 447th Mobile Forward Surgical Team (FST) stationed in Baghdad, the extent of orthopaedic injuries has been even greater with 89 percent of the injuries requiring orthopaedic stabilization.

While medical and technological advancements, as well as the use of fast-moving Forward Surgical Teams, have dramatically decreased the lethality of war wounds, wounded soldiers who may have died in previous conflicts from their injuries are now surviving and have to learn to recover from devastating injuries. The vast majority of the orthopaedic injuries seen are to the upper and lower extremities. While body armor does a great job of protecting a soldier's torso, his or her extremities are particularly vulnerable during attacks.

Characteristics of Military Orthopaedic Trauma

According to the New England Journal of Medicine, blast injuries are producing an unprecedented number of "mangled extremities"—limbs with severe soft-tissue and bone injuries. These can be devastating, potentially mortal injuries ("Casualties of War—Military Care for the Wounded from Iraq and Afghanistan," NEJM, December 9, 2004).

The trauma seen thus far is usually inflicted from close proximity and is most often a result of blast devices, such as improvised explosive devices (IEDs) and mortars. The result of such trauma is open, complex wounds with severe bone fragmentation. Often there is nerve damage, as well as damage to tendons, muscles, vessels, and soft-tissue. In these types of wounds, infection is often a problem.

Military Versus Civilian Orthopaedic Trauma

While there are similarities between orthopaedic military trauma and the types of orthopaedic trauma seen in civilian settings, there are several major differences that must be noted. First, with orthopaedic military trauma, there are up to five echelons of care, unlike in civilian settings when those injured are most likely to receive the highest level of care immediately. Instead, wounded soldiers get passed from one level of care to the next, with each level of care implementing the most appropriate type of care in order to ensure the best possible outcome. The surgeon in each subsequent level of care must try to recreate what was previously done. In addition, a majority of injured soldiers have to be medevaced to receive care and transportation is often delayed due to weather or combat conditions. It has been our experience that over 65 percent of the trauma is urgent and requires immediate attention.

Second, soldiers wounded are often in fair or poor health, are frequently malnourished, and usually fatigued due to the demanding conditions. This presents many complicating factors when determining the most appropriate care.

Third, the setting in which care is initially provided to wounded soldiers is less than ideal, to say the least, especially in comparison to a sterile hospital setting. The environment, such as that seen in Iraq and Afghanistan, is dusty and hot, leading to concerns about sterilization of the hospital setting. For example, infection from *acinetobacter baumannii*, a ubiquitous organism found in the desert soil of Afghanistan and Iraq, is extremely common. In addition, the surgical environment is under constant threat of attack by insurgents. In fact, a considerable percentage of the care provided by military surgeons is for injured Iraqis, both friendly and hostile. Finally, the surgical team is faced with limited resources that make providing the highest level of care difficult.

While, as I have stated, there are many unique characteristics of orthopaedic military trauma, there is no doubt that research done on orthopaedic military trauma benefits trauma victims in civilian settings. Many of the great advancements in orthopaedic trauma care have been made during times of war, such as the external fixateur, which has been used extensively during the current conflict as well as in civilian care.

THE CURRENT AND FUTURE STATE OF ORTHOPAEDIC TRAUMA RESEARCH

Since the Vietnam War there have been advances in medical science, both on the civilian and the military side. One example is with microvascular surgery, which is when reconstructive procedures are performed to try to save limbs by putting blood vessels back together again, providing definitive wound coverage of severe open

wounds to get vital structures covered, such as bone, nerves, and tendons. This means taking tissue from one part of the body and moving it to another part of the body and sewing in blood vessels with the use of a microscope. This allows the surgeon to wash, clean, debride and cover severe open contaminated wounds with some type of definitive coverage

At the annual meeting of the Advanced Technology Applications for Combat Casualty Care (ATACCC), medical research priorities are laid out for military research facilities and programs. Many of the priorities expand on research that is currently underway at facilities such as the U.S. Army Institute of Surgical Research (USAISR) and Walter Reed Army Medical Center (WRAMC). I would like to provide you details of some of the research that is already underway and the outlook for these medical research advances.

Anti-microbial Bone-replacement Material

High-energy wounds on the battlefield produce contaminated wounds with bone loss. The goal is to develop a product that can be placed into an open fracture after initial debridement at far forward medical treatment units. The product will deliver a time-release dose of antibiotic into the wound as well as promote bone growth. Evaluation of various materials has been conducted in animal models to determine the best product for treating highly contaminated injuries. Future work focuses on accelerating healing in larger defects, as well as evaluation of antimicrobial bone replacement materials in humans.

Improved Long Bone Splint / cast

The current materials employed to splint injured limbs on the battlefield do not provide optimal support of the injured limb and are too bulky to be carried by the medic along with other required medical supplies. The goal is to develop a smaller and lighter weight splint/cast system that can be molded to the injured limb providing adequate structural support. Research is currently underway on a self-contained splint that can be molded to an injured extremity like a fiberglass or plaster splint without the requirement of external water and extra padding that fiberglass and plaster splinting requires.

System for Rapid Wound Irrigation and Cleaning

Decontamination for prevention of infection in open fractures is essential in caring for battlefield extremity injuries. Development of strategies for decontamination in the far forward environment includes pulsatile irrigation with antimicrobial irrigation solutions. The goal is to identify an antimicrobial irrigation solution that produces optimal decontamination of open fractures. Activity against organisms that are unusual in the United States but have been common and problematic in the Iraq and Afghanistan conflicts are being considered. Characteristics of the contaminated wound, such as bacterial biofilm formation and its effect on the ability to decontaminate, are also being explored. Research is currently being conducted in an animal model.

Temporary Skin Substitute

Prevention of contamination of open wounds after battlefield injury would prevent infection in minor to moderate wounds. The focus is on the development of a rapid set polymer that can be applied to a wound after cleaning.

System of Assessing Wound Tissue Viability and Cleaning

Determination of adequate debridement to remove contaminated and dead tissue is essential in the treatment of battlefield injuries. Research in this area to produce a hand held, portable device that can provide a real time assessment of tissue viability as an adjunct to surgical debridement is ongoing.

Measuring Physical and Psychological Outcomes for Survivors of Severe Penetrating Upper Extremity Injury Sustained on the Battlefield in Iraq and Afghanistan

A proposal to study the functional outcomes of U.S. casualties following major limb injury is being finalized by the U.S. Army Institute of Surgical Research. This study will help to determine the effect of these injuries as well as to identify areas for research in the future. The initial look will be a pilot study of the casualties from the conflicts. The ultimate goal is to establish a project to study these casualties prospectively throughout their treatment course.

Joint Theater Trauma Registry (JTTR)

The U.S. Army Institute of Surgical Research has developed this registry modeled after trauma registries mandated by the American College of Surgeons at U.S. trauma centers. This registry provides demographic and injury data on U.S. casualties

in Afghanistan and Iraq. It will be very useful in determining outcomes from major limb battlefield injury.

There are also many exciting proposals for orthopaedic trauma research that have not been explored, such as:

- Laboratory investigations on the pathogenesis and treatment of persistent infections in orthopaedic trauma.
- Those injured in Iraq are suffering from a significant rate of wound infection, despite standard of care treatment. *Acinetobacter*, a bacterium, has been identified as a frequent cause of these infections, and research is needed into the pathogenesis of this organism in traumatic wounds, and evaluation of novel treatments.
- Surgical and pharmacologic methods for the treatment of direct muscle trauma.

STORIES FROM THE FRONTLINES

There have been many heroic stories of injured soldiers struggling to regain function and to return to normal life, or even back to service. I am sure you heard about Captain David Rozelle, a Commander in the 3rd Armored Cavalry Regiment, who was the first OIF amputee to return to active duty back in March 2005 less than 2 years after having his right foot blown off by a landmine. In an interview with the National Review Online (2/14/05), when asked why he wanted to return to duty, Capt. Rozelle responded, "I am smarter, stronger, and more ready to help create freedom for the Iraqi people." Before returning to Iraq, Capt. Rozelle even completed the New York City Marathon. His heroic attitude, coupled with the superior care he received following his injuries, made Capt. Rozelle's return to service possible.

Another story was recently highlighted in a March 2005 National Public Radio (NPR) series titled "Caring for the Wounded: The Story of Two Marines." The story followed two Marines injured in Iraq: 1st Sgt. Brad Kasal and Lance Cpl. Alex Nicoll. Lance Cpl. Nicoll had to have his left leg amputated as a result of his injuries from gunshot wounds. While Nicoll continues to undergo physical therapy at Walter Reed to get used to his new prosthetic leg, made from graphite and titanium, his doctors, therapists, and he are confident that he will return to full function. In fact, shortly after the NPR series ran, Nicoll visited New Hampshire for a snowboarding vacation.

While Sgt. Kasal's was so seriously injured that he lost 4 inches of bone in his right leg, due to medical advances in limb salvaging, Sgt. Kasal did not have to have his leg amputated. Kasal is currently undergoing a bone growth procedure, called the Illizarov Technique, which grows the bone 1 millimeter a day. In about 4 months, it is likely that Kasal will be able to walk on both of his own legs. These stories clearly illustrate the benefits of orthopaedic trauma research to America's soldiers.

ORTHOPAEDIC TRAUMA RESEARCH PROGRAM

The American Academy of Orthopaedic Surgeons (AAOS) and military and civilian orthopaedic surgeons and researchers are grateful that the committee included language in the fiscal year 2005 Defense Appropriations Bill to make "orthopaedic extremity trauma research" a priority research topic within the Peer Reviewed Medical Research Program. From all indications, the number of grants submitted under this topic has been incredibly high compared to other research priorities listed in previous years. Clearly, there is both a need and a demand for funding for orthopaedic trauma research.

With orthopaedic trauma being the most common form of trauma seen in military conflicts, it is crucial that there be funding dedicated specifically to the advancement of related trauma research. The American Academy of Orthopaedic Surgeons (AAOS) has worked closely with the top military orthopaedic surgeons, at world-class facilities such as the U.S. Army Institute of Surgical Research, Fort Sam Houston, TX, Brooke Army Medical Center, and Walter Reed Army Medical Center, to identify gaps in orthopaedic trauma research and care, such as the need for improved anti-microbial bone-replacement material; systems for rapid wound irrigation, cleaning and debridement; laboratory investigations on the pathogenesis and treatment of persistent infections in orthopaedic trauma; and surgical and pharmacologic methods for the treatment of direct muscle trauma.

The result of these discussions has been a proposal to create an Orthopaedic Trauma Research Program, administered by the U.S. Army Institute of Surgical Research (USAISR) at Fort Sam Houston, Texas, to fund peer-reviewed intramural and extramural orthopaedic trauma research. The USAISR is the only Department of Defense Research laboratory devoted solely to improving combat casualty care. Having the program administered by the USAISR will ensure that the research

funding follows closely the research priorities laid out by the Army and the Armed Forces, will be of the most benefit to injured soldiers, and will better ensure collaboration between military and civilian research facilities. USAISR has extensive experience administering similar grant programs.

It is important to note that military orthopaedic surgeons, in addition to personnel at the U.S. Army Medical Research and Materiel Command, Fort Detrick, have had significant input into the creation of this proposal and fully support its goals.

CONCLUSION

I hope that I have given you a well-rounded perspective on the extent of what orthopaedic trauma military surgeons are seeing and a glimpse into the current and future research for such trauma. Military trauma research currently being carried out at military facilities, such as WRAMC and the USAISR, and at civilian medical facilities, is vital to the health of our soldiers. The USAISR takes a leadership role in the administration of funding for peer-reviewed intramural and extramural orthopaedic trauma research. The research carried out at these facilities is vital to the Armed Forces' objective to return injured soldiers to full function in hopes that they can continue to be contributing soldiers and active members of society.

Mr. Chairman, the American Academy of Orthopaedic Surgeons, as well as the entire orthopaedic community, stands ready to work with this subcommittee to identify and prioritize research opportunities for the advancement of orthopaedic trauma care. Military and civilian orthopaedic surgeons and researchers are committed to advancing orthopaedic trauma research that will benefit the unfortunately high number of soldiers afflicted with such trauma and return them to full function. It is imperative that the Federal Government, when establishing its defense health research priorities in the fiscal year 2006 Defense Appropriations bill, ensure that orthopaedic trauma research is a top priority.

I urge you to establish the Orthopaedic Trauma Research Program at a funding level of \$25 million. While Congress funds an extensive array of medical research through the Department of Defense, with over 70 percent of military trauma being orthopaedic-related, no other type of medical research would better benefit our men and women serving in the War on Terror and in future conflicts.

Senator STEVENS. Well, thank you very much, Dr. Polly. Every time we go out to Walter Reed or Bethesda to visit the wounded people, I am convinced in this war we are having fewer deaths, but more severe injuries.

Dr. POLLY. Yes, sir.

Senator STEVENS. Those too are going to require a considerable amount of research. As I said before, I do not know anyone that could match your ability in that.

For the information of the audience, I had two back operations. After each one I went back to the same condition of not being able to stand up straight. Dr. Polly theorized that there was something in the spine rather than in the disks and he pursued his theory to my success. I run, I play tennis, I lift weights and I swim because of your skill and research, doctor. So we will follow you anywhere.

Dr. POLLY. Thank you, sir.

Senator STEVENS. Thank you very much.

Senator INOUE. Will you check me out?

Dr. POLLY. Yes, sir. Right now?

Senator INOUE. May I ask a question.

Dr. POLLY. Yes, Senator.

Senator INOUE. A few days ago the base realignment and closure (BRAC) decisions were announced. Will that have any impact on your program?

Dr. POLLY. Sir, it is a needed realignment. There is some overt redundancy between Bethesda and Walter Reed and there are opportunities from the combination. The challenge is how to do it right. I think if you keep the spirit alive—I know that you spoke

in 1988 at a dining-in at Walter Reed that I attended and you inspired each and every one of us, and we will be terribly sorry to lose the legacy of that institution and the 100 years of service and the many, many, many great Americans who have gone through there and received their care.

But I think we need to move forward and to the future. One of the challenges at Walter Reed is simply parking and that people cannot get on and off the campus there and they do not have good public transportation. Bethesda is a better solution.

While as a West Point graduate I admit a bias toward the Army, I recognize the overriding need for the good of DOD and the concept of the Walter Reed National Military Medical Center at Bethesda is a good idea. It should allow us to leverage the benefits of the NIH and build the world-class—continue the world-class facility that it is to provide the best care possible today, tomorrow, and in the future for the sons and daughters of America.

Senator INOUE. Do you have any thoughts on the Uniformed Services University of the Health Sciences (USUHS)?

Dr. POLLY. Yes, sir. I am a graduate of the Uniformed Services University. I went to West Point, I served as a line officer, and then decided I wanted to go to medical school. I interviewed at the University of Virginia and had a deposit down on a place to live there. I went and interviewed at USUHS and was so inspired by J.P. Sanford and the program there that I changed my mind at the last minute and went to school there.

That school is the reason that there was military medical care coordination in Desert Storm, because the USUHS graduates in the Army and the Navy and the Air Force called each other up and said: I am short on fluids; what have you got? Well, I got this and I got that. And there was a lot of horse-trading that went on that coordinated the care because of the network of interconnected people across the DOD.

USUHS now serves as the hub for thinking about military medical care and we need to keep the best and brightest minds either on a consulting basis or a full-time basis there to stimulate the thoughts so that we can do a better job for the next generation of people serving our country.

Senator INOUE. I thank you very much, doctor. You have been most reassuring.

Dr. POLLY. Thank you, sir.

Senator STEVENS. Well said, doctor. We are going to pursue you on that, too.

The next witness is Carolina Hinestrosa, the Executive Vice President for Programs of the National Breast Cancer Coalition.

STATEMENT OF CAROLINA HINESTROSA, EXECUTIVE VICE PRESIDENT OF PROGRAMS AND PLANNING, NATIONAL BREAST CANCER COALITION

Ms. HINESTROSA. Good afternoon. Thank you, Chairman Stevens and ranking member Inouye. Thank you and your subcommittee for your great determination and leadership in helping us secure funding for understanding how to prevent and cure breast cancer through the Department of Defense breast cancer research program.

I am a two-time breast cancer survivor. I am a wife and a mother and, as you know, I am Executive Vice President of the National Breast Cancer Coalition. On behalf of the coalition and the more than 3 million women living with breast cancer, I thank you for the opportunity to speak today.

We are requesting level funding for the breast cancer research program this year. This program is a critical research program that has transformed biomedical research. It has established itself as a model that is admired around the world for its accountability and innovation. This critical program—it is important that this program maintains its structure and integrity. The program fills critical gaps in breast cancer research.

As the Institute of Medicine (IOM) has pointed out in two separate reports, the DOD breast cancer research program fills an unmet need in breast cancer research in this community and is not duplicative of other programs. In both reports the IOM recommends that the program continue. Any changes to the structure of the program could significantly undermine its innovation and its ability to fund cutting edge breast cancer research.

An inherent component of this program has been the inclusion of consumer advocates at every level, which has created an unprecedented working relationship between advocates and scientists and ultimately has led to new avenues of research in breast cancer. Since 1992 over 400 breast cancer survivors have served in the peer review panels for the DOD breast cancer research program and their vital role is key to the success of this model of biomedical research which is imitated around the world.

The program is accountable to the public. Every cent that is spent must be reported at a public meeting held every 2 years, called Era of Hope. The Era of Hope meeting this year is just a few weeks away in Philadelphia, from June 8 through June 11. I hope you all will be able to attend this meeting to see the incredible progress that is being made through this program.

I want to provide you with a couple of examples of research that has been funded through this program and that is making a real difference. You have heard about Timoxicin, a drug that was developed many years ago for a certain type of breast cancer. About 50 percent of women respond to that drug and some others and we do not know—we did not know who was able to respond. Funding by this program has identified two genes that can predict who would respond from this drug Timoxicin, so we will be able to give it to the right people.

But most stunningly, last night I listened to a presentation in Orlando at the American Society for Clinical Oncology where they presented the results of a study of women with earlier breast cancer which was unprecedented. Using a biological monitor and an antibody of a drug, Receptin, they were able to show a 50 percent improvement in survival for women who have a particularly aggressive type of breast cancer.

This funding for this type of research was possible in the early years by the Department of Defense breast cancer research program. It was innovative research and visionary research that was languishing and not being funded anywhere else. The DOD breast cancer research program understood and recognized the potential

impact of this research and funded it in the early years and then the research progressed to women with advanced breast cancer and now with early breast cancer. The results from this research are about a 50 percent improvement in outcomes for these women.

So clearly the vision, the innovation of this program, is paying in a very important way to the American taxpayer.

On behalf of the women with breast cancer and on behalf of our daughters and granddaughters who are counting on us to do the right thing, I thank you for your support and urge level funding for this program.

[The statement follows:]

PREPARED STATEMENT OF CAROLINA HINESTROSA

Thank you, Mr. Chairman and members of the Appropriations Subcommittee on Defense, for the opportunity to speak to you today about a program that, with little Federal investment, goes a long way toward increasing and improving breast cancer research. You and your committee have shown great determination and leadership in searching for the answers by funding the Department of Defense (DOD) Peer-Reviewed Breast Cancer Research Program (BCRP) at a level that has brought us closer to eradicating this disease.

I am Carolina Hinestrosa, a two-time breast cancer survivor, a wife and mother, and Executive Vice President for Programs and Planning of the National Breast Cancer Coalition (NBCC). On behalf of NBCC, and the more than 3 million women living with breast cancer, I would like to thank you again for the opportunity to testify today.

The DOD BCRP's 13 years of progress in the fight against breast cancer has been made possible by the Appropriations Committee's investment in breast cancer research. To continue this unprecedented progress, we ask that you support level funding for this program—a \$150 million appropriation for fiscal year 2006. As an Institute of Medicine (IOM) report concluded last year, there continues to be excellent science that goes unfunded, but for this small program, which is why we believe that the BCRP should be appropriated level funding for fiscal year 2006.

As you know, the National Breast Cancer Coalition is a grassroots advocacy organization made up of more than 600 organizations and tens of thousands of individuals and has been working since 1991 toward the eradication of breast cancer through advocacy and action. NBCC supports increased funding for breast cancer research, increased access to quality health care for all women, and increased influence of breast cancer activists at every table where decisions regarding breast cancer are made.

WHY THE DOD BREAST CANCER RESEARCH PROGRAM NEEDS LEVEL FUNDING IN FISCAL YEAR 2006

In the past 13 years, the DOD Peer-Reviewed Breast Cancer Research Program has established itself as a model medical research program, respected throughout the cancer and broader medical community for its innovative and accountable approach. The groundbreaking research performed through the program has the potential to benefit not just breast cancer, but all cancers, as well as other diseases. Biomedical research is being transformed by the BCRP's success.

This program is both innovative and incredibly streamlined. It continues to be overseen by a group of distinguished scientists and activists, as recommended by the IOM. Because there is no bureaucracy, the program is able to respond quickly to what is currently happening in the scientific community. It is able to fill gaps with little red tape. It is responsive, not just to the scientific community, but also to the public.

This program has matured from an isolated research program to a broad-reaching influential voice forging new and innovative directions for breast cancer research and science. The flexibility of the program has allowed the Army to administer this groundbreaking research effort with unparalleled efficiency and effectiveness.

In addition, an inherent part of this program has been the inclusion of consumer advocates at every level, which has created an unprecedented working relationship between advocates and scientists, and ultimately has led to new avenues of research in breast cancer. Since 1992, nearly 800 breast cancer survivors have served on the BCRP review panels. Their vital role in the success of the BCRP has led to con-

sumer inclusion in other biomedical research programs at DOD. This program now serves as an international model.

THE DOD PEER REVIEWED BCRP PROVIDES UNIQUE FUNDING OPPORTUNITIES

It is important to note that the DOD Integration Panel that designs this program has a plan of how best to spend the funds appropriated. This plan is based on the state of the science—both what scientists know now and the gaps in our knowledge—as well as the needs of the public. This plan coincides with our philosophy that we do not want to restrict scientific freedom, creativity or innovation. While we carefully allocate these resources, we do not want to predetermine the specific research areas to be addressed.

Developments in the past few years have begun to offer breast cancer researchers fascinating insights into the biology of breast cancer and have brought into sharp focus the areas of research that hold promise and will build on the knowledge and investment we have made. The Innovative Developmental and Exploratory Awards (IDEA) grants of the DOD program have been critical in the effort to respond to new discoveries and to encourage and support innovative, risk-taking research. The IDEA grants have been instrumental in the development of promising breast cancer research. These grants have allowed scientists to explore beyond the realm of traditional research and have unleashed incredible new ideas and concepts. IDEA grants are uniquely designed to dramatically advance our knowledge in areas that offer the greatest potential.

IDEA grants are precisely the type of grants that rarely receive funding through more traditional programs such as the National Institutes of Health, and academic research programs. Therefore, they complement, and do not duplicate, other Federal funding programs. This is true of other DOD award mechanisms as well.

For example, the Innovator awards are structured to invest in world renowned, outstanding individuals, rather than projects, from any field of study by providing funding and freedom to pursue highly creative, potentially breakthrough research that could ultimately accelerate the eradication of breast cancer. The Era of Hope Scholar is intended to support the formation of the next generation of leaders in breast cancer research, by identifying the best and brightest independent scientists early in their careers and giving them the necessary resources to pursue a highly innovative vision toward ending breast cancer.

Also, Historically Black Colleges and Minority Universities/Minority Institutions Partnership Awards are intended to provide assistance at an institutional level. The major goal of this award is to support collaboration between multiple investigators at an applicant Minority Institution and a collaborating institution with an established program in breast cancer research, for the purpose of creating an environment that would foster breast cancer research, and in which Minority Institute faculty would receive training toward establishing successful breast cancer research careers.

These are just a few examples of innovative approaches at the DOD BCRP that are filling gaps in breast cancer research. It is vital that these grants are able to continue to support the growing interest in breast cancer research—\$150 million for peer-reviewed research will help sustain the program's momentum.

The DOD BCRP also focuses on moving research from the bench to the bedside. A major feature of the awards offered by the BCRP is that they are designed to fill niches that are not offered by other agencies. The BCRP considers translational research to be the application of well-founded laboratory or other pre-clinical insight into a clinical trial. To enhance this critical area of research, several research opportunities have been offered. Clinical Translational Research Awards have been awarded for investigator-initiated projects that involve a clinical trial within the lifetime of the award. The BCRP expanded its emphasis on translational research by offering five different types of awards that support work at the critical juncture between laboratory research and bedside applications.

The Centers of Excellence awards mechanism brings together the world's most highly qualified individuals and institutions to address a major overarching question in breast cancer research that could make a major contribution towards the eradication of breast cancer. These Centers put to work the expertise of basic, epidemiology and clinical researchers, as well as consumer advocates to focus on a major question in breast cancer research. Many of these centers are working on questions that will translate into direct clinical applications.

SOME OF THE MANY EXAMPLES OF SCIENTIFIC ACHIEVEMENTS BROUGHT ABOUT BY THIS COMMITTEE'S INVESTMENT IN THE DOD PEER REVIEWED BCRP

The BCRP research portfolio is comprised of many different types of projects, including support for innovative ideas, infrastructure building to facilitate clinical trials, and training breast cancer researchers.

One of the most promising outcomes of research funded by the BCRP was the development of Herceptin, a drug that prolongs the lives of women with a particularly aggressive type of advanced breast cancer. This drug could not have been developed without first researching and understanding the gene known as HER-2/neu, which is involved in the progression of some breast cancers. Researchers found that over-expression of HER-2/neu in breast cancer cells results in very aggressive biologic behavior. Most importantly, the same researchers demonstrated that an antibody directed against HER-2/neu could slow the growth of the cancer cells that over-expressed the gene. This research, which led to the development of the drug Herceptin, was made possible in part by a DOD BCRP-funded infrastructure grant. Other researchers funded by the BCRP are currently working to identify similar kinds of genes that are involved in the initiation and progression of cancer. They hope to develop new drugs like Herceptin that can fight the growth of breast cancer cells.

Another example of success from the program is a study of sentinel lymph nodes (SLNs). This study confirmed that SLNs are indicators of metastatic progression of disease. The resulting knowledge from this study and others has led to a standard of care that includes lymph node biopsies. If the first lymph node is negative for cancer cells, then it is unnecessary to remove all the lymph nodes. This prevents lymphodermatitis, which can be painful and have lasting complications.

Several studies funded by the BCRP will examine the role of estrogen and estrogen signaling in breast cancer. For example, one study examined the effects of the two main pathways that produce estrogen. Estrogen is often processed by one of two pathways; one yields biologically active substances while the other does not. It has been suggested that women who process estrogen via the biologically active pathway may be at higher risk of developing breast cancer. It is anticipated that work from this funding effort will yield insights into the effects of estrogen processing on breast cancer risk in women with and without family histories of breast cancer.

One DOD IDEA award success has supported the development of new technology that may be used to identify changes in DNA. This technology uses a dye to label DNA adducts, compounds that are important because they may play a role in initiating breast cancer. Early results from this technique are promising and may eventually result in a new marker/method to screen breast cancer specimens.

Investigators funded by the DOD have developed a novel imaging technique that combines two-dimensional and three-dimensional digital mammographic images for analysis of breast calcifications. Compared to conventional film screen mammography, this technique has greater resolution. Ultimately, this technique may help reduce the number of unnecessary breast biopsies.

Despite the enormous successes and advancements in breast cancer research made through funding from the DOD BCRP, we still do not know what causes breast cancer, how to prevent it, or how to cure it. It is critical that innovative research through this unique program continues so that we can move forward toward eradicating this disease.

CONGRESS AND TAXPAYERS KNOW HOW THEIR INVESTMENT IS SPENT AND THAT THE DOD PEER REVIEWED BCRP IS FEDERAL MONEY WELL SPENT

The DOD BCRP is as efficient as it is innovative. In fact, 90 percent of funds go directly to research grants. The flexibility of the program allows the Army to administer it in such a way as to maximize its limited resources. The program is able to quickly respond to current scientific advances, and fulfills an important niche by focusing on research that is traditionally underfunded. This was confirmed and reiterated in an IOM report released last year. It is responsive to the scientific community and to the public. This is evidenced by the inclusion of consumer advocates at both the peer and programmatic review levels. The consumer perspective helps the scientists understand how the research will affect the community, and allows for funding decisions based on the concerns and needs of patients and the medical community.

Since 1992, the BCRP has been responsible for managing \$1.66 billion in appropriations. From its inception through fiscal year 2003, 4,073 awards at 420 institutions throughout the United States and the District of Columbia have been awarded. Approximately 150 awards will be granted for fiscal year 2004. The areas of focus of the DOD BCRP span a broad spectrum and include basic, clinical, behav-

ioral, environmental sciences, and alternative therapy studies, to name a few. The BCRP benefits women and their families by maximizing resources and filling in the gaps in breast cancer research. Scientific achievements that are the direct result of the DOD BCRP grants are undoubtedly moving us closer to eradicating breast cancer.

The outcomes of the BCRP-funded research can be gauged, in part, by the number of publications, abstracts/presentations, and patents/licensures reported by awardees. To date, there have been more than 6,200 publications in scientific journals, more than 4,200 abstracts and 140 patents/licensure applications. The Federal Government can truly be proud of its investment in the DOD BCRP.

RESEARCHERS, CONSUMERS AND POLICY MAKERS AGREE: THE DOD PEER REVIEWED
BCRP SHOULD CONTINUE

The National Breast Cancer Coalition has been the driving force behind this program for many years. The success of the DOD Peer-Reviewed Breast Cancer Research Program has been illustrated by several unique assessments of the program. The IOM, which originally recommended the structure for the program, independently re-examined the program in a report published in 1997. They published another report on the program in 2004. Their findings overwhelmingly encouraged the continuation of the program and offered guidance for program implementation improvements.

The 1997 IOM review of the DOD Peer-Review Breast Cancer Research Program commended the program and stated that, "the program fills a unique niche among public and private funding sources for cancer research. It is not duplicative of other programs and is a promising vehicle for forging new ideas and scientific breakthroughs in the nation's fight against breast cancer." The IOM report recommended continuing the program and established a solid direction for the next phase of the program. The 2004 report reiterated these same statements and indicated that is important for the program to continue. It is imperative that Congress recognizes the independent evaluations of the DOD Breast Cancer Research Program, as well as reiterates its own commitment to the program by appropriating the funding needed to ensure its success.

The DOD Peer-Reviewed Breast Cancer Research Program not only provides a funding mechanism for high-risk, high-return research, but also reports the results of this research to the American people at a biennial public meeting called the Era of Hope. The Era of Hope meeting has set a precedent, it is the first time a federally funded program reported back to the public in detail not only on the funds used, but also on the research undertaken, the knowledge gained from that research and future directions to be pursued. The transparency of the BCRP allows scientists, consumers and the American public to see the exceptional progress made in breast cancer research.

At the 2002 Era of Hope meeting, all BCRP award recipients from fiscal years 1998-2000 were invited to report their research findings, and many awardees from previous years were asked to present advancements in their research. Scientists reported important advances in the study of cancer development at the molecular and cellular level. Researchers presented the results of research that elucidates several genes and proteins responsible for the spread of breast cancer to other parts of the body, and, more importantly, reveals possible ways to stop this growth. The meeting, which marked the 10th anniversary of the program, also featured grant recipients who are working towards more effective and less toxic treatments for breast cancer that target the unique characteristics of cancer cells and have a limited effect on normal cells. The next meeting will be held in June 2005.

The DOD Peer-Reviewed Breast Cancer Research Program has attracted scientists with new ideas and has continued to facilitate new thinking in breast cancer research and research in general. Research that has been funded through the DOD BCRP is available to the public. Individuals can go to the Department of Defense website and look at the abstracts for each proposal at <http://cdmrp.army.mil/bcrp/>.

COMMITMENT OF THE NATIONAL BREAST CANCER COALITION

The National Breast Cancer Coalition is strongly committed to the DOD program in every aspect, as we truly believe it is one of our best chances for finding cures and preventions for breast cancer. The Coalition and its members are dedicated to working with you to ensure the continuation of funding for this program at a level that allows this research to forge ahead.

In May 1997, our members presented a petition with more than 2.6 million signatures to congressional leaders on the steps of the Capitol. The petition called on the

President and the U.S. Congress to spend \$2.6 billion on breast cancer research between 1997 and the year 2000. Funding for the DOD Peer-Reviewed Breast Cancer Research Program was an essential component of reaching the \$2.6 billion goal that so many women and families worked for.

Once again, NBCC is bringing its message to Congress. Just over 1 month from now, many of the women and family members who supported the campaign to gather the 2.6 million signatures will come to NBCCF's Annual Advocacy Training Conference here in Washington, DC. More than 600 breast cancer activists from across the country will join us in continuing to mobilize our efforts to end breast cancer. The overwhelming interest in, and dedication to eradicate this disease continues to be evident as people not only are signing petitions, but are willing to come to Washington, DC from across the country to deliver their message about their commitment.

Since the very beginning of this program in 1992, Congress has stood in support of this important investment in the fight against breast cancer. In the years since, Mr. Chairman, you and this entire committee have been leaders in the effort to continue this innovative investment in breast cancer research.

NBCC asks you, Defense Appropriations Subcommittee, to recognize the importance of what has been initiated by the Appropriations Committee. You have set in motion an innovative and highly efficient approach to fighting the breast cancer epidemic. What you must do now is support this effort by continuing to fund research that will help us win this very real and devastating war against a cruel enemy.

Thank you again for the opportunity to submit testimony and for giving hope to the 3 million women in the United States living with breast cancer.

Senator INOUE [presiding]. Thank you very much. I think you should also thank the members of the United States Senate, because you may notice that this is in a defense account. It should have been in the health account. But as we all know, the health account is lacking in appropriate funds. Therefore, with the permission of the Senate, we have put it in the defense fund.

Ms. HINESTROSA. And I thank you for that.

Senator INOUE. You can be assured that will continue.

Ms. HINESTROSA. Thank you very much.

Senator INOUE. Thank you.

Our next witness is the Director of the Osteoporosis Research Center on behalf of the National Coalition for Osteoporosis and Related Bone Diseases, Dr. Robert Recker. Doctor.

STATEMENT OF ROBERT RECKER, M.D., DIRECTOR, OSTEOPOROSIS RESEARCH CENTER, ON BEHALF OF THE NATIONAL COALITION FOR OSTEOPOROSIS AND RELATED BONE DISEASES

Dr. RECKER. Mr. Chairman, I am Robert Recker, Director of the Osteoporosis Center at Creighton University in Omaha, Nebraska. I am testifying on behalf of the National Coalition for Osteoporosis and Related Bone Diseases. We appreciate the opportunity to discuss the necessity for continued support and funding of the bone health and military medical readiness research program within the Department of Defense.

This research program addresses the problem of stress fractures. These fractures are the most serious overuse injuries that are the result of repeated stresses that occur in vigorous training and not from a single traumatic event. Stress fracture injury has a marked impact on the health and force readiness of military personnel, imposing significant costs in medical care, extended training time, attrition of personnel, and ultimately military readiness.

It is one of the most common and disabling overuse injuries seen in military recruits today, particularly in women. Approximately 50 percent of all women and 30 percent of all men sustain an overuse injury in basic training, and the majority of soldiers pulled from

training for rehabilitation suffer from stress fractures. Worse, 40 percent of the men and 60 percent of the women pulled from training due to stress fracture do not return and are retired from the military and discharged. Those who do return require 80 to 120 days of rehabilitation.

At Fort Jackson alone, an estimated \$26 million was spent in one year on training 749 soldiers later discharged due to stress fracture. Our own archive from our experience and research at Fort Leonard Wood shows that extent of these fractures that range from pelvic fractures to upper hip fractures, mid-leg fractures, lower limb fractures, foot fractures. Some of them are disabling for life.

The bone health and military medical readiness research program has provided some practical solutions to help protect, sustain, and enhance the performance of military personnel. Research with human and animal models has revealed the following. The length of stride for women is related to fracture. Genetics plays a role in bone marrowization and structural processes of bone that influence strength. Calorie restriction and calcium deficiency result in decreased structural properties of bone and contribute to decreased bone strength. Oral contraceptive use contributes to reduced bone mass, which increases fracture risk. Chronic alcohol consumption inhibits bone formation.

We at Creighton, collaborating with military scientists, have demonstrated that heel ultrasound measurement and assessment of risk factors, such as physical fitness, smoking, use of injectable contraceptives, performed at the onset of basic training predict risk of stress fractures. As a result of such research, technologies such as positron emission tomography, acoustic emission, are being developed for higher imaging and better identification of stress fractures. Modifications have been made to the U.S. Army physical fitness training program to reduce fractures while hopefully not decreasing the overall fitness of military recruits at the end of basic training.

Studies are ongoing to determine whether Vitamin D or calcium supplementation decreases the incidence of stress fractures in new recruits. Additional research is needed. We need better approaches to identify and improve bone health in recruits, interventions to reduce stress fracture during strenuous physical training and deployment, and acceleration of stress fracture healing and return to full status.

Mr. Chairman, in summary, stress fractures continue to occur, significantly impair military readiness, and delay the time to battlefield deployment. It is imperative that the Department of Defense build on recent findings and maintain an aggressive and sustained bone health research program at a level of \$6 million in fiscal year 2006.

Thank you very much.
[The statement follows:]

PREPARED STATEMENT OF JOAN GOLDBERG, EXECUTIVE DIRECTOR, AMERICAN SOCIETY FOR BONE AND MINERAL RESEARCH

Mr. Chairman and members of the committee, I am Joan Goldberg, Executive Director of the American Society for Bone and Mineral Research and I am testifying on behalf of the National Coalition for Osteoporosis and Related Bone Diseases. The members of the Bone Coalition are the American Society for Bone and Mineral Re-

search, the National Osteoporosis Foundation, the Paget Foundation for Paget's Disease of Bone and Related Disorders, and the Osteogenesis Imperfecta Foundation. We appreciate this opportunity to discuss with you the necessity for continued support and funding of the Bone Health and Military Medical Readiness Research Program within the Department of Defense (DOD).

The Bone Health and Military Medical Readiness Research Program addresses a critical obstacle to military readiness and a major cause of low soldier retention during basic training and thereafter. This program supports research to improve our understanding of stress fracture risk, to develop better assessment and prevention methods, all aimed at the preservation of bone health in military men and women. Currently, a significant research effort underway to protect and enhance bone health is targeting the elimination of training-related stress fractures.

Stress fracture injury has a marked impact on the health and force readiness of military personnel, imposing significant costs to the Department of Defense in terms of medical care, extended training time, attrition of military personnel and, ultimately, military readiness. It is one of the most common and potentially debilitating overuse injuries seen in military recruits today, particularly in women. Recent statistics show that approximately 50 percent of all women and 30 percent of all men sustain an overuse injury in basic training. The majority of soldiers pulled from training for rehabilitation suffer from stress fracture. Worse, 40 percent of the men and 60 percent of the women pulled from training due to stress fracture do not return to training. In fact, they are discharged from the military. Those who do return to training require 80 to 120 days of rehabilitation. At Fort Jackson alone, over a 1-year period an estimated \$26 million was spent on training 749 soldiers later discharged due to stress fracture. This does not include costs related to health care.

Stress fractures occur when muscles transfer the overload of strain to the bone, most commonly in the lower leg, and cause a tiny crack. Anyone who suddenly increases his or her frequency, intensity, or duration of physical activity, such as reservists or soldiers returning from long deployments where physical activity could not be undertaken on a regular basis, has an increased risk of developing lower body stress fractures. There are several forms of stress fractures that require more involved treatment. Stress fractures in the "knobby" part of the femur—the bone that fits into the hip socket or hip bone itself—sometimes progress to full fractures or larger fractures and interrupt the blood supply to the thigh bone portion of the hip joint. This in turn can cause early degenerative changes in the hip joint. Physicians consider this type of stress fracture to be a medical emergency for this reason. Other particularly slowly healing stress fractures include those of the navicular (foot bone), anterior cortex of the tibia (front portion of the mid-shin bone) and proximal fifth metatarsal (a bone in the foot). Healing takes months.

The Bone Health and Military Medical Readiness Research Program is already providing the military with some practical solutions to help protect, sustain and enhance the performance of military personnel. Research using animal and human models to study the influence of genetics, nutrition, exercise, and other influences on bone quality, and fracture risk, has revealed the following:

- The length of stride for women is related to fracture.
- Genetics plays a role not only in bone mineralization, but significantly influences other structural properties of bone that influence bone strength. Further, genetics influences the sensitivity of bone tissue to mechanical loading and unloading. ("Loading" is experienced when moving, with higher load experienced when bending over, lifting weights, etc.)
- In identical environments, the genetic influence of mechanical loading is site specific, and affects different kinds of bone differently.
- In the tibia, the most common site of stress fracture injury, bone tissue compensates for the smaller geometry of this bone through variations in material properties that result in increased susceptibility to bone damage under conditions of repetitive loading.
- Caloric restriction and calcium deficiency—common to women on diets—result in decreased structural properties of bone, and may contribute to decreased bone strength. (Weaker bones may suffer more damage.)
- Oral contraceptive use contributes to reduced bone mass accumulation. (Low bone mass increases fracture risk.)
- Chronic alcohol consumption inhibited tibial bone formation, possibly through observed decreases in production of the growth factor IGF-I.
- The growth factor IGF-I is critical for puberty-induced bone growth, further supporting a prominent role for IGF-I in bone formation.
- Meta-analyses—reviews of multiple studies—confirm that both aerobic exercise and resistance training improve bone density at multiple sites in women.

- Short-term exercise was sufficient to elicit improvements in mechanical properties of male but not female mice, indicating a gender-specific response to exercise.
 - Individuals with dark skin or who are receiving minimal sun exposure—e.g. in late winter—demonstrate Vitamin D deficiency and may benefit from supplementation with Vitamin D, important in maintaining bone health.
- As a result of research such as the above:
- A successful working prototype of a small-scale, high resolution positron emission tomography (PET) device was developed, for higher imaging and better identification of stress fractures.
 - Acoustic emission, a promising new method to detect microdamage in bone, detected changes in bone prior to its breaking in a laboratory setting.
 - Modifications have already been made to the U.S. Army physical fitness training program to decrease the volume of running and marching activities that take place during recruit training in an effort to reduce stress fracture injuries. This impact is being tracked.
 - A study is ongoing to determine whether Vitamin D supplementation decreases the incidence of stress fracture in new recruits.
- Additional bone research is needed, including better approaches to identify and improve bone health in at risk recruits, interventions to reduce stress fracture during strenuous physical training and deployment, and acceleration of stress fracture healing and return to full duty status. Areas of need include:
- Utilizing genetic (bone density, bone geometry), lifestyle (nutrition, exercise history), and other risk factors (menstrual status, oral contraceptive use, smoking) to establish a risk factor profile that identifies individuals at high risk for stress fracture injury.
 - Expanding on preliminary findings that revealed gender differences in the response of bone to physical training.
 - Conducting small pilot studies and larger clinical trials of resistance training, aerobic exercise training, and diet and nutrition interventions to improve bone quality in a military population and to determine whether they can be successfully implemented to prevent or reduce significantly the incidence of stress fracture in a basic training population.
 - Advancing non-invasive bone imaging technologies to assess risk, identify stress fractures (easily missed by commonly used technology) and monitor healing.
- Mr. Chairman, the bottom line is that stress fractures continue to occur, significantly impair military readiness, and delay the time to battlefield/deployment. Therefore, it is imperative that the Department of Defense build on recent findings and maintain an aggressive and sustained bone health research program at a level of \$6 million in fiscal year 2006.

Senator INOUE. Doctor, does your research indicate that there is a difference in the services? Does the Army suffer more stress than the Navy or the Air Force?

Dr. RECKER. No, the incidence of stress fractures seems to occur across the military, because the military basic training is pretty much similar in all the branches.

Senator INOUE. Do you believe that the training mode should be studied?

Dr. RECKER. Yes, it should, and it has been studied. On the one hand, we cannot reduce the physical fitness of our training at the end of training, and on the other hand we have to arrange the training program so that we do not have so much disability from and training loss from stress fractures and other overuse injuries. But stress fractures are the worst. So yes, we need to continue to study that to try to get training programs that will give us—

Senator INOUE. So your program is cost effective?

Dr. RECKER. I think so.

Senator INOUE. I thank you very much, sir.

Dr. RECKER. Thank you very much.

Senator INOUE. Our next witness is a member of the Board of Directors of the National Brain Injury Research, Treatment, and Training Foundation, Mr. Martin B. Foil, Jr. Mr. Foil.

STATEMENT OF MARTIN B. FOIL, JR., MEMBER, BOARD OF DIRECTORS, NATIONAL BRAIN INJURY RESEARCH, TREATMENT, AND TRAINING FOUNDATION

Mr. FOIL. Good morning, Senator Inouye—good afternoon, I guess. Nice to see you again and good to be here.

Senator INOUE. It is morning in Hawaii, sir.

Mr. FOIL. Point well taken.

I am happy to be here today and talk to you some about what some people call the signature condition of the conflict in Iraq, and that is traumatic brain injury (TBI), and to request \$14 million for the defense and veterans head injury program. Over the past year this program has treated 1,000 troops with TBI. You have probably seen this in the papers, including USA Today and People magazine, copies of which have been attached to the written statement.

Many of our service men and women are returning from Iraq with TBI's and not all have been appropriately diagnosed and treated. Through the work of the defense and veterans head injury program (DVHIP), we are able to identify most of these injuries, but unless we expand our research to areas where there are no treatment facilities or Veterans Administration (VA) hospitals many are going to fall through the cracks.

Last year you asked me how the DVHIP could assure the optimum care beyond its eight lead sites and the regional network of secondary VA hospitals. This has been a top priority for DVHIP, but the agency administering has had other priorities. So we are going to move the program to Fort Detrick. We think it will be more successful, and ideally we would like to have facilities much like Virginia NeuroCare throughout the country, which last year had a 35 percent return to active duty rate.

To meet immediate needs, DVHIP needs to offer a call for proposals for innovative clinical programs that will support distributed care networks. In addition, care coordinators will be strategically placed throughout the country for patients with TBI and their families in their home States.

DVHIP continues to focus on blast injury, especially for those who are hit with IEDs, and is leading the effort to provide guidelines for the assessment and follow-up care after these blast-related TBIs within the military environment.

Another priority is evaluating the connection between post-traumatic stress disorder (PTSD) and TBI. There are similarities in the symptoms, yet treatment for the two conditions is quite different. There is not much known about combat PTSD in persons with TBI. Clinically focused research initiatives by DVHIP would investigate this unique relationship to ensure that the troops are receiving the best care available for both their brain and their mind.

Mr. Chairman, there is \$7 million in the DOD budget. We are asking for a plus-up of \$7 million, so in all \$14 million is being requested for this important program. The funding is needed to continue training combat medics, surgeons, general medical officers and reservists and the best practices of TBI care, provide continuity of care from the battlefield to rehab and back to Active duty, and to work to ensure that no one falls through the cracks.

We are going to hope that you will continue to support our efforts to provide the best care possible to our Nation's brave men and women in uniform.

Thank you very much. Any questions?
[The statement follows:]

PREPARED STATEMENT OF MARTIN B. FOIL, JR.

My name is Martin B. Foil, Jr. and I am the father of Philip Foil, a young man with a severe brain injury. I serve as a volunteer on the Board of Directors of the National Brain Injury Research, Treatment and Training Foundation (NBIRTT)¹ and Virginia NeuroCare in Charlottesville, Virginia (VANC).² Professionally, I am the Chief Executive Officer and Chairman of Tuscarora Yarns in Mt. Pleasant, North Carolina.

On behalf of the thousands of military personnel that receive brain injury treatment and services annually, I respectfully request that a total of \$14 million be provided in the Department of Defense (DOD) Appropriations bill for fiscal year 2006 for the Defense and Veterans Head Injury Program (DVHIP). This request includes the \$7 million in the DOD's POM which we hope will be moved from the Uniformed Services University of the Health Sciences to the Army Medical Research and Materiel Command (AMRMC) at Fort Detrick. An additional \$7 million plus up would allow the important work of the program to continue, with clinical care coordinated through Walter Reed Army Medical Center (WRAMC) as the headquarters for the entire program.

TRAUMATIC BRAIN INJURY (TBI) MAY BE THE SIGNATURE CONDITION OF THE CONFLICT
IN IRAQ

Nearly 1,000 combat casualties from the Global War on Terrorism have been served by DVHIP, and that does not include active duty military injured in car crashes and other incidents occurring once they return home.³

As we reported in last year's testimony, the incidence of TBI sustained in theater was expected to be higher than in previous conflicts. That indeed has been true, and continues to be the case. In previous conflicts, TBI accounted for some 25 percent of combat casualties. However, last spring one WRAMC study found 61 percent of at-risk soldiers seen at WRAMC were assessed to have TBIs. Although this one study does not reflect the entire population of wounded in action, the high percentage suggests that TBI acquired in theater continues to be a problem that needs to be addressed. The reasons for the higher incidence of TBI include:

- The use of effective body armor has saved more lives;
- Medical personnel are more aware of the significance of mild closed TBIs and concussions and are therefore more likely to identify them; and
- The incidence of blast injuries in Iraq and Afghanistan is high.

There has also been an increase in awareness of TBI, mostly through news media reports of injured troops (e.g. recent USA Today and People articles are attached).⁴ Like Army Reserve Officer Alec Giess, featured in the People magazine story, some troops may not be diagnosed with TBI until months later. One of the greatest challenges the military health care and veterans systems face is to assure that no one falls through the cracks. The DVHIP is an important tool to assure a continuum of care, but the program requires additional resources to assure that no TBI is overlooked or misdiagnosed.

THE DEFENSE AND VETERANS HEAD INJURY PROGRAM (DVHIP)

Established in 1992, the DVHIP is a component of the military health care system that integrates clinical care and clinical follow-up, with applied research, treatment

¹NBIRTT is a non-profit national foundation dedicated to the support of clinical research, treatment and training.

²VANC provides brain injury rehabilitation to military personnel, veterans and civilians through an innovative and cost effective day treatment program.

³*Survivors of War Take Fatal Risks on Roads*, Gregg Zoroya, USA Today, May 3, 2005, pg. A1. http://www.usatoday.com/news/nation/2005-03-03-brain-trauma-lede_x.htm

⁴T3AAfter Iraq, Devastating New Wounds, High-tech body armor is saving soldiers' lives on the battlefield. But it's leaving them with brain damage, T. Fields-Myer, V. Bane, J. Podesta, R. Schlesinger, J. Voelker, People Magazine, May 9, 2005, pg. 223-5; *Key Iraq Wound: Brain Trauma, Body Armor Prevents Death, Not Damage*, Gregg Zoroya, USA Today, March 4, 2005, pg. A1. <http://www.palo-alto.med.va.gov/resources/docs/polytrauma/media/PeopleMagazine050905-Print.pdf>

and training. The program was created after the first Gulf War to address the need for an overall systemic program for providing brain injury specific care and rehabilitation within DOD and DVA. The DVHIP seeks to ensure that all military personnel and veterans with brain injury receive brain injury-specific evaluation, treatment and follow-up. Clinical care and research is currently undertaken at seven DOD and DVA sites and one civilian treatment site.⁵ In addition to providing treatment, rehabilitation and case management at each of the 8 primary DVHIP centers, the DVHIP includes a regional network of additional secondary veterans' hospitals capable of providing TBI rehabilitation, and linked to the primary lead centers for training, referrals and consultation. This is coordinated by a dedicated central DVA TBI coordinator and includes an active TBI case manager training program. DVHIP also provides education to providers and patients' families.

CONTINUING EFFORTS AND CURRENT CHALLENGES

Clinical Care

DVHIP continues to ensure optimal care, conduct clinical research, provide educational programs on TBI as well as provide family support for active duty military and veterans. All DVHIP sites have maintained and many have increased treatment capacity. This has been a direct response to the influx of patients seen secondary to Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). WRAMC receives more casualties from theater than all of the other military treatment facilities (MTFs) in the continental United States. Patients are often seen at WRAMC within a week or two after injury and many of these patients have multiple injuries (e.g., TBI, traumatic amputations, shrapnel wounds, etc.).

To meet the increased demand, screening procedures were developed by DVHIP headquarters and clinical staff. The DVHIP clinical staff reviews all incoming casualty reports at WRAMC and screens all patients who may have sustained a brain injury based on the mechanism of injury (i.e., blast/explosion, vehicular accident, fall, gunshot wound to the head, etc.). DVHIP screening is identifying TBI patients that might otherwise go undetected, posing a potential threat to patients and, in the case of premature return to active duty, military readiness.

Community Reentry and Return To Work

As of April 29, 2005, a full 35 percent of soldiers treated at Virginia NeuroCare (VANC) returned to active duty. As a core program of the DVHIP, VANC provides innovative community based rehabilitation programs that maximize functional independence and facilitate re-entry into family and community life. VANC's coordination with the Judge Advocate General (JAG) school, in which active duty soldiers get back into the military environment and develop work skills as well as participate in military exercises has demonstrated its excellence in the continuum of care received by injured military personnel. Housing for eight additional beds is needed, however, to accommodate the increase in active duty patients enrolled at VANC.

Blast Injury Research

Improved body armor, the significance of even mild brain injury, and the high frequency of troops wounded in blasts all lead to blast-induced TBI being an important health issue in this war. DVHIP at WRAMC has identified over 400 patients who have sustained TBIs in OIF/OEF, most of whom have been injured in blasts. The goal of TBI treatment is to maintain individuals at duty whenever possible without negatively affecting the unit mission or the individual service member and to maximize the individual service member's potential for long term productivity and quality of life.

The DVHIP is leading the effort to elucidate patterns of brain injury from blast, including providing guidelines for the assessment and follow-up care after blast-related TBI within the military environment. Ongoing DVHIP research is linked to clinical care programs to ensure that information learned from caring for these individuals will be disseminated to military and veteran treatment facilities and added to the medical literature. Continuing collaboration with military experts on blast, working with preclinical subjects, also will help to better understand the injuries our troops sustain.

⁵Walter Reed Army Medical Center, Washington, DC; James A. Haley Veterans Hospital, Tampa, FL; Naval Medical Center San Diego, San Diego, CA; Minneapolis Veterans Affairs Medical Center, Minneapolis, MN; Veterans Affairs Palo Alto Health Care System, Palo Alto, CA; Virginia Neurocare, Inc., Charlottesville, VA; Hunter McGuire Veterans Affairs Medical Center, Richmond, VA; Wilford Hall Medical Center, Lackland Air Force Base, TX.

Medic Training

In response to an unmet need identified at the March 2004 DVHIP co-sponsored Neurotrauma in Theater: Lessons Learned from Iraq and Afghanistan conference, DVHIP is developing a Combat Medic Training module, to be made available online and in theater by November 2005. DVHIP continues to proactively train deploying clinicians and care providers at troop-intensive military treatment facilities. A military first responder (Medic) online training course, which will offer CME and CEU credits, will be available online and in theater by early summer. Additional education initiatives include a Coordination of Care Guide for TBI case managers, multiple Grand Rounds, and the dissemination of DVHIP research and clinical practice publications.

Post Deployment Forms

DVHIP will continue its efforts to have blast and head injury exposure added to the current Post Deployment form. DVHIP's experience in identifying individuals with TBI and referring them for care at Ft. Bragg and Camp Pendleton will be turned into management algorithms for large scale use.

NEW INITIATIVES

Improving Access to TBI Specific Care

In order to assure that TBI specific care is available to individuals after leaving specialty treatment centers, DVHIP will offer a call for proposals for innovative clinical programs that will establish distributed care networks. Outcomes measurement will include patient level of independence, family education and satisfaction, and cost savings analyses. TBI care is currently centralized at DVHIP lead centers: four VA and three military medical centers, and one civilian community re-entry center. Patients who need TBI specialty follow-up care may be forced to travel great distances to receive it. Thus, proposals will be solicited to address this need, including bringing specialty TBI outpatient care to areas with no VA hospital (e.g., Alaska). Proposals for two types of programs will be elicited:

—*TBI Community care.*—Coordinated TBI case management, to include family support initiatives, has the potential to greatly facilitate community re-entry among TBI survivors. Proposals to be considered include augmented clinics and telemedicine. To be considered for funding, proposals must have clear outcome measures designed to quantify improvements in patient self-sufficiency and cost-savings to the Federal Government.

—*Treatment of neurobehavioral consequences of TBI.*—Often the most disturbing to patients and families, neurobehavioral problems such as memory, personality, and mood may complicate re-entry to home and other relationships. Innovative, community-based programs that add neurobehavioral expertise for ongoing care of patients with TBI will be solicited.

TBI and Mental Health Evaluation

As soldiers return home, much attention is often paid to the possibility of post-traumatic stress disorder (PTSD). One critical area not to be overlooked is the relationship between TBI and PTSD. Research suggests that patients with both PTSD and TBI are an important population to identify, though not much is known about combat PTSD in persons with TBI. While there are some similarities in initial symptoms (headaches, trouble focusing, irritability), treatment for PTSD and TBI are indeed very different. Clinically focused research initiatives by DVHIP would investigate the unique relationship between TBI and PTSD to ensure that the troops are receiving the best care available for both their brain and their mind. Additional initiatives could focus on mental health providers, who may where individuals with TBI present for care.

TBI Assessment in Theater

DVHIP is leading the effort to provide evidence-based guidelines for the assessment and follow-up care after blast-related TBI within the military environment. An integral part of this effort is the development of militarily relevant concussion guidelines that are medically and scientifically based. Existing sports concussion guidelines are not fully applicable to combat situations—particularly because post injury symptoms may put the individual and fellow troops at risk. Medics and clinicians in theater have voiced great interest in objective tools to aide in the diagnosis and management of TBI. DVHIP is continuing to work toward the final development and deployment of a computerized assessment battery for concussion. DVHIP's unique role in ensuring state of the art clinical care throughout the various levels from battlefield to community reentry makes this possible.

A January 2005, GAO report on vocational rehabilitation for injured service members emphasized that early intervention following TBI is highly correlated with positive outcomes.⁶ By making it possible to identify TBI immediately following an injury, America's war fighters will receive the best care possible. Widespread use of a TBI assessment battery will ensure that medics and clinicians in theater follow evidence-based concussion guidelines.

TBI Screening

The addition of a TBI clinician at key medical transfer points such as Landstuhl Regional Medical Center (LRMC) in Germany and Andrews Air Force Base will ensure that the screening process developed at WRAMC by DVHIP identifies wounded service members who may also have a TBI. The implementation of screening at WRAMC has identified TBI in many soldiers who were not yet diagnosed with TBI. This effort would augment the current Joint Theater Trauma Registry that has limited information on brain injury, especially milder forms of TBI.

Clinical Registry Database

DVHIP proposes to develop a clinical registry, designed for obtaining information on TBI patients far forward and following their clinical outcomes. The database will also allow for rapid response to clinical questions from military and VA medical leaders regarding the incidence and outcome of TBI as well as permit the sharing of medical information between clinicians and case managers. Additionally, this will enable medical providers in theater to communicate questions regarding TBI patients to the DVHIP, and facilitate the timely transfer of patients to appropriate VA and military programs. This can be completed as a stand alone project focused on hospital and in-theater care, or as an augmentation of the Joint Theater Trauma Registry database.

Educational Outreach

There is a need for greater educational outreach (teams of trainers or other types of educational outreach) at specific non-DVHIP military medical facilities and troop intensive sites (e.g. Fort Hood, Fort Carson, etc.) to provide TBI training and education for providers with direct contact with large numbers of troops, both troops stationed locally and troops returning from theater (e.g., Reservists). This effort could also increase DVHIP's reach in surveillance to include centers beyond those in the core DVHIP network.

An educational outreach team was very successful in educating providers of the 249th General Hospital who were deploying to Afghanistan without a neurosurgeon, as allied neurosurgical injuries were not anticipated. Training in neurocare was provided at Fort Gordon and contact continued via email after the 249th reached Afghanistan.

CONCLUSION

In NBIRTT's view, the Congress has been very responsive to the needs of our brave men and women in uniform who risk their lives for us. We urge your continued support for active duty military men and women sustaining brain injuries, whether in combat or at home. The DVHIP has stepped up to the plate to meet the needs of soldiers with brain injuries. Please support \$14 million for the DVHIP in the fiscal year 2006 Defense Appropriations bill under AMRMC, Fort Detrick to continue this important program.

Thank you.

Senator INOUE. Will the VA benefit from your program?

Mr. FOIL. Yes, sir.

Senator INOUE. Will you be able to seal up the cracks so they will not fall through?

Mr. FOIL. Well, nothing is 100 percent positive. But last year, if you remember, you and Senator Stevens asked us how we are going to help Hawaii and Alaska. You remember that?

Senator INOUE. Yes, we have got big cracks there.

Mr. FOIL. That is right. Well, you heard me talk about care coordinators. What we would like to do and what our agenda is if we get this money is to take this—hold on just a minute. Let us see.

⁶Vocational Rehabilitation: More VA and DOD Collaboration Needed to Expedite Services for Seriously Injured Service members, GAO-05-167 (Washington, DC: January 2005).

There are a couple of places in Hawaii that we are looking at that if we have the money to do this we would like to look at, Tripler Army Medical Center in Honolulu and the VA Medical Center in Honolulu. We would like to place a care coordinator in there, and their job is going to be to start a program much like we see here in the United States that has been so successful.

In Alaska there are a couple of opportunities, Bassett Army Community Hospital in Fort Wainwright, which is in Fairbanks, and there is a medical facility at Elmendorf Air Base called the Health and Wellness Center in Anchorage. Also, the VA Medical Center in Alaska is in Anchorage with two other outpatient clinics in both Fairbanks and Kenai—is that the way you pronounce it?

Senator STEVENS [presiding]. “KEE-nie.”

Mr. FOIL. “KEE-nie.”

Senator STEVENS. Kenai, it is the home of the greatest salmon in the world.

Mr. FOIL. All right, sir. I stand corrected.

But there is a lot to be done and I think we have the opportunity to do this and do it properly. But we need your support to be able to get it done, Senators. We would love to have the opportunity to do this both in Hawaii and Alaska, and there are other places where we do not have those opportunities.

Senator INOUE. Thank you very much, sir.

Mr. FOIL. Thank you, sir.

Senator STEVENS. Doctor, we are going to try to make sure that we do move that budget over to the Army Medical Research and Material Command at Fort Detrick. We agree with you on that and we will do our best to do that.

Mr. FOIL. Thank you very much. We really appreciate it.

Senator STEVENS. Our next witness is Dennis Duggan, Deputy Director, National Security Commission for the American Legion. Comrade, it is nice to see you.

STATEMENT OF DENNIS MICHAEL DUGGAN, DEPUTY DIRECTOR, NATIONAL SECURITY COMMISSION, THE AMERICAN LEGION

Mr. DUGGAN. Yes, sir, nice to see you again. Mr. Chairman and ranking member, Senator Inouye: The American Legion, the Nation’s largest organization of wartime veterans, is extremely grateful for this opportunity to present its views on defense appropriations for fiscal year 2006. We have always valued your leadership and your subcommittee’s leadership in assessing and authorizing adequate funding for quality of life, modernization, and readiness features for the Nation’s armed forces, Active, Reserve, National Guard, as well as for our Nation’s military retiree veterans and their dependents.

As we know too well, the war on terrorism is being waged on two fronts, overseas in a bitter, bloody struggle with armed insurgents and at home, protecting and securing the homeland. Most of what we hold dear as Americans was made possible by the peace and stability that the armed forces have provided by taking the fight to the enemy in overseas battlegrounds.

However, a decade of overuse of a smaller Army, a large-scale use of reservists and National Guardsmen in combat, and a past

history of some underfunding has certainly warranted your sustained investment. And, Mr. Chairman, it is deeply appreciated.

The American Legion continues to urge an increase in Army manpower strengths. We also are strongly supportive of congressional authorization and funding of the necessary recruiting tools, particularly for the Army, Army Reserve, and Army National Guard, and perhaps the Marines. The funding of even more recruiting bonuses, recruiters, advertising as appropriate should be funded if needed.

Funding of an improved Montgomery Government Issue (GI) bill for the Active and Reserve components was certainly justified, and increased death gratuities and traumatic injury insurance we believe are overdue as well.

We salute the Senate in protecting our troops and boosting military benefits.

Mr. Chairman, while we are fighting what will likely be a long, hard war on terrorism, we believe we must also keep an eye on the Far East, particularly North Korea and China. Both countries are flexing their military muscles in the Pacific while the United States is distracted at war in Iraq and Afghanistan. For that reason, we are extremely grateful that the Senate is requiring the Navy to retain the 12-carrier fleet Navy rather than scaling back.

As a concerned veterans organization, something tells us perhaps that we should also be producing more than four Aegis DDGs per year and perhaps not discharging as many as the 10,000 sailors that we seem to be doing.

Finally, with regard to the 2005 defense BRAC, the American Legion would only urge that irreplaceable base facilities and essential base facilities, perhaps such as military medical facilities and commissaries and perhaps training areas, be retained for use by Reserve components as needed or by military retiree veterans and their families whenever such is possible.

Mr. Chairman, that concludes the oral statement of the American Legion and we thank you again for this opportunity.

[The statement follows:]

PREPARED STATEMENT OF DENNIS MICHAEL DUGGAN

Mr. Chairman, the American Legion is grateful for the opportunity to present its views on defense appropriations for fiscal year 2006. The American Legion values your leadership in assessing and authorizing adequate funding for quality-of-life (QOL) features of the Nation's armed forces to include the active, reserve and National Guard forces and their families, as well as quality of life for military retirees and their dependents.

Since September 2001, the United States has been involved in the war against terrorism in Operations Iraqi Freedom and Enduring Freedom. American fighting men and women are again proving they are the best-trained, best-equipped and best-led military in the world. As Secretary of Defense Donald Rumsfeld has noted, the war in Iraq is part of a long, dangerous global war on terrorism. The war on terrorism is being waged on two fronts: overseas against armed insurgents and at home protecting and securing the Homeland. Casualties in the shooting wars, in terms of those killed and seriously wounded, continue to mount daily. Indeed, most of what we as Americans hold dear is made possible by the peace and stability that the Armed Forces provide by taking the fight to the enemy.

The American Legion adheres to the principle that this Nation's armed forces must be well-manned and equipped, not just to pursue war, but to preserve and protect the peace. The American Legion strongly believes past military downsizing was budget-driven rather than threat focused. Once Army divisions, Navy warships and Air Force fighter squadrons are downsized, eliminated or retired from the force

structure, they cannot be reconstituted quickly enough to meet new threats or emergency circumstances. The Marine Corps, Army National Guard and the Reserves have failed to meet their recruiting goals and the Army's stop-loss policies have obscured retention and recruiting needs. Clearly, the active Army is struggling to meet its recruitment goals. Military morale undoubtedly has been adversely affected by the extension and repetition of Iraq tours of duty.

The administration's fiscal year 2006 budget requests \$419.3 billion for defense or about 17 percent of the total budget. The fiscal year 2006 defense budget represents a 4.8 percent increase in defense spending over current funding levels. It also represents about 3.5 percent of our Gross National Product. Active duty military manpower end-strength is now over 1.388 million. Selected Reserve strength is about 863,300 or reduced by about 25 percent from its strength levels during the Gulf War of 14 years ago.

Mr. Chairman, this budget must advance ongoing efforts to fight the global war on terrorism, sustain and improve quality of life and continue to transform the military. A decade of over use of the military and past under-funding, necessitates a sustained investment. The American Legion believes the budget must continue to address increases in Army end-strengths, accelerate improved Active and Reserve Components quality of life features, provide increased funding for the concurrent receipt of military retirement pay and VA disability compensation ("Veterans Disability Tax"); and elimination of the offset of survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) that continues to penalize military survivors.

If we are to win the war on terror and prepare for the wars of tomorrow, we must take care of the Department of Defense's greatest assets—the men and women in uniform. They do us proud in Iraq, Afghanistan and around the world. They need help.

In order to attract and retain the necessary force over the long haul, the active duty force, Reserves and National Guard continue to look for talent in an open market place and to compete with the private sector for the best young people this Nation has to offer. If we are to attract them to military service in the active and reserve components, we need to count on their patriotism and willingness to sacrifice, to be sure, but we must also provide them the proper incentives. They love their country, but they also love their families—and many have children to support, raise and educate. We have always asked the men and women in uniform to voluntarily risk their lives to defend us; we should not ask them to forego adequate pay and allowances, adequate health care and subject their families to repeated unaccompanied deployments and sub-standard housing as well. Undoubtedly, retention and recruiting budgets need to be substantially increased if we are to keep and recruit quality service members.

The President's fiscal year 2006 defense budget requests over \$105 billion for military pay and allowances, including a 3.1 percent across-the-board pay raise. It also includes billions to improve military housing, putting the Department on track to eliminate most substandard housing by 2007—several years sooner than previously planned. The fiscal year 2005 budget further lowered out-of-pocket housing costs for those living off base. The American Legion encourages the Subcommittee to continue the policy of no out-of-pocket housing costs in future years.

Together, these investments in people are critical, because smart weapons are worthless to us unless they are in the hands of smart, well-trained soldiers, sailors, airmen, Marines and Coast Guard personnel.

The American Legion National Commanders have visited American troops in Europe, the Balkans, and South Korea as well as a number of installations throughout the United States, including Walter Reed Army Medical Center and Bethesda National Naval Medical Center. During these visits, they were able to see first hand the urgent, immediate need to address real quality of life challenges faced by service members and their families. Severely wounded service members who have families and are convalescing in military hospitals clearly need to have their incomes increased when they are evacuated from combat zones. Also, the medical evaluation board process needs to be expedited so that military severance and disability retirement pays will be more immediately forthcoming. Our National Commanders have spoken with families on Women's and Infants' Compensation (WIC), where quality-of-life issues for service members, coupled with combat tours and other operational tempos, play a role in recurring recruitment and retention efforts and should come as no surprise. The operational tempo and lengthy deployments, other than combat tours, must be reduced or curtailed. Military missions were on the rise before September 11 and deployment levels remain high. The only way to reduce repetitive overseas tours and the overuse of the Reserves is to increase active duty and perhaps reserve end-strengths for the services. Military pay must be on a par with the

competitive civilian sector. Activated reservists must receive the same equipment, the same pay and timely health care as active duty personnel. If other benefits, like health care improvements, commissaries, adequate quarters, quality child care and impact aid for DOD education are reduced, they will only serve to further undermine efforts to recruit and retain the brightest and best this nation has to offer.

To step up efforts to bring in enlistees, all the Army components are increasing the number of recruiters. The Army National Guard sent 1,400 new recruiters into the field last February. The Army Reserve is expanding its recruiting force by about 80 percent. If the recruiting trends and the demand for forces persist, the Pentagon under current policies could eventually "run out" of reserve forces for war zone rotation, a Government Accountability Office expert warned. The Pentagon projects a need to keep more than 100,000 reservists continuously over the next 3 to 5 years. The Defense Appropriations bill for fiscal year 2005 provides the funding for the first year force level increases of 10,000. The Army's end-strength increased 30,000 and the Marine Corps end-strength increased 3,000.

Army restructuring will increase the number of active Army maneuver brigades by 30 percent by fiscal year 2007. The Army National Guard will reach 34 brigades. The Marine Corps will increase by two battalions.

The budget deficit is projected to be \$427 billion; the largest in U.S. history and it appears to be heading higher perhaps to \$500 billion. National defense spending must not become a casualty of deficit reduction.

FORCE HEALTH PROTECTION (FHP)

As American military forces are again engaged in combat overseas, the health and welfare of deployed troops is of utmost concern to The American Legion. The need for effective coordination between the Department of Veterans Affairs and the DOD in the force protection of U.S. forces is paramount. It has been 14 years since the first Gulf War, yet many of the hazards of the 1991 conflict are still present in the current war.

Prior to the 1991 Gulf War deployment, troops were not systematically given comprehensive pre-deployment health examinations nor were they properly briefed on the potential hazards, such as fallout from depleted uranium munitions they might encounter. Record keeping was poor. Numerous examples of lost or destroyed medical records of active duty and reserve personnel were identified. Physical examinations (pre- and post-deployment) were not comprehensive and information regarding possible environmental hazard exposures was severely lacking. Although the government had conducted more than 230 research projects at a cost of \$240 million, lack of crucial deployment data resulted in many unanswered questions about Gulf War veterans illnesses.

The American Legion would like to specifically identify an element of FHP that deals with DOD's ability to accurately record a service member's health status prior to deployment and document or evaluate any changes in his or her health that occurred during deployment. This is exactly the information VA needs to adequately care for and compensate service members for service-related disabilities once they leave active duty. Although DOD has developed post-deployment questionnaires, they still do not fulfill the requirement of "thorough" medical examinations nor do they even require a medical officer to administer the questionnaires. Due to the duration and extent of sustained combat in Operations Iraqi Freedom and Enduring Freedom, the psychological impact on deployed personnel is of utmost concern to The American Legion. VA's ability to adequately care for and compensate our Nation's veterans depends directly on DOD's efforts to maintain proper health records/health surveillance, documentation of troop locations, environmental hazard exposure data and the timely sharing of this information with the VA.

The American Legion strongly urges Congress to mandate separation physical exams for all service members, particularly those who have served in combat zones or have had sustained deployments. DOD reports that only about 20 percent of discharging service members opt to have separation physical exams. During this war on terrorism and frequent deployments with all their strains and stresses, this figure, we believe, should be substantially increased.

MILITARY QUALITY OF LIFE

Our major national security concern continues to be the enhancement of the quality of life issues for active duty service members, reservists, National Guardsmen, military retirees and their families. During the last Congressional session, President Bush and the Congress made marked improvements in an array of quality of life issues for military personnel and their families. These efforts are vital enhancements that must be sustained.

Mr. Chairman: during this period of the War on Terrorism, more quality of life improvements are required to meet the needs of servicemembers and their families as well as military retiree veterans and their families. For example, the totally inadequate \$12,000 death gratuity needs to be increased to \$100,000 and the SGLI needs to be increased to at least \$400,000; the improved Reserve MGIB for education needs to be completely funded as well; combat wounded soldiers who are evacuated from combat zones to military hospitals need to retain their special pay (combat pay, family separation pay, etc) and base pay and allowances during the period of their convalescence continued at the same level to not jeopardize their families' financial support during recovery. Furthermore, the medical evaluation board process needs to be expedited so that any adjudicated military severance or military disability retirement payments will be immediately forthcoming; recruiting and retention efforts, to include the provision of more service recruiters, needs to be fully funded as does recruiting advertising. The Defense Health Program and in particular the Uniformed Services University of the Health Sciences must also be fully appropriated. The American Legion appreciates the administration and Congress's support of the Wounded Warrior bill designed to provide financial help to soldiers and their families when they are wounded or otherwise traumatically injured.

Likewise, military retiree veterans as well as their survivors, who have served their Country for decades in war and peace, require continued quality of life improvements as well. First and foremost, The American Legion strongly urges that FULL concurrent receipt and Combat-Related Special Compensation (CRSC) be authorized for disabled retirees whether they were retired for longevity (20 or more years of service) or military disability retirement with fewer than 20 years. In particular, The American Legion urges that disabled retirees rated 40 percent and below be authorized CRPD and that disabled retirees rated between 50 percent and 90 percent disabled be authorized non-phased-in concurrent receipt. Additionally, The American Legion strongly urges that ALL military disability retirees with fewer than 20 years service be authorized to receive CRSC and VA disability compensation provided, of course, they're otherwise eligible for CRSC under the combat-related conditions.

Secondly, The American Legion urges that the longstanding inequity whereby military survivors have their survivors benefit plan (SBP) offset by the Dependency and Indemnity Compensation (DIC) be eliminated. This "Widows' Tax" needs to be eliminated as soon as possible. It is blatantly unfair and has penalized deserving military survivors for years. A number of these military survivors were nearly impoverished because of this unfair provision. As with concurrent receipt for disabled retirees, military survivors should receive both SBP AND DIC. They have always been entitled to both and should not have to pay for their own DIC. The American Legion will continue to convey that simple, equitable justice is the primary reason to fund FULL concurrent receipt of military retirement pay and VA disability compensation as well as the survivors benefit plan (SBP) and DIC for military survivors. Not to do so merely continues the same inequity. Both inequities need to be righted by changing the unfair law that prohibits both groups from receiving both forms of compensation.

Mr. Chairman: the American Legion as well as the armed forces and veterans continue to owe you and this subcommittee a debt of gratitude for your support of military quality of life issues. Nevertheless, your assistance is needed in this budget to overcome old and new threats to retaining and recruiting the finest military in the world. Service members and their families continue to endure physical risks to their well-being and livelihood as well as the forfeiture of personal freedoms that most Americans would find unacceptable. Worldwide deployments have increased significantly and the Nation is at war. The very fact that over 300,000 Guardsmen and Reservists have been mobilized since September 11, 2001 is first-hand evidence that the United States Army desperately needs to increase its end-strengths and maintain those end-strengths so as to help facilitate the rotation of active and reserve component units to active combat zones.

The American Legion congratulates and thanks congressional subcommittees such as this one for military and military retiree quality of life enhancements contained in past National Defense Appropriations Acts. Continued improvement however is direly needed to include the following:

- Completely Closing the Military Pay Gap with the Private Sector.*—With U.S. troops battling insurgency and terrorism in Iraq and Afghanistan, The American Legion supports the proposed 3.1 percent military pay raise as well as increases in Basic Allowance for Housing (BAH).
- Commissaries.*—The American Legion urges the Congress to preserve full Federal subsidizing of the military commissary system and to retain this vital non-

pay compensation benefit for use by active duty families, reservist families, military retiree families and 100 percent service-connected disabled veterans and others.

- DOD Domestic Dependents Elementary and Secondary Schools (DDESS)*.—The American Legion urges the retention and full funding of the DDESS as they have provided a source of high quality education for military children attending schools on military installations.
- Funding the Reserve Montgomery GI Bill for Education.
- Increasing the death gratuity to \$100,000 and \$400,000 for SGLI for all active duty or activated Reservists who are killed or who die while on active duty after September 11, 2001 during the War on Terror.
- Improving the pay of severely wounded service members and expediting the medical evaluation board process.
- Providing FULL concurrent receipt of military retirement pay and VA disability compensation for those disabled retirees rated 40 percent and less; providing non-phased concurrent receipt for those disabled retirees rated between 50 percent and 90 percent disabled by the VA; and authorizing those military disability retirees with fewer than 20 years service to receive both VA disability compensation and Combat-Related Special Compensation (CRSC).
- Eliminating the offset of the survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) for military survivors.

OTHER QUALITY OF LIFE INSTITUTIONS

The American Legion strongly believes that quality of life issues for retired military members and their families are augmented by certain institutions which we believe need to be annually funded as well. Accordingly, The American Legion believes that Congress and the administration must place high priority on insuring these institutions are adequately funded and maintained:

- The Uniformed Services University of the Health Sciences*.—The American Legion urges the Congress to resist any efforts to less than fully fund, downsize or close the USUHS through the BRAC process. It is a national treasure, which educates and produces military physicians and advanced nursing staffs. We believe it continues to be an economical source of CAREER medical leaders who enhance military health care readiness and excellence and is well-known for providing the finest health care in the world.
- The Armed Forces Retirement Homes*.—The United States Soldiers' and Airmen's Home in Washington, DC and the United States Naval Home in Gulfport, Mississippi, are under-funded as evidenced by the reduction in services to include on-site medical health care and dental care. Increases in fees paid by residents are continually on the rise. The medical facility at the USSAH has been eliminated with residents being referred to VA Medical Centers or Military Treatment Facilities such as Walter Reed Army Medical Center. The American Legion recommends that the Congress conduct an independent assessment of these two facilities and the services being provided with an eye toward federally subsidizing these two Homes as appropriate. Both facilities have been recognized as national treasures until recent years when a number of mandated services have been severely reduced and resident fees have been substantially increased.
- Arlington National Cemetery*.—The American Legion urges that the Arlington National Cemetery be maintained to the highest of standards. We urge also that Congress mandate the eligibility requirements for burial in this prestigious Cemetery reserved for those who have performed distinguished military service and their spouses and eligible children.
- 2005 Defense Base Realignment and Closure Commission*.—The American Legion urges that certain base facilities such as military medical facilities, commissaries, exchanges and training facilities and other quality of life facilities be preserved for use by the active and reserve components and military retirees and their families.

THE AMERICAN LEGION FAMILY SUPPORT NETWORK

The American Legion continues to demonstrate its support and commitment to the men and women in uniform and their families. The American Legion's Family Support is providing immediate assistance primarily to activated National Guard families as requested by the Director of the National Guard Bureau. The American Legion Family Support Network has reached out through its Departments and Posts to also support the Army's Disabled Soldier Support System (DS3). Many thousands of requests from these families have been received and accommodated by the Amer-

ican Legion Family across the United States. Military family needs have ranged from requests for funds to a variety of everyday chores which need doing while the “man or woman “ of the family is gone. The American Legion, whose members have served our Nation in times of adversity, remember how it felt to be separated from family and loved ones. As a grateful Nation, we must ensure than no military family endures those hardships caused by military service, as such service has assured the security, freedom and ideals of our great Country.

CONCLUSIONS

Thirty-two years ago, America opted for an all-volunteer force to provide for the National Defense. Inherent in that commitment was a willingness to invest the needed resources to bring into existence and maintain a competent, professional and well-equipped military. The fiscal year 2006 defense budget, while recognizing the War on Terrorism and Homeland Security, represents another good step in the right direction. Likewise our military retiree veterans and military survivors, who in yesteryear served this Nation for decades, continue to need your help as well.

Mr. Chairman, This concludes our statement.

Senator STEVENS. Thank you very much.

Do you have any comments?

Senator INOUE. I support.

Senator STEVENS. We generally support what you have said. I disagree with you on the aircraft carriers, but he agrees with you, so you are ahead.

Thank you very much for your testimony.

Mr. DUGGAN. Thank you, sir.

Senator STEVENS. Next is Lieutenant Colonel (retired) Paul Austin of the American Association of Nurse Anesthetists. Yes, sir.

STATEMENT OF LIEUTENANT COLONEL PAUL N. AUSTIN, CRNA, Ph.D., U.S. AIR FORCE (RETIRED), ON BEHALF OF THE AMERICAN ASSO- CIATION OF NURSE ANESTHETISTS

Dr. AUSTIN. Chairman Stevens and Senator Inouye: Good afternoon. My name is Dr. Paul Austin and I’m a certified registered nurse anesthetist (CRNA), recently retired from the U.S. Air Force after 24 years of proudly serving my country. For the majority of this time I served as a nurse anesthesia educator who was the Director of both the U.S. Air Force and the Uniformed Services University nurse anesthesia programs.

The American Association of Nurse Anesthetists (AANA) represents more than 30,000 CRNAs, including 483 Active duty CRNAs, 790 reservists in the military. CRNAs continue to be deployed to the Middle East for Operation Iraqi Freedom and Operation Enduring Freedom, providing anesthesia in all types of surgical procedures, both on ships and on the ground.

In many cases CRNAs are the sole anesthesia providers for our troops, which General Brannon stated before this subcommittee last week, and I quote: “Lieutenant Colonel Bonnie Mack and Major Virginia Johnson are CRNAs deployed to Tallil Air Base in Iraq as the only anesthesia providers for over 20,000 U.S. and coalition forces and civilian contract personnel.”

Today maintaining adequate numbers of Active duty CRNAs is of the utmost importance to the Department of Defense to meet its military medical readiness mission. For several years the number of CRNAs serving on Active duty has fallen somewhat short of the number authorized by the DOD. This is complicated by the strong demand for CRNAs in both the public and private sectors. This considerable gap between civilian and military pay was addressed

in the fiscal year 2003 Defense Authorization Act with an incentive specialty pay, or ISP, increase from \$15,000 to \$50,000. The AANA appreciates this subcommittee's continued support to fund the ISP to retain and to recruit CRNAs.

Last, the establishment of the joint VA–DOD program in nurse anesthetist education at Fort Sam Houston in San Antonio holds the promise of making significant improvements in the VA CRNA workforce and improving retention of VA registered nurses (RNs) in a cost effective manner. This 30-month program attracts RNs into VA service by sending RNs a strong message that the VA is committed to their educational advancement.

Due to continued interest by VA RNs in the program, the program will be expanding to five openings for the June 2005 class. In addition, this partnership enables the VA faculty director to cover her Army colleagues' classes when they are deployed at a moment's notice.

In conclusion, the AANA believes that the recruitment and retention of CRNAs in the services is critical to our men and women in uniform. Continued funding of the ISP will help meet this challenge. The AANA thanks this subcommittee for your continued support for CRNAs in the military.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT COLONEL (RET.) PAUL N. AUSTIN

Chairman Stevens, Ranking Member Inouye, and members of the subcommittee, the American Association of Nurse Anesthetists (AANA) is the professional association representing over 30,000 certified registered nurse anesthetists (CRNAs) in the United States, including 482 active duty and 799 reservists in the military. The AANA appreciates the opportunity to provide testimony regarding CRNAs in the military. We would also like to thank this committee for the help it has given us in assisting the Department of Defense (DOD) and each of the services to recruit and retain CRNAs.

BACKGROUND INFORMATION ON NURSE ANESTHETISTS

Let us begin by describing the profession of nurse anesthesia, and its history and role with the military medical system.

In the administration of anesthesia, CRNAs perform the same functions as anesthesiologists and work in every setting in which anesthesia is delivered including hospital surgical suites and obstetrical delivery rooms, ambulatory surgical centers, health maintenance organizations, and the offices of dentists, podiatrists, ophthalmologists, and plastic surgeons. Today CRNAs participate in approximately 65 percent of the anesthetics given to patients each year in the United States. Nurse anesthetists are also the sole anesthesia providers in more than two-thirds of rural hospitals, assuring access to surgical, obstetrical and other healthcare services for millions of rural Americans.

CRNAs have a personal and professional commitment to patient safety, made evident through research into our practice. In our professional association, we state emphatically "our members' only business is patient safety." Safety is assured through education, high standards of professional practice, and commitment to continuing education. Having first practiced as registered nurses, CRNAs are educated to the master's degree level and meet the most stringent continuing education and recertification standards in the field. Thanks to this tradition of advanced education, the clinical practice excellence of anesthesia professionals, and the advancement in technology, we are humbled and honored to note that anesthesia is 50 times safer now than 20 years ago (National Academy of Sciences, 2000). Research further demonstrates that the care delivered by CRNAs, anesthesiologists, or by both working together yields similar patient safety outcomes. In addition to studies performed by the National Academy of Sciences in 1977, Forrest in 1980, Bechtholdt in 1981, the Minnesota Department of Health in 1994, and others, Dr. Michael Pine, MD, MBA recently concluded once again that among CRNAs and physician anesthesiologists, "the type of anesthesia provider does not affect inpatient surgical mortality" (Pine,

2003). Thus, the practice of anesthesia is a recognized specialty in nursing and medicine. Both CRNAs and anesthesiologists administer anesthesia for all types of surgical procedures from the simplest to the most complex, either as single providers or together.

NURSE ANESTHETISTS IN THE MILITARY

Since the mid-19th Century, our profession of nurse anesthesia has been proud to provide anesthesia care for our past and present military personnel and their families. From the Civil War to the present day, nurse anesthetists have been the principal anesthesia providers in combat areas of every war in which the United States has been engaged.

Military nurse anesthetists have been honored and decorated by the U.S. and foreign governments for outstanding achievements, resulting from their dedication and commitment to duty and competence in managing seriously wounded casualties. In World War II, there were 17 nurse anesthetists to every one anesthesiologist. In Vietnam, the ratio of CRNAs to physician anesthesiologists was approximately 3:1. Two nurse anesthetists were killed in Vietnam and their names have been engraved on the Vietnam Memorial Wall. During the Panama strike, only CRNAs were sent with the fighting forces. Nurse anesthetists served with honor during Desert Shield and Desert Storm. Military have CRNAs provided critical anesthesia support to humanitarian missions around the globe in such places as Bosnia and Somalia. In May 2003, approximately 364 nurse anesthetists had been deployed to the Middle East for the military mission for "Operation Iraqi Freedom" and "Operation Enduring Freedom."

Data gathered from the U.S. Armed Forces anesthesia communities' reveal that CRNAs have often been the sole anesthesia providers at certain facilities, both at home and while forward deployed. For decades CRNAs have staffed ships, isolated U.S. Bases, and forward surgical teams without physician anesthesia support. The U.S. Army Joint Special Operations Command Medical Team and all Army Forward Surgical Teams are staffed solely by CRNAs. Military CRNAs have a long proud history of providing independent support and quality anesthesia care to military men and women, their families and to people from many nations who have found themselves in harm's way.

In the current mission "Operation Iraqi Freedom" CRNAs will continue to be deployed both on ships and on the ground, as well as in U.S. special operations forces. This committee must ensure that we retain and recruit CRNAs now and in the future to serve in these military overseas deployments, and to ensure the maximum readiness of America's armed services.

CRNA RETENTION AND RECRUITING—HOW THIS COMMITTEE CAN HELP THE DEFENSE DEPARTMENT

In all of the Services, maintaining adequate numbers of active duty CRNAs is of utmost concern. For several years, the number of CRNAs serving in active duty has fallen somewhat short of the number authorized by the Department of Defense (DOD). This is further complicated by strong demand for CRNAs in both the public and private sectors.

However, it is essential to understand that while there is strong demand for CRNA services in the public and private healthcare sectors, the profession of nurse anesthesia is working effectively to meet this workforce challenge. Our evidence suggests that while vacancies exist, there is not a crisis in the number of anesthesia providers. The profession of nurse anesthesia has increased its number of accredited CRNA schools, from 88 to 94 in the past year. Each CRNA school continues to turn away qualified applicants—bachelor's educated nurses who had spent at least 1 year serving in a critical care environment. Recognizing the importance of nurse anesthetists to quality healthcare, the AANA has been working with its 94 accredited schools of nurse anesthesia to increase the number of qualified graduates, and to expand the number of CRNA schools. The Council on Accreditation of Nurse Anesthesia Educational Programs (COA) reports that in 1999, our schools produced 948 new graduates. By 2004, that number had increased to 1,628, a 72 percent increase in just 5 years. The growth is expected to continue. The COA projects CRNA schools to produce 1,800 graduates in 2005.

This committee can greatly assist in the effort to attract and maintain essential numbers of nurse anesthetists in the military by their support to increase special pays.

INCENTIVE SPECIAL PAY (ISP) FOR NURSE ANESTHETISTS

According to a March 1994 study requested by the Health Policy Directorate of Health Affairs and conducted by the Department of Defense, a large pay gap existed between annual civilian and military pay in 1992. This study concluded, "this earnings gap is a major reason why the military has difficulty retaining CRNAs." In order to address this pay gap, in the fiscal year 1995 Defense Authorization bill Congress authorized the implementation of an increase in the annual Incentive Special Pay (ISP) for nurse anesthetists from \$6,000 to \$15,000 for those CRNAs no longer under service obligation to pay back their anesthesia education. Those CRNAs who remain obligated receive the \$6,000 ISP.

Both the House and Senate passed the fiscal year 2003 Defense Authorization Act Conference report, H. Rept. 107-772, which included an ISP increase to \$50,000. The report included an increase in ISP for nurse anesthetists from \$15,000 to \$50,000. There had been no change in funding level for the ISP since the increase was instituted in fiscal year 1995, while it is certain that civilian pay has continued to rise during this time. The AANA is requesting that this committee support funding increases for the ISP for all the branches of the armed services to retain and recruit CRNAs now and into the future.

In addition, there still continues to be high demand for CRNAs in the healthcare community leading to higher incomes, widening the gap in pay for CRNAs in the civilian sector compared to the military. The fiscal year 2004 AANA Membership survey measured income in the civilian sector by practice setting. The median income in a hospital setting is \$135,000, anesthesiologist group \$120,000, and self-employed CRNA \$159,000 (includes Owner/Partner of a CRNA Group). These median salaries include call pay, overtime pay, and bonus pay. These salaries are still higher than the median CRNA's salary of \$88,000 across all military service branches.

In civilian practice, all additional skills, experience, duties and responsibilities, and hours of work are compensated for monetarily. Additionally, training (tuition and continuing education), healthcare, retirement, recruitment and retention bonuses, and other benefits often equal or exceed those offered in the military.

Salaries in the civilian sector will continue to create incentives for CRNAs to separate from the military, especially at the lower grades without a competitive incentive from the military to retain CRNAs. Therefore, it is vitally important that the Incentive Special Pay (ISP) be increased to ensure the retention of CRNAs in the military.

AANA thanks this committee for its support of the annual ISP for nurse anesthetists. AANA strongly recommends the continuation and an increase in the annual funding for ISP for fiscal year 2006. The ISP recognizes the special skills and advanced education that CRNAs bring to the Department of Defense healthcare system.

BOARD CERTIFICATION PAY FOR NURSE ANESTHETISTS

Included in the fiscal year 1996 Defense Authorization bill was language authorizing the implementation of a board certification pay for certain healthcare professionals, including advanced practice nurses. AANA is highly supportive of board certification pay for all advanced practice nurses. The establishment of this type of pay for nurses recognizes that there are levels of excellence in the profession of nursing that should be recognized, just as in the medical profession. In addition, this type of pay may assist in closing the earnings gap, which may help with retention of CRNAs.

While many CRNAs have received board certification pay, there are many that remain ineligible. Since certification to practice as a CRNA does not require a specific master's degree (though all CRNAs graduating and being certified today do so as master's graduates), many nurse anesthetists have chosen to diversify their education by pursuing an advanced degree in other related fields. But CRNAs with master's degrees in education, administration, or management are not necessarily eligible for board certification pay since their graduate degrees are not in a clinical specialty. To deny a bonus to these individuals is unfair, and will certainly affect their morale as they work side-by-side with their less-experienced colleagues, who will collect a bonus for which they are not eligible. In addition, in the future this bonus will act as a financial disincentive for nurse anesthetists to diversify and broaden their horizons.

AANA encourages the Department of Defense and the respective services to reexamine the issue of awarding board certification pay only to CRNAs who have clinical master's degrees.

DOD-VA RESOURCE SHARING: DOD-VA NURSE ANESTHESIA SCHOOL UNIVERSITY OF
TEXAS HOUSTON HEALTH SCIENCE CENTER, HOUSTON, TX

The establishment of the joint Department of Defense-VA program in nurse anesthesia education at Fort Sam Houston in San Antonio, TX holds the promise of making significant improvements in the VA CRNA workforce, as well as improving retention of VA registered nurses in a cost effective manner. The current program utilizes existing resources from both the Department of Veterans Affairs Employee Incentive Scholarship Program (EISP) and VA hospitals to fund tuition, books, and salary reimbursement for student registered nurse anesthetists (SRNAs).

This VA nurse anesthesia program started in June 2004 with three openings for VA registered nurses to apply to and earn a Master of Science in Nursing (MSN) in anesthesia granted through the University of Texas Houston Health Science Center. Due to continued success and interest by VA registered nurses for the school, the program will be increasing to five openings for the June 2005 class. This program continues to attract registered nurses into VA service, by sending RNs the strong message that the VA is committed to their professional and educational advancement. The faculty director would like to expand the program to seven students for the June 2006 class. In order to achieve this goal, it is necessary for full funding of the current and future EISP to cover tuition, books, and salary reimbursement.

The 30-month program is broken down into two phases. Phase I, 12 months, is the didactic portion of the anesthesia training at the U.S. AMEDD Center and School (U.S. Army School for Nurse Anesthesia). Phase II, 18 months, is clinical practice education, in which VA facilities and their affiliates would serve as clinical practice sites. In addition to the education taking place in Texas, the agency will use VA hospitals in Augusta, Georgia, increasing Phase II sites as necessary. Similar to military CRNAs who repay their educational investment through a service obligation to the U.S. Armed Forces, graduating VA CRNAs would serve a 3-year obligation to the VA health system. Through this kind of Department of Defense-VA resource sharing, the VA will have an additional source of qualified CRNAs to meet anesthesia care staffing requirements.

At a time of increased deployments in medical military personnel, DOD-VA partnerships are a cost-effective model to fill these gaps in the military healthcare system. At Fort Sam Houston nurse anesthesia school, the VA faculty Director has covered her Army colleagues' didactic classes when they are deployed at a moments notice. This benefits both the VA and DOD to ensure the nurse anesthesia students are trained and certified in a timely manner to meet their workforce obligation to the Federal Government as anesthesia providers.

We are pleased to note that the U.S. Army Surgeon General and Dr. Michael J. Kussman, MD, MS, FACP (Department of Veterans' Affairs Acting Deputy Under Secretary for Health) approved funding to start this VA nurse anesthesia school in 2004. In addition, the Army program director COL Norma Garrett, Ph.D., CRNA with VA director Dr. Maureen Reilly, CRNA, MSN, MHS, Ph.D. working under her guidance continue to work together for the continued success in this DOD-VA partnership, with the support of Anesthesia Service Director Dr. Michael Bishop, MD. With modest levels of additional funding in the EISP, this joint DOD-VA nurse anesthesia education initiative can grow and thrive, and serve as a model for meeting other VA workforce needs, particularly in nursing.

Department of Defense and VA resource sharing programs effectively maximize government resources while improving access to healthcare for Veterans.

CONCLUSION

In conclusion, the AANA believes that the recruitment and retention of CRNAs in the armed services is of critical concern. The efforts detailed above will assist the military services in maintaining the military's ability to meet its wartime and medical mobilization through the funding both the ISP and board certification pay. Last, we commend and thank this committee for their continued support for CRNAs in the military.

Senator STEVENS. Senator Inouye.

Senator INOUE. About 2 years ago I had laser surgery in the eye and the anesthesia was administered by a nurse anesthetist. They are very good.

Dr. AUSTIN. Thank you, sir. We are very proud and very proud to serve the men and women in uniform.

Senator STEVENS. We have supported this annual funding for incentive pay. Tell us how it worked?

Dr. AUSTIN. Increasing the ceiling from the former level to the level it is now, it is a bit too soon to tell whether or not it is going to make a difference. That increased the ceiling and that ceiling then can be dealt with by the individual services to meet the needs of the services. The Army was the service that was and is most impacted and it is probably too soon to tell whether or not it is going to make a difference, but we are very optimistic that it is going to help maintain those billets.

Senator STEVENS. Let us know, because with the record of your profession's participate in the military, I think we might have to mandate its use rather than authorize its use. But tell them to keep us informed, will you, please?

Dr. AUSTIN. Thank you very much, sir.

Senator STEVENS. Thank you.

Senator INOUE. What is the national shortage of registered nurse anesthetists?

Dr. AUSTIN. Currently the national shortage, as far as a percentage, we would have to get you that data. But there continues to be a shortage. For instance, in the State of Maryland there is a hospital that has an immediate need for 11 full-time nurse anesthetists that they have not figured out by July 1 how they are going to fill. So that is a local example that really does serve as an example nationally.

The exact number, though, sir, we can get to you.

Senator INOUE. Thank you very much.

Dr. AUSTIN. I am sorry. A staff member brought up: In 2003 there is an 11 percent vacancy rate nationwide.

Senator INOUE. Thank you.

Senator STEVENS. Thank you very much.

I believe we have Jim Hoehn to testify for the Coalition of Experimental Program to Stimulate Competitive Research; is that correct?

STATEMENT OF JIM HOEHN, ON BEHALF OF THE COALITION OF EPSCoR (EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH) STATES

Mr. HOEHN. Yes, Senator. Jim Hoehn.

Senator STEVENS. Hoehn, thank you very much.

Mr. HOEHN. Good afternoon, Mr. Chairman and Senator Inouye. Thank you for the opportunity to testify regarding the Department of Defense's basic science research program and the Defense Experimental Program to Stimulate Competitive Research, or DEPSCoR. I am a senior associate at the EPSCoR Idea Foundation, which is a nonprofit organization that promotes the importance of strong science and technology research infrastructure and works to improve the research competitiveness of States that have historically received less Federal research funding. Previously I spent 29 years with the National Science Foundation (NSF), the last 5 of which I was head of the EPSCoR Office at NSF, chairing the interagency coordinating committee for EPSCoR.

I speak today on behalf of the coalition of 24 EPSCoR States in support of both the Department of Defense's science and engineering research program and an important component of that pro-

gram, DEPSCoR. Mr. Chairman, we regret that some of the DEPSCoR researchers from Alaska could not be here because of the change of the date of the hearing.

Mr. Chairman and Senator Inouye, thank you for your leadership and support, which led to an increase in DEPSCoR funding in 2005. This increase was a good first step in bringing funding up to a level that will fully enable DEPSCoR researchers to offer quality research directly related to the mission of the Department of Defense. The Coalition of EPSCoR States strongly supports the Department's budget request for basic research. DEPSCoR is a small but significant part of this larger multifaceted DOD research program.

The coalition recommends that Congress appropriate \$25 million to the Department of Defense budget for the DEPSCoR program in 2006. DEPSCoR was initially authorized in the 1995 National Defense Authorization Act and was created to help build national infrastructure for research and education by funding research activities in science and engineering fields that are important to national defense. DEPSCoR's objectives are to enhance the capability of institutions of higher education in DEPSCoR States to develop, plan, and execute science and engineering research that is competitive under the merit review system used for awarding Federal research assistance; and also to increase the probability of long-term growth in competitively awarded financial assistance that DEPSCoR universities receive for research.

I would like now to briefly highlight a few DEPSCoR-funded success stories out of research projects that have and are presently contributing to our national defense interests. The University of Alaska Fairbanks Institute of Arctic Biology has conducted research on the central nervous system with potential applications for reducing the severity of combat casualties by extending the window of opportunity for transport to medical facilities.

The University of Hawaii at Manoa has developed tropical cyclone forecasts for the Joint Typhoon Warning Center, which is DOD's operational center for tropical cyclone forecasting in the Pacific and Indian Oceans.

At Montana State University, research is being conducted to protect pilots and sensors from attacks from laser weaponry. The University of Nevada researchers are working on a project to mitigate the noise in the drive systems of ships and submarines. North Dakota State University is conducting research aimed at lengthening the life of ship structures. This research, like the other research, will lead to significant savings in military spending on marine fuel, maintenance, and replacement of ships. Again, these are just a few of the examples of DEPSCoR-funded recent initiatives that are adding to our national body of knowledge on various national security issues.

DEPSCoR awards are provided to the mission-oriented individual academic investigators to conduct research that has practical military applications. However, the program as currently implemented has not taken into account the significant benefits that can be derived from pooling individual investigators' efforts into the centers of research that meet the ever-increasing challenges and needs of the Department of Defense and the services.

The DEPSCoR States propose restructuring the program into two components. The first component would retain the current structure whereby the single investigators are invited to compete for research awards in areas identified by the Department. The second component would award funding to mission-oriented centers. These centers of defense excellence would be interdisciplinary and would build defense capacity. We believe that \$25 million could be broken out for \$10 million obligated for the individual investigator awards and \$15 million for the mission-oriented centers.

In conclusion, DEPSCoR is a wise and worthwhile investment of scarce public resources and will continue to contribute research that supports national defense needs. Thank you for your consideration of this request.

Senator STEVENS. Well, I assume Senator Inouye agrees with me, if we have the money we will continue to do it. But we do not know yet. The House has knocked \$3.3 billion off. We do not know what our allocation is going to be, but assuming that we have the money to do so, we want to continue to support your programs.

Mr. HOEHN. Thank you, Mr. Chairman.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DR. JEROME ODOM, DISTINGUISHED PROVOST EMERITUS, UNIVERSITY OF SOUTH CAROLINA ON BEHALF OF THE COALITION OF EPSCoR STATES

Mr. Chairman and members of the subcommittee, I thank you for the opportunity to submit this testimony regarding the Defense Department's basic scientific research program and the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR).

My name is Jerome Odom. I am Distinguished Provost Emeritus and a Professor of Chemistry and Biochemistry of the University of South Carolina. I am here today to speak in support of both the Defense Department's science and engineering research program and an important component of that research, the Defense Department's Experimental Program to Stimulate Competitive Research (EPSCoR). This statement is submitted on behalf of the Coalition of EPSCoR States and the 21 States and Puerto Rico that participate in the Coalition.

Mr. Chairman and Senator Inouye, on behalf of the EPSCoR States, I want to thank the subcommittee for increasing DEPSCoR funding over the administration request for fiscal year 2005. This increase is a good first step to bringing funding up to a level that will enable researchers from EPSCoR States to offer quality research of direct benefit to the mission of the Department of Defense.

The Coalition of EPSCoR States strongly supports the Department's budget request for basic research. The Defense EPSCoR program is a small, but significant, part of this larger program. The Coalition recommends that Congress appropriate \$25 million to the Defense Department's budget for the Defense Experimental Program to Stimulate Competitive Research (Program Element PE 61114D).

EPSCoR is a research and development program that was initiated by the National Science Foundation. Through a merit review process, EPSCoR is improving our Nation's science and technology capability by funding research activities of talented researchers at universities and non-profit organizations in States that historically have not received significant Federal research and development funding. EPSCoR helps researchers, institutions, and States improve the quality of their research capabilities in order to compete more effectively for non-EPSCoR research funds. EPSCoR is a catalyst for change and is widely viewed as a "model" Federal-State partnership. EPSCoR seeks to advance and support the goals of the program through investments in four major areas: research infrastructure improvement; research cluster development and investigator-initiated research; education, career development and workforce training; and outreach and technology transfer.

The Defense Experimental Program to Stimulate Experimental Research (DEPSCoR) was initially authorized by Section 257 of the fiscal year 1995 National Defense Authorization Act (Public Law 103-337). The Defense Department's EPSCoR program helps build national infrastructure for research and education by

funding research activities in science and engineering fields important to national defense. DEPSCoR's objectives are to:

- Enhance the capabilities of institutions of higher education in eligible States to develop, plan, and execute science and engineering research that is competitive under the peer-review systems used for awarding Federal research assistance; and
- Increase the probability of long-term growth in the competitively awarded financial assistance that universities in eligible States receive from the Federal Government for science and engineering research.

The Defense EPSCoR program contributes to the States' goals of developing and enhancing their research capabilities, while simultaneously supporting the research goals of the Department of Defense. DEPSCoR grants are based on recommendations from the EPSCoR State committees and the Department's own evaluation and ranking. Research proposals are only funded if they provide the Defense Department with research in areas important to national defense. The DEPSCoR States have established an impressive record to research that has directly contributed to our Nation's security interests. If you will allow me, I would like to highlight some of DEPSCoR's success.

In my State of South Carolina, researchers from Clemson University have produced communications protocols to enhance the effectiveness of radio networks on the battlefield. Researchers are focused on the development of protocols for mitigating the limitations of radio devices of widely disparate capabilities that will be required in future tactical communication networks used by the Army. The new technique will yield a significant improvement in performance and allow for more robust radio system operation for the Army. The University of South Carolina has completed a study to help the Navy revolutionize data processing methods for battlefield operations through the use of sophisticated mathematical techniques. Funded by the Navy, the research project, carried out at the internationally recognized Industrial Mathematics Institute of the University of South Carolina, develops state of the art compression methods that can be used in a variety of military scenarios including: automated target recognition, mission planning, post battlefield assessment, intelligence and counter intelligence.

The University of Alaska Fairbanks Institute of Arctic Biology has conducted research into the central nervous system and the University's Institute of Northern Engineering and Water has conducted research into the measurement of soil moisture. Both studies have important Defense applications.

The University of Hawaii at Manoa has developed tropical cyclone forecasts for the Joint Typhoon Warning Center (JTWC), which is DOD's operational center for tropical cyclone (TC) forecasting for the Pacific and Indian Oceans. The project will develop new tropical cyclone forecasting capabilities in collaboration with the JTWC. The research is closely related to U.S. Navy research and operational needs. An important aspect of the project is to closely collaborate with the JTWC locally. This will enhance the cooperation between DOD's operational site and the State of Hawaii university research community.

University of Alabama researchers have conducted important work to reducing gearbox noise in Army helicopters. By reducing the noise levels, the crew will be more alert and able to communicate more effectively while in such a vehicle, thus improving safe operation of the rotorcraft. Additionally, reducing structural vibrations can decrease fatigue damage in the rotorcraft.

Montana State University has received funding from the Air Force conduct research into protecting pilots and sensors from attack from laser weaponry. This project is of particular interest for protecting pilots using Night Vision Goggles (NVG), for laser range finders and target designators.

University of Nevada at Reno investigators are exploring novel military applications for non-lethal weaponry for use by the Air Force. This research could be used for ultimately developing "stunning/immobilizing" weapons that do not rely on chemicals and that do not cause human injury. University of Nevada researchers are working on a project to mitigate the noise in the drive systems of ships and submarines. The mitigation of noise and the accompanying vibration will significantly improve stealth performance of naval vessels.

North Dakota State University obtained funding to develop mechanisms that allow the Navy's unmanned airborne vehicles (UAVs) to carry out mission tasks with little external supervision and control. The development of this technology will lead to individual or teams of UAVs efficiently carrying out search, surveillance, reconnaissance, and delivery of weapons missions in the presence of enemy threat and without risk to the lives of military personnel. University of North Dakota researchers received Army funding to develop weather models for improving the availability of weather information worldwide. Improvements in satellite technology research

will lead to a better forecasting tool that can be utilized by Army personnel to help maximize their advantage in a battlefield or homeland defense environment. North Dakota State obtained funding from the Navy to conduct a project to lengthen the life of ship structures. This research will lead to significant savings in military spending on marine fuel, maintenance and replacement of ships.

University of Vermont researchers conducted a study to decompose chemical warfare agents such as mustard gas in a safe and environmentally sustainable system. This method is similar to one used in industry to remove toxic compounds from the smokestacks of coal-burning plants. This process can decompose nearly 100 percent of half mustard from a gas sample. The chemical by-products of this process are environmentally friendly and non-toxic. Similar technologies can be used to decompose sarin, soman, and VX simulants.

Currently, DEPSCoR awards are provided to mission-oriented individual investigators from universities and other institutions of higher education. The individual investigators conduct extremely important research that has practical military applications. However, the program as it is currently implemented has not taken into account the significant benefits that can be derived from individual investigators pooling their efforts to provide "centers" of research that meet the ever increasing challenges and needs of the Department of Defense and the Services.

Therefore, the DEPSCoR States propose restructuring the program into two components. The first component would retain the current program whereby the individual investigators are invited to compete for research awards in areas identified by the Department and the Services. The second and new component would award funding to mission-oriented "centers." These centers of defense excellence would be mission oriented interdisciplinary areas to build defense research capacity.

To achieve important defense research objectives of both the components of the program, the DEPSCoR States need the program to be funded at \$25 million for fiscal year 2006 with approximately \$10 million obligated to the individual investigator awards and \$15 million for the mission-oriented centers initiative. This twin approach to funding will significantly enhance the Department's ability to tap into the best ideas that the DEPSCoR States have to offer in support of the Nation's security needs.

The Defense Department's Experimental Program to Stimulate Competitive Research is a wise and worthwhile investment of scarce public resources. It will continue to contribute significantly to efforts to build scientific and engineering research efforts in support of national defense needs.

Finally, the Coalition of EPSCoR States believes a \$25 million Defense EPSCoR program with the modifications suggested will ensure that Federal dollars are being used in a cost-effective way and that the EPSCoR States are contributing to the Nation's Defense efforts. Thank you for your consideration of this request.

Senator STEVENS. Next witness, Major General Paul Weaver, Juvenile Diabetes Research Foundation International.

STATEMENT OF MAJOR GENERAL PAUL A. WEAVER, JR., U.S. AIR FORCE (RETIRED), ON BEHALF OF THE JUVENILE DIABETES RESEARCH FOUNDATION INTERNATIONAL

General WEAVER. Good afternoon, sir.

Senator STEVENS. Nice to see you again.

General WEAVER. Nice seeing you both, sir.

Mr. Chairman and Senator Inouye, thank you for the opportunity to speak with you on behalf of the Juvenile Diabetes Research Foundation. I am retired Major General Paul Weaver, former Director of the Air National Guard. I am here today to report on the success and continued progress of the technologies for metabolic monitoring, also known as the Julia Weaver Fund after my 6-year-old daughter. I would also like to thank you for your past support and encourage an additional \$10 million this year for this innovative program.

Metabolic measuring research has had great successes and continuing progress as we work to understand metabolism and the lifesaving insight new technologies can provide for our warfighting men and women. Metabolic measuring truly holds the potential to

improve and save lives. It will give our troops an immediate advantage when the unthinkable occurs.

I ask you to imagine for a moment this all too real and common scenario. A soldier is wounded by an Iraqi insurgent mortar attack. With this technology's remote real-time capacity to provide an on-line window into the body, monitoring metabolic alterations, field surgeons will have the potential to immediately assess the extent of the soldier's injuries. Ultimately, metabolic measuring can be integrated with other automated medical devices and Objective Force warrior equipment, activating devices such as the automatic tourniquets or injections to respond appropriately to injuries even before medical help arrives.

This amazing technology will ultimately allow soldiers to wear a uniform that will actually provide treatment on the spot. In the critical moments after an injury, metabolic measuring could treat injuries and give doctors at a field hospital miles away information to prepare for a soldier's specific wounds.

While the possibility of such lifesaving measures through technologies from metabolic measuring is still on the horizon, we are moving closer and closer to this reality every day. Already there are excellent examples of metabolic measuring funded research like a gel that responds to the concentration of glucose in your tears by changing colors, allowing soldiers to survive and recover from injuries, making our armed forces stronger.

In essence, metabolic measuring research will provide a real-time access to the warfighter's metabolic state, improved health and life-saving measures for women and men in the military. Access to the soldier's real-time metabolic state will have an enormous impact, sir. The technology will enhance our knowledge of basic metabolism, enabling the military to tailor fundamental elements of training and nutrition and ultimately be able to tailor their medical care to not only improve their survival, but, almost as important, reduce their healing time and the long-term effects of their injuries.

Congress' investment in this innovative technology and progressive approach has been vital to our national security and national health. A continued investment in this program will enable technologies for metabolic measuring partners, such as the Department of Defense, the NIH, NASA, and Juvenile Diabetes Research Foundation, to continue to develop and improve technologies to measure the physiology and the viability of our fighting men and women accurately, consistently, and non-evasively.

I have seen firsthand the fruits of your investment: Velcro, global positioning system (GPS), and the Internet. With funding through your subcommittee, technologies for metabolic measuring has the potential to be this kind of innovative and even lifesaving tool.

It is critical for your support of this lifesaving research by funding \$10 million for technologies for metabolic measuring, the Julia Weaver Fund Initiative. Not only will this improve the lives of our soldiers and their families, but it will be a great step toward an even more personal wish for me and many families, a cure for juvenile diabetes. Giving my daughter even the possibility of a non-invasive option to her multiple shots each day and the potential of avoiding the devastating complications of diabetes, like blindness,

kidney failure, and heart disease are promises that would provide hope to so many suffering with juvenile diabetes.

Finally, sir, my son Brett is an 18 year old marine headed to Iraq. Please give him and all the men and women like him who are already there in the front lines absolutely the best chance to survive if the unthinkable occurs.

Thank you for your time and your support, sir.

Senator STEVENS. Thank you very much. The best to your son.

General WEAVER. Thank you, sir.

Senator STEVENS. Nice to see you again.

General WEAVER. Nice seeing you, sir.

Senator STEVENS. Do you have a question, Senator?

Senator INOUE. We will do our best.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL PAUL A. WEAVER, JR. (RET.)

PROGRAM OVERVIEW

Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today to support \$10 million in funding for the Technologies for Metabolic Monitoring/Julia Weaver Fund (TMM/JWF) Initiative on behalf of the Juvenile Diabetes Research Foundation International.

I am here to report on the great success and continued progress of the TMM program thanks to your past support of this innovative project. The TMM program is working to improve understanding of metabolism and subsequently develop monitoring technology to provide our military with critical information about the physiology and viability of soldiers in the field, and astronauts orbiting the earth, accurately, constantly and non-invasively. The real life application of this technology will offer healthcare professionals an online window into the body; information which can ultimately provide life saving insight.

I am pleased to report that Congress's investment in this inventive technology and progressive approach to a vital national security, as well as national health need since fiscal year 2001, has yielded remarkable successes. We come before you this year to request an additional \$10 million to elevate this research, and move it rapidly to the soldiers in the field who will benefit the most from the results of this exciting program. A continued investment in the program will enable TMM's partners—the Department of Defense, the National Institutes of Health and the National Aeronautics and Space Agency, as well as the Juvenile Diabetes Research Foundation and the many TMM participants from academia, industry and government—to continue to develop and improve technologies to measure the physiology and viability of our fighting men and women.

After 35 years of military service, including 8 years as the Director and Deputy Director of the Air National Guard, I am proud of the Department of Defense's long and distinguished tradition of funding research, driven by genuine mission necessity. While in uniform, I saw the benefits of your commitment to the brave who serve. As an American out of uniform, I know that the fruits of your investments yield some of the most used applications in American culture. Some items on this list are part of our American lexicon—Velcro, GPS and the Internet. The program I speak of today has the potential to join this list, but it won't just make lives easier, it has the potential to improve and save lives as well.

A CRITICAL BATTLEFIELD TOOL

As we know all too well from the fields of Iraq and Afghanistan, providing our military's medical units with the most sophisticated cutting edge technology has significantly improved their ability to tackle battlefield trauma, ultimately saving the lives of our fighting men and women. Our soldiers, sailors, airmen and marines wounded in Iraq, Afghanistan and elsewhere are much more likely to survive their injuries today than in past wars. As recently reported by the Army News Service, only 1.6 percent of soldiers injured in Operation Iraqi Freedom and Operation Enduring Freedom have died of their wounds. This is less than half the 3.68 percent death rate for wounded soldiers in Vietnam. The technologies developed by the TMM program will accelerate this trend.

TMM will provide our soldiers with an immediate advantage when the worst occurs. Imagine the following all too real and common scenario: A soldier is wounded

by an Iraqi insurgency's mortar attack. With the technology's remote real time capacity to monitor metabolic alterations, field surgeons will have the potential to assess the extent of his injuries in such an acute incident. TMM can be integrated with other automated medical devices in Objective Force Warrior equipment, activating devices such as automatic tourniquets or injections to respond appropriately to his injuries. "Knowledge of the metabolic status of the warfighter, both prior to injury and during treatment, is vital to providing medical care. While in the past there have been numerous individual programs addressing various aspects of telemetry and metabolic monitoring, TMM has finally provided the opportunity to look at the whole issue end to end. We are especially excited about the opportunity to work more closely with our colleagues in NASA and NIH using the TMM program as a framework," said Colonel John Holcomb, Commander, U.S. Army Institute of Surgical Research. It is this capability that will potentially have a truly dramatic impact on reduction of our died-of-wounds numbers, not to mention ultimately improving the long-term quality of life, as well as reducing the cost of our military's medical obligations to its veterans.

TMM sensors also will have the potential to measure a soldier's metabolism in response to exertion, particularly in an environment of extreme heat. In another real scenario, this technology could direct an over-exerted soldier to take actions to optimize his performance, such as when and how much fluid to drink, or to consume a MRE specially formulated to optimize his performance for the task at hand. The sensors could also inform his commander that the soldier is too exhausted to make good decisions, protecting not only him but also the mission.

Access to a soldier's real time metabolic state will have enormous impact. The technology will enhance our knowledge of basic metabolism, enabling the military to tailor fundamental elements of training, nutrition and soldier health and performance, and ultimately be able to tailor their medical care to not only improve their survival, but almost as important reduce their healing time and the long term effects of their injuries. Saving the warfighters life is of tantamount importance, but we must also reduce the impact of their injuries on the rest of their lives.

According to Dr. Frazier Glenn, Technical Director, U.S. Army Medical Research and Materiel Command at Fort Detrick, "current technology investments have been somewhat divergent and the overall metabolic research area needed some way to coalesce around a central effort. TMM has fulfilled that role admirably." As a result, the DOD research in this area is even more effective, with the assistance of the TMM program.

A STRONG INVESTMENT WITH DEMONSTRABLE RESULTS

To demonstrate this program's dramatic success in the 5 years since its inception, in fiscal year 2001 the U.S. Army Medical Research and Materiel Command (USAMRMC), which manages this initiative, received 16 applications and supported 5 novel metabolic monitoring research projects and a highly successful workshop. In fiscal year 2002, the program received \$2.5 million in appropriations and was expanded to include academic, industry, civilian and defense researchers. As a result, 48 applications were received and following a highly competitive review, an additional 12 novel metabolic monitoring research projects received seed grants for 1 year. This year we have received nearly 60 proposals that have been reviewed by an expert scientific panel. The work of previously funded TMM researchers is among the highest scoring submissions. As this program continues to progress with the addition of an intramural component, we will utilize highly skilled laboratories with unique complementary skills, such a high-powered computer models of human disease, to realize the potential of these technologies to the benefit of both soldiers and civilians.

A critical component of the success of this project has been a structure which emphasized and encouraged innovative thinking. Fostering such an atmosphere resulted in new discoveries, some of which built upon existing ideas, and others which took this promising research in bold new directions. As a result of our continued combined effort, the TMM program has brought several highly attractive technologies from the drawing board to successful laboratory and field demonstrations.

Some of the intriguing examples of TMM-funded research include a polyacrylamide gel technology that responds to changes in the concentration of glucose in tear fluid by changing color—a high-tech contact lens if you will. In another project, researchers developed miniaturized implantable sensors, one of which wirelessly transmits glucose concentrations, and another measures multiple metabolites. Other projects included the development and validation of several portable devices to monitor the energy expended during physical activity, and determine the general energy costs of physical training in ROTC cadets.

Now, it is time to build upon this investment. The TMM program is ready to begin to transition from a basic research focus to a development and implementation process in order to expedite the clinical application of technology sooner. We hope not only to continue the current exciting direction of the program, but also to have the resources to begin to expand and truly maximize some of our real successes.

In addition to the work we have been doing, in partnership with DOD, NASA and NIH's academic and industrial partners in all 50 States, we hope to refine, manufacture and begin testing these technologies so they may rapidly enter the developmental and approval pipeline. Our goal is to create centrally organized programs that can utilize the strengths of the many facilities that can support this effort. This will be done in addition to our continued efforts to ensure a constant supply of new and novel capabilities.

PROGRAMMATIC SUCCESS WILL HAVE A BROAD REACH

There is no question that TMM holds great promise and is a superb investment for our soldiers in the field. Just like numerous other Defense Department programs before it, this technology teems with potential for those out of uniform.

As a military man, I am optimistic about the real life application of this technology for our fighting men and women, but I must be honest that my real passion for this research is my daughter Julia. One month after my retirement from military service, my wife and I took our 2½-year-old daughter Julia to the emergency room at Mary Washington Hospital in Fredericksburg, Virginia, a day that truly changed our lives. Prior to that day, we had been told Julia had the flu. Her condition continued to worsen. On New Years Day morning, we noticed a severe degradation with her overall health. She lost 10 pounds in 1 week and was losing mental awareness of her surroundings. We proceeded to the emergency room at Mary Washington Hospital where we were told, after her blood was tested, that she had developed juvenile diabetes. Julia, whom we call "The Precious", was transported by a helicopter ambulance to the Pediatric Intensive Care Unit at Walter Reed Army Medical Center. As the chopper lifted off, I could never explain the feeling in our hearts that we may never see our little girl alive again.

She was in the Intensive Care Ward for approximately 2 days and then moved to a regular ward after her condition became stable. The great medical staff at Walter Reed saved her life and for that, my wife and I will be eternally grateful. My daughter's daily regimen with juvenile diabetes consists of having her finger pricked 6-8 times a day and receiving 2-4 shots a day. I made a commitment to God that if I could ever do anything to help find a cure for diabetes, I would do it.

THE PROMISE FOR DIABETES

What you must know about the promise of this research effort as it applies to diabetes is that it offers more than an improvement in a diabetic's quality of life. As a parent, the simple act of eliminating the daily regimen of the 6 to 8 finger pricks and 2 to 4 shots my daughter endures would be a great relief. TMM offers the potential to replace this painful routine and provide a more complete picture of the disease. The real benefit of TMM is its ability to greatly reduce—or ideally eliminate—the daily risk of the diabetic emergencies of hypoglycemia and hyperglycemia, and most significantly, the long term damage caused by the fluctuations in blood glucose. JDRF reports that on average, the life expectancy of a child with type 1 diabetes is shortened by 15 years because of this long-term damage. As Julia's father, this is a statistic I cannot accept.

Anyone who has a loved one with this disease, or has the disease him or herself, knows the difficulties of controlling ever-fluctuating glucose levels with insulin and diet. Current technology is good but it is extremely difficult to maintain tight control of blood glucose levels, especially over long periods of time. New and improved technologies would help to ward off the devastating complications, such as blindness, kidney failure, amputation, heart disease, and nerve damage, which are often the inevitable result of a lifetime with this disease.

Technologies that would non-invasively monitor a diabetic's metabolism, coupled with an ability to provide information remotely (or wirelessly), would allow individuals with the disease to monitor their blood sugar levels accurately, constantly, and non-invasively, which could ultimately improve the control of fluctuations in their blood glucose levels and potentially reduce the severity of debilitating complications. In this way, this technology could offer a significant and immediate improvement in the quality of life of 18 million Americans who suffer from this disease and relieve much of the economic burden of this disease on our Nation.

APPLICATION IN THE INTENSIVE CARE UNIT

Insulin resistance and hyperglycemia often accompany the critical injuries and illnesses of patients in the intensive care unit (ICU), placing them at high risk for multiple organ failure and death. TMM could have a profound impact for these people as well. Recent studies show that preventing hyperglycemia by maintaining insulin levels substantially improves outcomes for these critically ill patients. TMM holds the potential to improve glycemic control in injured soldiers and other ICU patients that could ultimately be implemented in every hospital's intensive care unit, saving countless lives.

CONCLUSION

JDRF and I thank you Mr. Chairman and members of the subcommittee for your generous funding of this program, which allowed it to prosper into a unique and successful initiative. The attached research summaries demonstrate the high level of innovation that has been pursued with these funds. I respectfully ask that you continue your strong support for this initiative by providing \$10 million for fiscal year 2006. This funding will allow the U.S. Army Medical Research and Materiel Command (USAMRMC), in combination with its partners at NASA, the NIH and JDRF to capitalize on the opportunities provided by the previous 5 years of funding. Such funding will enable this truly unconventional consortium to expand this initiative, and transition from development to evaluation and application of these novel technologies in soldiers in the field and patients in the clinic.

This subcommittee is faced with difficult choices as it looks to stretch limited resources in a way that makes our military more lethal, robust and sustaining. I urge you to recognize the promise of this program to protect our most valuable asset, the men and women in uniform, when they need it most, which is following an injury. The science and technology in the TMM initiative is real; it holds the promise to assist wounded warriors immediately in times of trauma, and to optimize war fighter performance when it is most needed. While the health care cost savings it offers are significant, the cost of the lives, and the improvement in their quality, is truly incalculable.

I thank you for the opportunity to appear before you today.

TMM/JWF PROGRAM SUCCESSES

Development of a mouse/mammalian model for test and validation of implantable glucose sensors. This is vital to allow the progress of implantable research to move forward. TMM allowed this vital base-line infrastructure work to occur that will have wide ranging impact on many technology and research efforts that would not have been nearly as effective without it.

Numerous papers and research into Iontophoresis and other non-invasive/minimally invasive techniques of analysis and extraction of glucose and other analytes for assessment of metabolism.

Acceleration of research in implantable sensors to apply to numerous applications, including glucose monitoring. TMM allowed significant forward movement and acceleration in various industrial programs leading to earlier commercialization, and thereby more rapid move to the public of new techniques and devices.

TMM initiative has sharpened the focus and galvanizing the relevant research and development community in developing techniques for continuous monitoring of metabolic status in day-to-day activities, vital data to determine the effectiveness of new sensors and systems. This has led to seminal publications in peer-reviewed scientific journals to establish the technical foundations and, in conjunction with industrial collaborators, the beginnings of translation of the technology from the university research lab to the hands of the public. As a result of TMM, there are clear prospects for novel implantable sensors that can be of use in a variety of metabolic monitoring situations in the next several years.

TMM allowed the development and validation of several portable techniques for monitoring the amount of physical activity and its associated energy expenditure, and to determine the general energy costs of physical training in ROTC cadets. The TMM program has successfully completed tests in April of 2004, and is in the active process of analyzing the abundant data that was ascertained.

TMM funded research toward developing and characterizing a minimally invasive near-infrared fluorescence affinity glucose sensor for transdermal monitoring of subdermal interstitial fluid in diabetics and soldiers (fitness control). TMM allowed the successful completion of the optimization of a sensor in-vitro under simulated body conditions. The excellent long-term stability data of the TMM sensor, which performed satisfactorily over a period of 6 months on the benchtop, can be considered

to be a scientific breakthrough in the field of optical affinity sensors for glucose monitoring.

TMM INVESTIGATORS—BRIEF PROJECT SUMMARIES 2004

Sanford Asher, Ph.D.—University of Pittsburgh, Department of Chemistry.—(a) Novel Approaches to Glucose Sensing Based on Polymerized Crystalline Colloidal Array Hydrogel Sensors; (b) Fabricate superparamagnetic particle hydrogels responsive to glucose which will report on the interstitial glucose concentration noninvasively through a magneto-acoustic response; (c) Interstitial measurement; (d) Implantable; (e) Particles will have a natural frequency of oscillation which is glucose dependent; (f) Oscillating particles will generate an ultrasonic acoustic response which we detect by a piezoelectric transducer.

Ralph Ballerstadt, Ph.D., Biotex, Inc.—(a) Implantable Fluorescence Sensor For in vivo Glucose Monitoring; (b) Fluorescent properties of the sensor will vary in response to local glucose concentrations.

Diane J. Burgess, Ph.D.—University of Connecticut.—(a) Miniaturized, Wireless, Implantable Glucose Sensors; (b) With the help of fiscal year 2002 TMM-support: assembled an interdisciplinary team who designed, built and tested various components of a miniaturized, wireless-integrated and totally-implantable glucose sensor; (c) Development of an advanced hydrogel coating containing tissue response modifiers (TRMs) capable of minimizing inflammation, preventing fibrous encapsulation and promoting neovascularization; (d) Glucose-oxidase technology; (e) Implanted, wireless technology.

Matthew R. Glucksberg, Ph.D.—Northwestern University.—(a) Surface-Enhanced Raman Spectroscopy for Monitoring Lactate and Glucose; (b) Raman spectroscopy: powerful analytical tool that permits the unambiguous identification of molecules based on their unique vibrational modes; (c) Surface Enhanced Raman Scattering (SERS) phenomenon increases by up to a trillion fold the Raman signal from molecules near gold and silver nanoscale materials; (d) Project aims to develop and test these SERS active substrates on the tip of an indwelling, percutaneously implanted fiber optic probe.

Krzysztof C. Kwiatkowski, Ph.D.—Lynntech, Inc.—(a) A New Non-Invasive Continuous Glucose Sensor; (b) Micro-needle arrays created by Lawrence Livermore National Laboratory (LLNL) as the basis for a glucose sensor; (c) Interstitial fluid glucose measurement; (d) Similar to CGMS, but with new micro-needle technology.

Joseph Y. Lucisano, Ph.D.—GlySens, Inc.—(a) Dependable Detection and Warning of Hypoglycemia; (b) A very small, sensor array that can be inserted through a needle into the subcutaneous tissues of healthy individuals and that can be retrieved after 2 weeks of intensive monitoring; (c) A larger, disc-shaped version of the sensor array for long-term (1 year) implantation, especially in diabetic children to detect and warn of hypoglycemia; (d) Sensors indicative of the metabolic state, including sensors for glucose, oxygen, lactate, temperature, heart rate, breathing rate and physical activity.

Michael Pishko—Penn State, Dept Chemical Engineering.—(a) Microfabricated Multianalyte Sensor Arrays for Metabolic Monitoring; (b) Electrochemical biosensors based on redox polymer/enzyme thin films fabricated using conventional wafer fabrication technologies; (c) Implantable.

J. Bruce Pitner, Ph.D.—Becton, Dickinson and Company.—(a) Real-Time Energy Metabolite Monitoring Developing in vivo Sensors for Glucose, Fatty Acids, and Lactate; (b) Fluorophore-labeled binding proteins specific to metabolites such as glucose, lactate, and fatty acids; (c) Fluorophores are located at the binding site of the protein. Upon ligand attachment, the binding site undergoes conformational changes, which causes changes of the fluorescence response of the labeled dye.

Leah Tolsa, Ph.D.—University of Maryland Baltimore County.—(a) Low-Cost Portable System for Multianalyte Metabolic Monitoring; (b) Specific binding of each analyte to a corresponding binding protein. A sample of set volume is pumped into a microfluidic cassette, diluted accordingly, and channeled into three chambers containing the protein biosensors; (c) Proteins will be labeled with an environment-sensitive fluorophore (acrylodan) at a site that responds to analyte binding.

2003

Tadeusz M. Drzewiecki, Ph.D.—Defense Research Technologies, Inc.—(a) Non-Invasive Metabolic Monitoring Using a Breath-by-Breath Microfluidic Gas Monitoring System.

Jeffrey I. Joseph, D.O.—Thomas Jefferson University.—(a) Artificial Pancreas for Control of BG and Insulin Levels in Hospitalized Patients with Diabetes and Stress

Hyperglycemia; (b) MiniMed technologies—with inclusion of 3 rather than 1 sensor and intravenous monitoring.

Thomas Joseph—Becton Dickinson Technologies.—(a) Indwelling Metabolite Sensors for Optical Reading Through Skin: A Platform Based on NIR Dyes Conjugated to Binding Proteins: NIR Fluorescent Dyes conjugated to binding proteins.

David Gough—University of California, San Diego.—(a) Implementation of Implantable Disc, long-lived lactate sensor, monitor heart and breathing into animal models.

Donald Kreutzer—University of Connecticut.—(a) Uses of Neovascularization to Enhance Glucose Sensor Function In Vivo: Local delivery of angiogenic factors to enhance glucose sensor function; (b) Role of Macrophages in the Function and Lifespan of Glucose Sensors In Vivo.

Michael J. McShane, Ph.D.—Louisiana Tech University.—(a) Novel Micro/Nano Approaches for Glucose Measurement Using pH-Sensitive Hydrogels: pH-sensitive microgels for glucose measurement.

Jackie Y. Ying, Ph.D.—Massachusetts Institute of Technology.—(a) Glucose-Responsive Nanoparticles for Controlled Insulin Delivery.

2002

Daniel Moran, Institute of Military Physiology, Israel.—(a) Non-invasive metabolic rate monitor and predict energy expenditure.

Kong Chen, Vanderbilt University Medical Center.—(a) Non-invasive physical activity monitor, predict energy expenditure, determine energy costs and physiological responses.

Richard Guy, University of Geneva, Switzerland.—(a) Transdermal ionophoretic metabolic monitoring.

Ralph Ballerstadt, Biotex, Inc.—(a) Minimally invasive nearIR fluorescent polymer sensor for transdermal glucose monitoring.

Diane Burgess, University of Connecticut.—(a) Autonomous sensory device, low-power CMOS microelectronics, glucose oxidase based, improved stability via coatings.

David Gough, University of California, San Diego.—(a) Implantable Disc, multi-sensor array.

Stuart Harshbarger, Johns Hopkins University.—(a) Metabolic activity at wound site, prediction of wound healing.

James Mansfield, Hypermed, Inc., Watertown MA.—(a) Hyperspectral Imaging, focal changes in cutaneous hemoglobin.

Bradley Nindl, Military Performance, U.S. Army Research Institute of Environmental Medicine, Natick, Massachusetts.—(a) Non-invasive IGF-1 monitoring during warfighter training, interstitial micropore measurement.

Kenneth W. Ward, iSense Corporation.—(a) 300 m wire sensor for continuous amperometric monitoring of glucose and lactose.

Babak Ziaie, U. of Minnesota.—(a) Hydrogel-based implantable micromachined transponder for wireless glucose measurement.

2001

Jerome Shultz, NASA-AMES Research Center.—(a) Non-invasive, physiological evaluation system.

Bradley Nindl, Military Performance, U.S. Army Research Institute of Environmental Medicine.—(a) IGF-1 and IGF-1R analysis—Filter Paper Spot Assay.

Amanda O'Donnell, Naval Aerospace Medical Research Laboratory.—(a) Telemetric Device, heart rate variability, non-invasive assessment of operational performance.

Kaveh Zamani, Medical Research and Materiel Command.—(a) Real-time stress monitoring, non-invasive, stress hormone.

Motilal Pamanani, Henry M. Jackson Foundation for the Advancement of Military Medicine.—(a) Interstitial vs. Intravascular changes in hemorrhagic shock.

Senator STEVENS. Our next witness, Dr. Harry Armen, President of the American Association of Mechanical Engineers. Yes, sir.

STATEMENT OF HARRY ARMEN, Ph.D., PRESIDENT, AMERICAN SOCIETY OF MECHANICAL ENGINEERS

Dr. ARMEN. Good afternoon, Mr. Chairman, Senator Inouye. I am Harry Armen and I serve as the elected President of the American Society of Mechanical Engineers (ASME), a 120,000-member pro-

fessional engineering society founded in 1880. I am an engineer with over 40 years of experience in defense aerospace.

Engineers are a major part of this Nation's technology base, a base that is essential for defense and for our economic vitality. We therefore appreciate the opportunity to appear before your subcommittee to present our views on the DOD science, engineering, and technology programs, the S&T programs.

I want to specifically thank the subcommittee and especially you, Mr. Chairman and Senator Inouye, for your past and ongoing support you have shown for these programs. A stated goal of this administration and Congress is to maintain defense S&T funding at 3 percent of the overall defense budget. That level would require \$13.4 billion for fiscal year 2006. We urge you to support this level of funding for the S&T programs.

While we appreciate your continued support for the overall program, we remain very concerned about critical shortages in specific DOD S&T areas, particularly in those that support basic research, the 6.1 account. And we are concerned about the trends for funding for scientific and technical education. Basic research supports science and engineering research and technical education at universities in all 50 States. Many of the technically talented engineers who have developed and are developing our current weapons systems received funding for their education as a result of working on basic research projects and other programs funded by DOD that promoted technical education. On a personal level, I am a product of the National Defense Education Act of 1961.

In the early 1980s basic research was 20 percent of S&T funding. That level has declined to 12 percent. The technological superiority our young men and women in the services have been given in the campaigns in Afghanistan and Iraq were a direct result of investments made in science and technology several decades ago. We strongly encourage this subcommittee to reverse the declining trend and support robust investment in basic research.

We also urge the members of the subcommittee to support advanced technical education. As the need for a more highly skilled workforce which includes a higher percentage of individuals with master's and doctoral degrees increases and the available technical workforce decreases, corporations that must hire engineers who are U.S. citizens and have appropriate security clearances will be faced with critical shortages.

These shortages are a result of our own students declining to pursue careers in engineering and science, compounded by the fact that almost 60 percent of the current civilian science and technology defense workforce will be eligible for retirement or early retirement within the next 5 years.

Mr. Chairman and members of the subcommittee, we have a serious problem. The questions that must be addressed are the following: Will the United States, which is now dependent upon foreign suppliers for our energy and foreign financial resources to underwrite our deficits, also be dependent on foreign sources for science and engineering knowledge?

The second question: Will this Nation be the leader or just an observer in the next technological revolution, involving the confluence of bio, nano, and information technologies? That confluence will re-

sult in remarkable breakthroughs that will alter virtually every aspect of our lives. Or as Al Jolson once said, "You ain't seen nothing yet."

In summary, I urge the members of the subcommittee to continue your support to strengthen DOD's science and tech programs. It will take a great deal of continued attention and a commitment to defense research and development (R&D) to ensure that the best engineering and scientific minds are once again willing to apply their talents to meeting the future defense needs of this Nation.

Thank you for the opportunity to present our views.

Senator STEVENS. Well, thank you very much, doctor. We are pleased to have you appear before us.

Senator Inouye?

Senator INOUE. Thank you.

Senator STEVENS. We appreciate your comments. Thank you.

Dr. ARMEN. Thank you.

[The statement follows:]

PREPARED STATEMENT OF HARRY ARMEN

Mr. Chairman and distinguished members of the subcommittee, the ASME Department of Defense (DOD) Task Force of the Committee on Federal Research and Development is pleased to comment on the fiscal year 2006 budget request for the Research, Development, Test and Evaluation (RDT&E) and the Science and Technology (S&T) portion of the Department of Defense budget request.

ASME is a nonprofit, worldwide engineering Society serving a membership of 120,000. It conducts one of the world's largest technical publishing operations, holds more than 30 technical conferences and 200 professional development courses each year, and sets many industrial and manufacturing standards. The work of the Society is performed by its member-elected Board of Governors through five Councils, 44 Boards, and hundreds of Committees operating in 13 regions throughout the world.

This task force is comprised of experts from universities, industry, and members from the engineering and scientific community who contribute their time and expertise to evaluate the budgets requests and legislative initiatives the DOD sends to Congress.

We appreciate the opportunity to provide input on these areas that are critical to the national security and economic vitality of the United States. This subcommittee under your leadership has shown strong support for maintaining growth in Defense Research and Engineering in general and more specifically in Defense Science and Technology funding. We understand that Congress is faced with a more highly constrained budget environment this year and that there are many areas where increased funding could provide benefits. However, these Science and Technology accounts not only contribute directly to national security by creating the technology that will be inserted into our next generation of weapon systems, they also contribute through direct benefits, such as workforce development, job creation, and economic growth which are also vital to a strong national defense.

Our testimony addresses three primary funding areas: overall Engineering (RDT&E); Science and Technology (S&T); and the University Research Initiative (URI). In addition, the consequences of inadequate funding for defense research are outlined. These include a degraded competitive position in developing advanced military technology versus potential peer competitors. This could have profound consequences to the United States' economic and military position in the world.

The fiscal year 2006 request, if implemented, would represent a significantly reduced investment in Defense S&T. We strongly urge this committee to consider additional resources to maintain stable funding in the S&T portion of the DOD budget. At a minimum, \$13.4 billion, or about \$2.9 billion above the President's Request is required just to maintain inflation adjusted level funding.

DOD REQUEST FOR RDT&E

The administration requested \$69.356 billion for the Research, Development, Test and Evaluation (RDT&E) portion of the fiscal year 2006 DOD budget. These resources are used mostly for developing, demonstrating, and testing weapon systems, such as fighter aircraft, satellites, and warships. This amount represents growth

from last year's appropriated amount of \$69.199 billion of about 0.2 percent. Therefore, when adjusted for inflation, this represents a reduction of about 2 percent in real terms. One of the largest percentage cuts is in the Operational Test and Evaluation (OT&E) function, where the proposed funding of \$168 million is little more than half of the 2005 appropriated amount of \$310 million. The OT&E organization and the testing it conducts was mandated by Congress, and is intended to insure that weapon systems are thoroughly tested so that they are effective and safe for our troops.

While this testimony focuses on the fiscal year 2006 budget, the task force notes that the multi-year spending plan, as provided in the Future Years Defense Program (FYDP), generally shows reduced spending in RDT&E accounts over the next 5 years, with spending in fiscal year 2011 being just \$59.7 billion, or a 14 percent reduction from current levels. This reduced spending in R&D is inconsistent with the goal of developing new systems with advanced capabilities that support military transformation.

In recent years, the task force has supported the overall RDT&E request. However, this request falls short in meeting requirements and hence we request that the top line RDT&E be increased to \$73.1 billion. The specific areas that most need augmentation will be addressed in subsequent sections. While no specific recommendation on OT&E funding is provided, the committee should consider the level of funding required to ensure that the approximately \$70 billion worth of weapon systems that the Department is procuring are adequately tested and shown to be safe and effective.

DOD REQUEST FOR SCIENCE AND TECHNOLOGY

The fiscal year 2006 budget request for Defense Science and Technology (S&T) is \$10.522 billion, which is \$2.549 billion less than the fiscal year 2005 appropriated amount of \$13.069 and represents a 19.5 percent reduction. The S&T portion of overall DOD spending of \$419 billion would fall to 2.5 percent with this request. The 2001 Quadrennial Defense Review (QDR), the Defense Science Board (DSB), as well as senior Defense Department officials and commanders from the Air Force, Army, and Navy have voiced strong support for the future allocation of at least 3 percent for S&T programs. Clearly, this budget request moves the country in the wrong direction, by reducing S&T funding.

A relatively small fraction of the RDT&E budget is allocated for S&T programs. Specifically, the S&T request for \$10.522 billion represents only about 15 percent of the RDT&E total, but these accounts support all of the new knowledge creation, invention and technology developments for the military. These S&T funds support Basic Research (6.1), Applied Research (6.2), and Advanced Technology Development (6.3) and all categories are programmed for significant funding reductions.

Basic Research (6.1) accounts would decrease from \$1.513 billion to \$1.318 billion, a 12.9 percent decline. While these basic research accounts comprise less than 12 percent of the S&T budget and less than 2 percent of the RTD&E total, the programs that these accounts support are critically important to fundamental, scientific advances and to the generation of a highly skilled science and engineering workforce.

Basic research accounts are used mostly to support science and engineering research and graduate, technical education at universities in all 50 States. Almost all of the current high-technology weapon systems, from laser-guided, precision weapons, to the global positioning satellite (GPS) system, have their origin in fundamental discoveries generated in these defense-oriented, basic research programs. Proper investments in basic research are needed now, so that the fundamental scientific results will be available to create innovative solutions for the future defense needs of this country. Many of the technical leaders in corporations and government laboratories that are developing current weapon systems, such as the F-22 and Joint Strike Fighter, were educated under basic research programs funded by DOD. Failure to invest sufficient resources in basic, defense-oriented research will reduce innovation and weaken the future scientific and engineering workforce. The Task Force recommends that Basic Research (6.1) be funded at the level of \$1.6 billion.

Applied Research (6.2) would be reduced from \$4.849 billion to \$4.139 billion, a 14.6 percent reduction. The programs supported by these accounts are generally intended to take basic scientific knowledge, perhaps phenomena discovered under the basic research programs, and apply them to important defense needs. These programs may involve laboratory proof-of-concept and are generally conducted at universities, government laboratories, or by small businesses. Many of the successful demonstrations create or foster small companies, such as those done in the Small Business Innovative Research (SBIR) programs. Some devices created in these de-

fense technology programs have dual use, such as GPS, and the commercial market far exceeds the defense market. Many small companies that fuel job growth in many states obtained their start in defense programs, but later broadened their markets. However, without initial support many of these companies would not exist. Failure to properly invest in applied research would prevent many ideas for devices from being tested in the laboratory, and would stunt the creation and growth of small entrepreneurial companies.

The largest reduction would occur in Advanced Technology Development (6.3), which would experience a 24.5 percent decline, from \$6.707 billion to \$5.046 billion. These resources support programs that develop technology to the point that they are ready to be transitioned into weapon systems. Without the real system level demonstrations funded by these accounts, companies are reluctant to incorporate new technologies into weapon systems programs. The individual service's S&T accounts reflect the general trend of large reductions described above. However the largest reductions are in the Army's accounts, where Basic Research would be cut by 21.6 percent, Applied Research by 39.9 percent, and Advanced Technology Development by 45.4 percent. The only major S&T component with an increase is "Defense-Wide" Applied Research (6.2) where a 2.8 percent increase is proposed, mainly due to a 3.6 percent increase for the Defense Advanced Research Projects Agency (DARPA), an increase we strongly endorse.

We urge this subcommittee to support an appropriation of \$13.4 billion for S&T programs, which is 3 percent of the overall fiscal year 2005 DOD budget. This request is consistent with recommendations contained in the Quadrennial Defense Review and made by the Defense Science Board (DSB), as well as senior Defense Department officials and commanders from the Air Force, Army, and Navy, who have voiced support for the future allocation of 3 percent as a worthy benchmark for science and technology programs.

DOD REQUEST FOR THE UNIVERSITY RESEARCH INITIATIVE (URI)

The University Research Initiative (URI) supports graduate education in Mathematics, Science, and Engineering and would see a \$46.1 million decrease from \$294.2 million in fiscal year 2005 to \$248.1 million next year, a 15.7 percent reduction. While these amounts are small in comparison with the overall defense budget, they are critical to educating the next generation of engineers and scientist for the defense industry. Lack of funding for the URI will prevent or discourage students from pursuing careers in defense related technologies. This will have a serious long-term negative consequence on the ability of companies to hire highly skilled scientific and engineering workforce to build weapons systems in the years to come.

DOD has shown a lack of commitment to these programs, first by devolving these programs to the services 3 years ago and over the last 2 years not maintaining adequate funding. The reduction in funding will directly translate into fewer Americans having an opportunity to pursue advanced study in engineering, science, and mathematics, and therefore will reduce the pool of qualified workers with advanced technical skills for companies that design and manufacture defense systems.

While DOD has enormous current commitments, these pressing needs should not be allowed to squeeze out the small but very important investments required to create the next generation of highly skilled technical workers for the American defense industry. This would be shortsighted.

The task force recommends that the subcommittee support advanced technical education and provide \$325 million to the URI program for fiscal year 2006.

REDUCED S&T FUNDING IS A THREAT TO NATIONAL SECURITY

Since World War II the United States has led the world in science, innovation, and defense technology. This preeminent position in science, engineering and technology has made us an economic and military superpower, second to none. However, this lead is quickly eroding and within the next few years may be substantially reduced or may completely evaporate in some areas. Many European and Asian countries are educating far more engineers and scientists per capita and investing a greater portion of gross domestic product (GDP) in basic research and innovation than is the United States. If these trends continue, the United States, which relies heavily on advanced technology for military superiority, may find its dominant military position compromised. In the longer term the United States may become a second tier economic and military power.

A recent study performed by the Task Force on the Future of American Innovation, entitled "The Knowledge Economy: Is the United States Losing Its Competitive Edge" evaluated the position of the United States in several critical measures of technology, innovation, and scientific workforce development. While the report indi-

cated that the United States maintains a slight lead in research and discovery, there was concern expressed that, "Nations from Europe and Eastern Asia are on the fast track to pass the United States in scientific excellence and technological innovation".

The report compared the United States to other advanced, industrial countries in education, science and engineering workforce, scientific knowledge, innovation (as measured by the number of patent applications), investment in R&D, and trade balances in high technology goods and services.

Of all the measures considered the United States fared worst in the state of technical education. The United States already lags most advanced countries in several important measures of natural science and engineering education. These findings are supported by a 2002 Rand report titled, "Federal Investment in R&D", which noted that, "numerous competitor nations have made greater advances than the United States in terms of developing human resources for science and technology. Many countries in the European Union and Asia have exceeded U.S. degree production in the natural sciences and engineering. Europe overtook the United States in degree production in 1988 and has stayed ahead, and Asia pulled ahead in 1998. During this same period, U.S. degree attainment in these fields has declined." Currently 5.7 percent of U.S. bachelor degrees are in engineering or natural science. In European and developed or developing Asian countries this ranges from about 8 to 13 percent. For science and engineering doctoral degrees, which are becoming widely needed in industries that use advanced technology, the U.S. share of the worldwide total has been steadily decreasing. In 2000 only 22 percent of all doctoral degrees in engineering and natural science were awarded by American universities. This has fallen from more than 40 percent in the 1970's.

A useful measure of knowledge creation and the generation of new ideas is the number of technical papers published. The total number of U.S. publications has been nearly flat over the last 15 years. However, other countries have seen steady, and in some cases remarkable growth. Therefore, the U.S. share of worldwide technical papers published has fallen from 38 percent in 1988 to 31 percent in 2001. The EU countries when taken in total now lead in this area, accounting for 36 percent of world wide scientific publications. Asian countries, while still far behind at only 17 percent of the total, have experienced the most rapid growth in this category, more than doubling their output in the past 15 years. These countries will surpass the United States in about 6 years if current trends continue.

One area where the United States maintains a lead over developing Asian countries is in total R&D investment. Currently the United States invests over \$250 billion in combined private and public financed R&D compared with about \$100 billion for China, Singapore, South Korea, and Taiwan. However, even in this area the gap is rapidly closing. If current trends persist, the combined R&D expenditures of these countries will match the United States by about 2015. One of these reasons is the relatively slow growth in U.S. R&D funding. In 1970 about 0.1 percent of the GDP was invested in engineering and physical science research, mostly in the defense area. This proportion has steadily decreased and by 2000 less than half this much, or 0.05 percent of GDP, was allocated to research in these areas.

Finally the report compared U.S. balance of trade in advanced technology products, such aircraft, computers, communications equipment, pharmaceuticals, and precision and optical instruments. In 1990 the United States had a \$30 to \$40 billion trade surplus in these industries. This situation has steadily eroded to the point that in 2003 the United States ran a trade deficit in high technology products of nearly \$30 billion. One of the consequences of the growing economic power of China, which is increasing based on higher technology industries and an increasingly educated technical work force, is that China has surpassed the United States as the world's leading recipient of foreign direct investment (FDI).

There is a general belief among defense strategists that the United States must have the industrial base to develop and produce the military systems required for national defense.

Many members of Congress also hold this view. In order to have this capability, a native, skilled, scientific and engineering work force is required. There is a growing and alarming trend in many commercial industries to outsource engineering and other high-skilled service activities to foreign workers. In the past outsourcing was largely driven by cost considerations and was limited to low-cost, low-skilled workers. However, there is an emerging trend to outsource highly skilled engineering workforce products such as software and systems design and integration. A U.S.-based defense contractor cannot rely on engineers and scientists in other countries. Domestic content legislation for defense procurement makes little or no sense if the foremost scientists, engineers and manufacturers of sophisticated defense systems ultimately reside outside the United States. As the need for a more highly skilled

workforce, which includes a higher percentage of employees with Masters and Doctoral level technical educations, increases, and the available technical workforce decreases, corporations that must hire engineers who are U.S. Citizens with the appropriate security clearances, will be faced with serious shortages. A critical issue to be faced is: Will the United States, now dependent on foreign energy sources and finances to underwrite our deficits, now be dependent on foreign sources for scientific and engineering leadership?

We believe that protectionist measures will not be able to serve the long-term policy objective of having the capability to design, develop, and manufacture defense systems within the United States. In order to assure this capability, sufficient manpower, particularly those with the critical skills needed for creating advanced defense systems, needs to be available in sufficient numbers in the United States. Therefore, prudent investments in programs that create a robust, domestic supply of engineers and scientist with masters and doctoral level educations are in the national interest. Demographic data indicate that participation of U.S. students in science and engineering students will continue to decline. Retirements of scientists and engineers currently in the workforce will accelerate over the coming years. This will create a critical shortage of American citizens able to create the innovative, effective defense systems of the future.

As Congress considers the allocation of resources in the fiscal year 2006 defense appropriations, proper attention to the vital role that S&T plays in future innovations and defense workforce should be considered. There are critical shortages in the DOD S&T areas, particularly in those that support in basic research and technical education. These programs protect the stability of the Nation's defense base, will lead to technological superiority in future weapons systems, and educate new generations of scientists and engineers, who maintain our position as the world's technological leader.

Study after study has linked over 50 percent of our economic growth over the past 50 years to technological innovation. U.S. leadership in technological innovation is being seriously threatened by the accelerating pace of investments by other nations in R&D, their innovative capacity and their efforts in technical workforce development. All of these trends are occurring within the framework of an increasingly competitive global economy.

CONCLUSION

Leadership in engineering research, education and practice is a prerequisite to global leadership in technology innovation. A soon-to-be released National Academy of Engineering report entitled "Assessing the Capacity of the U.S. Engineering Research Enterprise" provides a roadmap for balancing the Federal R&D portfolio and re-establishing basic engineering research as a priority for this Nation. We strongly urge this committee to review the recommendations outlined in this report, particularly those pertaining to discovery-innovation institutes, strengthening linkages between industry and research universities, and human capital. The report is available at [http://www.nae.edu/NAE/engecocom.nsf/weblinks/MKEZ-68JK55/\\$File/Engineering%20Research.pdf](http://www.nae.edu/NAE/engecocom.nsf/weblinks/MKEZ-68JK55/$File/Engineering%20Research.pdf).

In conclusion, we thank the subcommittee for its ongoing strong support of Defense S&T. The Task Force believes that proposed funding levels are inadequate and the increased investments that are outlined are necessary and will make a vital contribution to our national security and to a stronger, more vibrant economy.

ASME International is a non-profit technical and educational organization with 125,000 members worldwide. The Society's members work in all sectors of the economy, including industry, academic, and government. This statement represents the views of the ASME Department of Defense Task Force of the Committee on Federal R&D of the Council on Engineering and is not necessarily a position of ASME as a whole.

Senator STEVENS. Our next witness is William Destler of the University of Maryland, is that correct? Is it "Doctor Destler?"

STATEMENT OF WILLIAM W. DESTLER, Ph.D., PROVOST, UNIVERSITY OF MARYLAND, COLLEGE PARK, ON BEHALF OF THE ASSOCIATION OF AMERICAN UNIVERSITIES

Dr. DESTLER. It is.

Senator STEVENS. Thank you, sir.

Dr. DESTLER. Mr. Chairman, Senator Inouye: I am here to represent the American Association of Universities (AAU), which con-

sists of 60 prominent public and private universities that together conduct about 60 percent of all federally sponsored research and produce about half of the Nation's Ph.D.'s each year.

I want to thank the two of you and the rest of the subcommittee for your past strong support of defense science and technology research efforts. I think it is no surprise to any of us that in the United States the combined research capabilities of our Federal laboratories, including our DOD labs, together with our corporate research assets, which are frankly in decline, and those in our research universities, represent one of our last unfair advantages over potential adversaries abroad. Spinoffs from defense science and technology, moreover, have resulted in the introduction of many new products and services in the private sector and are a key element in the maintenance of our national standard of living.

So as the subcommittee begins its work on the fiscal year 2006 defense appropriations bill, the AAU offers two major recommendations. One, strengthen support for basic research in defense science and technology. Funding for 6.1 research has steadily declined over the last decade, despite the fact that basic research is the seed corn that leads to technological superiority in defense systems. It is this technological superiority that has materially shortened military conflicts in which the United States has engaged in recent years and saved the lives of countless U.S. citizens.

Funding for 6.1 basic research, moreover, is a two-fer. It not only engages our top scientists and engineers nationwide in support of national defense interests, but it also supports the training of tomorrow's experts in these critical disciplines.

Second, the AAU supports the full funding of DOD's new National Defense Education Act phase I initiative, a program that many years ago benefited our previous speaker. In recent years the United States has failed to attract enough of its own best students to study in areas of critical importance to our national security. The new National Defense Education Act is intended to provide scholarships and fellowships to undergraduates and graduate students entering critical fields such as science, mathematics, engineering and foreign languages in return for a commitment of national service after completion of their studies—a perfect match in my opinion.

The AAU therefore fully supports the funding of the \$10.3 million requested for this program in fiscal year 2006 and recommends a greatly expanded program in fiscal year 2007 if funding will permit.

I am very grateful for the chance to speak to you today and, as you know, I am a very efficient speaker and I will give you a little bit of time back.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM W. DESTLER

Mr. Chairman and members of the subcommittee, I am William W. Destler, Senior Vice President for Academic Affairs and Provost, University of Maryland, College Park. I appear before you today on behalf of the Association of American Universities, which represents 60 of America's most prominent public and private research universities. AAU's member universities perform 60 percent of federally funded university-based research and award approximately half of all Ph.D. degrees granted annually.

I greatly appreciate this opportunity to testify on behalf of AAU on the important role the Department of Defense (DOD) plays in supporting both research and education in fields critical to our national defense. Before going further, I would like to thank Chairman Stevens, Ranking Member Inouye, and the members of the subcommittee for your strong support for Defense Science and Technology (S&T) programs in the past. For each of the past 4 years the final funding levels for Defense S&T have met or exceeded 3 percent of the total defense budget—a target originally established in 1989 by the Defense Science Board and then included in the Quadrennial Defense Review in 2001. This strong support for Defense S&T has been due in large part to your efforts. Your support of Defense S&T is even more significant given that in each of these years, the budget proposed by the Pentagon for S&T programs fell short of the 3 percent target.

As the subcommittee begins its work on the fiscal year 2006 defense appropriations bill, AAU offers the subcommittee two major recommendations.

Within funds provided for Defense S&T, strengthen support for basic research.—While significantly more resources have been allocated to Research, Development, Testing and Evaluation (RDT&E) in recent years and as referenced above, the 3 percent target for Defense S&T has been met, the percentage of this funding devoted to basic 6.1 research has declined. In fact, over the last 20 years, basic 6.1 research funding has declined in inflation-adjusted dollars, despite the demonstrated benefit of such funding.

In December 2004, the Council on Competitiveness—a national consortium of industrial, university and labor leaders—released a report entitled *Innovate America*, which identified innovation as “the single most important factor in determining America’s success in the 21st century.” Among its recommendations, the report urged that DOD restore its historic commitment to pioneering discoveries by devoting not less than one-fifth of the Defense S&T budget to basic research. To achieve that goal, AAU recommends increasing funding for defense basic research (budget category 6.1) programs by \$200 million in fiscal year 2006 to \$1.7 billion.

Fully fund DOD’s New National Defense Education Act (NDEA)—Phase I Initiative.—This year, in addition to the existing University Research Initiative, the National Defense Science and Engineering Graduate Fellowship Program, and the National Security Education Program (NSEP)—all programs for which AAU urges your continued support—the Pentagon has proposed \$10.3 million for a new National Defense Education Act—Phase I program. The NDEA initiative would provide scholarships and fellowships to undergraduate and graduate students entering critical fields of science, mathematics, engineering and foreign languages in return for a commitment of national service after completion of their studies.

AAU applauds this new initiative and believes it is a positive step toward addressing U.S. science and engineering (S&E) workforce needs. AAU encourages you to provide the \$10.3 million requested for this program in fiscal year 2006 and recommends greatly expanding this exciting new initiative in fiscal year 2007. AAU has called for an even more comprehensive, multi-agency national defense education initiative to be developed aimed at stemming national educational deficiencies and encouraging more U.S. students to study in critical fields of knowledge.

In the time I have remaining, let me briefly outline some key reasons why your support for basic defense research is critical. Then I will conclude with some final remarks about why AAU supports DOD’s National Defense Education Act proposal.

WHY INVESTING IN DOD RESEARCH IS CRITICAL FOR NATIONAL DEFENSE

DOD basic (6.1) research is the foundation for the scientific and technological breakthroughs required to meet future military needs.—During the Cold War, DOD provided robust support for breakthrough basic research performed at the Nation’s universities and national laboratories. This support resulted in many of the highly-effective technologies currently fielded in the war on terrorism today, such as global navigation, radar, laser targeting systems and “smart” bombs; lightweight body armor; the Internet; night vision and thermal imaging; unmanned aerial vehicles; and biological and chemical sensors. This funding was also critical to supporting some of the Nation’s top scientific talent.

Since the end of the Cold War, DOD’s focus on basic research has declined significantly, dropping from 20 percent of total defense S&T funds in 1980 to less than 12 percent in fiscal year 2005. According to an assessment of DOD basic research released earlier this year, the decline in funding for 6.1 basic research in real terms from 1993 to 2004 was 10 percent according to the inflation indexes used by the DOD and 18 percent using the Consumer Price Index (CPI). Growing concerns about declining investments in fundamental research have been highlighted in a number

of recent news articles which have brought attention to DARPA's move away from support of high risk, high payoff basic research.

As the threats we face have grown more complex, the need for new knowledge is greater now than ever before.—New dangers facing the military, such as high technology terrorism, information warfare, and the proliferation of weapons of mass destruction, require new and more sophisticated technologies. To meet these threats, DOD must strengthen its front-end commitment to basic research in areas such as: nanotechnology; high-speed microchips; computing and microchip capacity; composites research and stealth technology; explosive detection devices; self-healing wound technology; cybersecurity and encryption; and biological and chemical defense. The knowledge required to generate cutting edge technologies in these areas is critically dependent upon DOD's sustained investments in long-term, high risk, defense-oriented research performed at U.S. universities.

At the University of Maryland, for example, DOD support has enabled the University to bring together researchers from academia, industry, and DOD laboratories to work together on problems ranging from energetic materials to advanced electronic devices. This year, for example, we are partnering with DOD to establish a new Joint Institute for Knowledge Discovery which will assist the agency with the extraordinary problem of sifting important information from the huge quantities of information collected daily by our intelligence services, including NSA. This effort will involve researchers from several universities, the private sector, and DOD.

Defense support for research enlists today's top scientists in support of national defense while training tomorrow's experts in critical disciplines.—DOD's basic research investment produces not only military technology but also the people without whom technology would never see the light of day. DOD support to universities and DOD laboratories keeps top scientists and engineers involved in the academic disciplines that underpin national defense. It also plays a vital role in training the next generation of scientists and engineers who will become the future defense workforce and implement new defense innovations well into the 21st century.

DOD is the third-largest Federal sponsor of university-based research. More than 300 universities and colleges conduct DOD-funded research. This research is concentrated in fields where advances are most likely to contribute to national defense: DOD provides 71 percent of Federal funding for electrical engineering, 46 percent for materials engineering, 38 percent for computer sciences, and 30 percent for ocean sciences. DOD also sponsors fellowships and provides significant support for graduate students in critical defense fields such as computer science and aerospace and electrical engineering.

But there are still too few U.S. students studying these critical fields. The need to attract and retain them is the reason that AAU has endorsed DOD's proposal for the new National Defense Education Act and has called for an even greater multi-agency initiative in future years.

WHY AAU SUPPORTS A NEW NATIONAL DEFENSE EDUCATION ACT

As you know, a concerted effort to increase government investment in security-related research, education, and training is not novel. In response to the launch of Sputnik and the emerging threat posed by the Soviet Union, Congress in 1958 created NASA and adopted the National Defense Education Act (NDEA). The NDEA inspired generations of U.S. students to pursue fields critical to our national security, and enabled the United States to establish dominance in science and technology for military and civilian purposes.

Our future military challenges simply cannot be met without an appropriately educated and trained U.S. defense workforce. These needs have been highlighted by several sources, including the Hart/Rudman Commission on National Security, the National Science Board, and most recently, the defense industry and the Pentagon itself.

The sad truth is that in recent years, our country has failed to attract enough of our own best students to areas of critical importance to our security. This has left us critically dependent upon foreign talent to fulfill our workforce needs.

Since 9/11, however, there has been a drop in the number of foreign students coming to the United States to study. Moreover, most of these foreign students cannot obtain security clearances and cannot be employed in DOD laboratories or by the defense industry. Based on numerous benchmarks contained in a recent report by the Task Force on the Future of American Innovation, the scientific and technological advantage that the United States has held over other nations is eroding.

Rapidly developing economies, particularly those in Asia, are vigorously investing in their own research and higher education infrastructures, which is thus increasing

their ability to both educate their people at home and to perform cutting-edge research.

SUMMARY

For reasons of national, homeland, and economic security, the United States must produce more graduates in critical fields. Not only are DOD and the defense and aerospace industries experiencing significant difficulty in attracting and retaining the science and engineering talent they require, but as many as 13,000 DOD laboratory scientists will be eligible to retire in the next decade. There may not be sufficient numbers of graduating, security-clearable U.S. students to replace them. In addition, thousands more scientists and engineers will be needed in other governmental agencies such as NASA and the Department of Energy, and in energy-related industries. And the military and intelligence communities face an acute shortage of linguists and area specialists in key parts of the world. We must act now to fill the pipeline of U.S. students trained in fields vital to our national and economic security.

The Nation should not wait until we face a national security workforce crisis. It should act now. With your help, AAU believes that the DOD should and will play a leadership role in this effort.

We urge your support for the \$10.3 million requested for the NDEA-Phase I proposal and encourage you to recognize the need for additional resources for defense basic research. This is a small, but vital, investment in addressing the monumental national defense challenges we now face.

Again, I would like to thank the subcommittee for its continued support of Department of Defense research and look to your continued leadership in this area.

Senator STEVENS. Well, doctor, tell me. Does this money really flow into the students or just into the university and the fixed staff?

Dr. DESTLER. It goes entirely to the students. It provides scholarships and fellowships for the students to encourage them to study.

Senator STEVENS. This amount goes beyond the grants for research. It really reaches out to the students?

Dr. DESTLER. That is exactly correct.

Senator STEVENS. Well, you will have our support on that. I just finished a meeting with some of the people that loan money to students and they tell me there is not enough incentive for the science and engineering students. So we want to try to help you on that.

Dr. DESTLER. Exactly. Thank you very much for your support.

Senator STEVENS. Thank you very much.

Sydney Hickey of the National Military Family Association.

STATEMENT OF SYDNEY HICKEY, ON BEHALF OF THE NATIONAL MILITARY FAMILY ASSOCIATION

Ms. HICKEY. Yes, sir.

Mr. Chairman, Senator Inouye: the National Military Family Association (NMFA) appreciates this opportunity to express its views and the views of the families that we represent. We continue to be very grateful to you for your strong support of military family issues. Tremendous strides have been made in predeployment, deployment, and return and reunion support for families. Our families are concerned, however, about the long-term effects of frequent deployments, both on their service member and on their own family's integrity. Return and reunion programs must be long-term and include the families even when the service member is no longer on Active duty.

Families are also concerned about the availability of quality child care. NMFA believes the situation will only worsen as rebasing, transformation, and BRAC cause significant shifts in population. Alternatives are being developed by the Department of Defense and

we support these initiatives and urge funding for their rapid expansion.

Transformation, overseas rebasing, and BRAC will require significantly more resources than are currently available to ensure that quality of life programs remain in effect at losing installations until the last family has left and are in place at gaining installations before the first families arrive. NMFA is therefore very concerned about recent reports that basic family support is short of funding.

NMFA appreciates the many schools that have stepped up to the plate to provide needed counseling and other services to the children of deployed military parents. We believe that the extraordinary workload currently being placed on school systems necessitates an increase in the DOD impact aid supplement to \$50 million and continued congressional oversight of the resources requested by DOD for their own schools.

We also believe additional funds will be required in the out-years to assist those school districts that will receive many thousands of new military children from overseas areas and because of BRAC. NMFA believes robust funding of family support programs, including the education of children, is imperative for readiness.

Significant beneficiary turmoil occurred during the changeover to the new TRICARE contracts. While progress has been made, difficulties remain. Access standards for Prime enrollees, particularly those enrolled in military treatment facilities, are not being met in many cases. Families returning stateside due to overseas rebasing will not be able to be accommodated in many instances in military treatment facilities (MTFs). If the BRAC proposals for MTFs are implemented, significant inpatient workload will also shift out of the MTFs. NMFA believes the military health care system should be realistically and fully funded to provide quality and promised care to all beneficiaries wherever they receive that care.

NMFA is very grateful for the significant increase in the death gratuity and the servicemen's group life insurance (SGLI), but strongly believes that all in line of duty deaths must be treated the same; and we continue to believe that removing the dependency indemnity compensation offset to the survivor benefit plan is the best way to establish the long-term financial stability of the surviving family.

NMFA thanks you, Mr. Chairman and Senator Inouye, and your fellow members of this subcommittee for your support of military families and respectfully requests that it continue.

Senator STEVENS. Thank you very much.

Senator Inouye.

Senator INOUE. If I did not do that my wife would not let me home. If I did not support you my wife would throw me out.

Ms. HICKEY. More power to her.

Thank you.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF KATHLEEN B. MOAKLER, DEPUTY DIRECTOR, GOVERNMENT RELATIONS, THE NATIONAL MILITARY FAMILY ASSOCIATION

The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family and whose goal is to influence the devel-

opment and implementation of policies which will improve the lives of those family members. Its mission is to serve the families of the seven uniformed services through education, information and advocacy.

Founded in 1969 as the Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA today represents the interests of family members and the active duty, reserve components and retired personnel of the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

NMFA Representatives in military communities worldwide provide a direct link between military families and NMFA staff in the Nation's capital. Representatives are the "eyes and ears" of NMFA, bringing shared local concerns to national attention.

NMFA receives no Federal grants and has no Federal contracts.

NMFA's web site is located at <http://www.nmfa.org>.

Mr. Chairman and distinguished members of this subcommittee, the National Military Family Association (NMFA) would like to thank you for the opportunity to present testimony on quality of life issues affecting servicemembers and their families. NMFA is also grateful for your leadership in the 108th Congress in securing funds to:

- Make increases in the Family Separation Allowance and Imminent Danger Pay permanent.
- End the age-62 Survivor Benefit Plan offset.
- Help DOD support the education of military children.
- Support family readiness programs and military health care.

As a founding member of The Military Coalition, NMFA subscribes to the recommendations contained in the Coalition's testimony presented for this hearing. We especially endorse the Coalition's request that this subcommittee work to protect the benefits depended upon by members of the all-volunteer force, retirees, their families, and survivors. According to DOD statistics, approximately one-fourth of today's servicemembers came from military families. Ensuring a robust support network for today's military families and fulfilling promises made to military retirees will enhance the capabilities of tomorrow's force.

NMFA also endorses The Military Coalition's recommendations to:

- Enhance education and outreach to improve military family readiness and support families of deployed active duty, National Guard, and Reserve servicemembers.
- Fully-fund the commissary benefit and scrutinize proposals to close commissaries or combine exchange services.
- Ease the transition of Guard and Reserve families to TRICARE when the servicemember is mobilized by providing a choice of purchasing TRICARE coverage when in drill status or receiving Federal payment of civilian health care premiums when the servicemember is mobilized.
- Fully-fund the Defense Health Program budget to provide access to quality care for all beneficiaries.
- Authorize full Basic Allowance for Housing (BAH) for Guard and Reserve members mobilized for more than 30 days.

In this statement, NMFA will address issues related to military families.

FAMILY READINESS THROUGHOUT THE DEPLOYMENT CYCLE

The Services continue to refine the programs and initiatives to provide support for military families in the period leading up to deployments, during deployment, and the return and reunion period. Our message to you today is simple: increased funding to support family readiness is paying off! Family readiness over the long term requires that resources must be directed not just at deployment-related support programs, but also to sustain the full array of baseline installation quality of life programs. As referenced in NMFA's 2004 analysis report, "Serving the Home Front: An Analysis of Military Family Support from September 11, 2001 through March 31, 2004," consistent levels of targeted family readiness funding are needed, along with consistent levels of command focus on the importance of family support programs.

NMFA is very concerned about recent reports from Service leadership and from individual installations about potential shortfalls in base operations funding and appropriated fund support for Morale, Welfare and Recreation (MWR) and other quality of life programs. While some of these cuts may be temporary, in programs and facilities seeing declines in patronage due to the deployment of units from the installations, others are in services that support families, such as spouse employment support, volunteer support, child development center hours, or family member ori-

entation programs. These core quality of life programs make the transition to military life for new military members easier and lessen the strain of deployment for all families. NMFA does not have the expertise to ferret out exact MWR funding levels from Service Operations and Maintenance budgets. We are concerned about the state of this funding—both appropriated and non-appropriated fund support—because of what we hear from servicemembers and families, what we read in installation papers chronicling cutbacks, and from Service leaders who have identified shortfalls in base operations funding in the administration's fiscal year 2006 budget request. Resources must be available for commanders and others charged with ensuring family readiness to help alleviate the strains on families facing more frequent and longer deployments.

NMFA is particularly troubled by what we see as mixed signals regarding DOD's long-term commitment to quality of life services and programs. In recent testimony, several DOD and Service leaders have focused on the costs of many benefit programs and emphasized plans to increase bonuses, as opposed to other types of benefits or compensation. NMFA regards this narrow focus on bonuses as an inadequate quick fix to recruiting and retention woes. We agree with the Senior Enlisted Advisors who, in recent testimony, emphasized the importance of addressing quality of life issues for active, National Guard and Reserve servicemembers and their families. They listed child care and housing as top priorities, in addition to pay, health care, and educational opportunities for servicemembers and their families. NMFA believes military leaders must recognize that the robust military benefit package needed to recruit and retain a quality force demands attention to both pay and non-pay elements of that package.

WHAT'S NEEDED FOR FAMILY SUPPORT?

Family readiness volunteers and installation family support personnel in both active duty and reserve component communities have been stretched thin over the past 3½ years as they have had to juggle pre-deployment, ongoing deployment, and return and reunion support, often simultaneously. Unfortunately, this juggling act will likely continue for some time. Family member volunteers support the servicemembers' choice to serve; however, they are frustrated with being called on too often during longer than anticipated and repeated deployments. Military community volunteers are the front line troops in the mission to ensure family readiness. They deserve training, information, and assistance from their commands, supportive unit rear detachment personnel, professional backup to deal with family issues beyond their expertise and comfort level, and opportunities for respite before becoming overwhelmed. NMFA is pleased to note that the Army's paid Family Readiness Support Assistants are getting rave reviews from commanders and family readiness volunteers—funding is needed so that more of these positions can be created.

NMFA knows that complicated military operations can result in deployments of unexpected lengths and more frequent deployments. But we also understand the frustrations of family members who eagerly anticipated the return of their servicemembers on a certain date only to be informed at the last minute that the deployment will be extended or that the unit will be deployed again within a year or less of its return. Other than the danger inherent in combat situations, the unpredictability of the length and frequency of deployments is perhaps the single most important factor frustrating families today. Because of this unpredictability, family members need more help in acquiring the tools to cope. They also need consistent levels of support throughout the entire cycle of deployment, which includes the time when servicemembers are at the home installation and working long hours to support other units who are deployed or gearing up their training in preparation for another deployment. As one spouse wrote to NMFA:

“This is really starting to take a toll on families out here since some families are now on the verge of their third deployment of the servicemember to Iraq. Families are not so much disgruntled by the tempo of operations as they are at a loss for resources to deal with what I've started calling the ‘pivotal period.’ This is the point where the honeymoon from the last deployment is over, the servicemember is starting to train again for the next deployment in a few months and is gone on a regular basis, the family is balancing things with the servicemember coming and going and also realizing the servicemember is going to go away again and be in harm's way. We have deployment briefs that set the tone and provide expectations for when the servicemember leaves. We have return and reunion briefs that prepare families and provide expectations for when the servicemember returns. These two events help families know what is normal and what resources are available but there is an enormous hole for that ‘pivotal period.’ No one is getting families together to let them

know their thoughts, experiences and expectations are (or aren't) normal in those in between months. Deployed spouses have events, programs, and free child care available to them as they should—but what about these things for the in-betweeners who are experiencing common thoughts and challenges?"

Efforts to improve the return and reunion process must evolve as everyone learns more about the effects of multiple deployments on both servicemembers and families, as well as the time it may take for some of these effects to become apparent. Information gathered in the now-mandatory post-deployment health assessments may also help identify servicemembers who may need more specialized assistance in making the transition home over the long term. NMFA applauds the announcement made in January by the Assistant Secretary of Defense for Health Affairs that DOD would mandate a second assessment at the 4- to 6-month mark following the servicemember's return. We urge Congress to ensure the military Service medical commands have the personnel resources needed to conduct these assessments.

NMFA is concerned that much of the research on mental health issues and readjustment has focused on the servicemember. More needs to be done to study the effects of deployment and the servicemembers' post-deployment readjustment on family members. Return and reunion issues are long-term issues. More also needs to be done to ensure proper tracking of the adjustment of returning servicemembers. Post-deployment assessments and support services must also be available to the families of returning Guard and Reserve members and servicemembers who leave the military following the end of their enlistment. Although they may be eligible for transitional health care benefits and the servicemember may seek care through the Veterans' Administration, what happens when the military health benefits run out and deployment-related stresses still affect the family?

NMFA is pleased that DOD has intensified its marketing efforts for Military OneSource as one resource in the support for families throughout the entire deployment cycle. Military OneSource provides 24/7 access, toll-free or online, to community and family support resources, allowing families to access information and services when and where they need them. DOD, through OneSource, has committed to helping returning servicemembers and families of all Services access local community resources and receive up to six free face-to-face mental health visits with a professional outside the chain of command. NMFA is concerned that some of the recent cuts in family program staff at installations suffering a shortfall in base operations funding may have been made under the assumption that necessary support could be provided remotely through OneSource. The OneSource information and referral service must be properly coordinated with other support services, to enable family support professionals to manage the many tasks that come from high optempo.

Geographically-isolated Guard and Reserve families must depend on a growing but still patchy military support network. Countless local and State initiatives by government organizations and community groups have sprung up to make dealing with deployment easier for Guard and Reserve family members. One new initiative that has the potential to network these local efforts is the National Demonstration Program for Citizen-Soldier Support. This community-based program is designed to strengthen support for National Guard and Reserve families by building and reinforcing the capacity of civilian agencies, systems, and resources to better serve them. Initiated by the University of North Carolina at Chapel Hill, with \$1.8 million in seed money provided in the fiscal year 2005 Defense Appropriations Act, the Citizen-Soldier Support Program will be coordinated closely with existing military programs and officials in order to avoid duplication of effort and to leverage and optimize success. Leveraging community programs with Federal funding and programs can be a win-win situation. NMFA recommends continued funding of this program to allow it time to develop a model that can be replicated in other locations and to set up training to achieve this replication.

HEALTH CARE

This year, NMFA is monitoring the after-effects of the transition to the new round of TRICARE contracts and the continued transition of mobilized Guard and Reserve members and their families in and out of TRICARE. We are concerned that the Defense Health Program may not have all the resources it needs to meet both military medical readiness mission and provide access to health care for all beneficiaries. The Defense Health Program must be funded sufficiently so that the direct care system of military treatment facilities and the purchased care segment of civilian providers can work in tandem to meet the responsibilities given under the new contracts, meet readiness needs, and ensure access for all TRICARE beneficiaries. Families of Guard and Reserve members should have flexible options for their health care coverage that address both access to care and continuity of care

NMFA believes that “rosy” predictions when significant contract changes are being made are a disservice to both beneficiaries and the system. NMFA is appreciative of the intense effort being made to improve the referral and authorization process, but is concerned about the cost of the work-around and the prospect of a new round of disruptions when DOD’s electronic referral and authorization system is implemented. It is imperative that whatever changes are made, the promised Prime access standards must be met.

NMFA again notes that more must be done to educate Standard beneficiaries about their benefit and any changes that might occur to that benefit. To end the TRICARE Standard access problem that is a constant complaint of beneficiaries, DOD must work harder to attract providers and understand the reasons why providers do not accept TRICARE Standard.

We are closely watching the impending implementation of the TRICARE Reserve Select health care benefit for the reserve component. We have several concerns about the implementation of this program, especially regarding beneficiary education. Both the servicemember and the family need to understand the coverage provided under Reserve Select, the costs, and, most importantly, how Reserve Select differs from the TRICARE Prime or Prime Remote benefit the family used while the servicemember was on active duty. Emphasis must continue on promoting continuity of care for families of Guard and Reserve servicemembers. NMFA’s recommendation to enhance continuity of care for this population is to allow members of the Selected Reserve to choose between buying into TRICARE when not on active duty or receive a DOD subsidy allowing their families to remain with their employer-sponsored care when mobilized. NMFA also recommends that the rules governing health care coverage under TAMP be updated to allow the servicemember and family to remain eligible for TRICARE Prime Remote.

ALARMING DISCOVERY

Over the years, NMFA has received anecdotal information from family members that providers are not accepting them as TRICARE patients because the TRICARE reimbursement level was below that provided by Medicaid. Needless to say, family members have been outraged! However, since TRICARE reimbursement is tied by law to Medicare reimbursement, NMFA has believed the problem to be far larger than the military health care system. Alarm bells sounded, however, when NMFA was recently informed of the situation in several locations where differences between Medicaid and TRICARE rates for obstetrical care or pediatric procedures have added to the reasons providers give for not accepting TRICARE patients. NMFA does not know how prevalent this problem may be across the country and urgently requests that Congress require DOD to compare the reimbursement rates of Medicaid with those of TRICARE. We are particularly concerned with the rates for pediatric and obstetrical/gynecological care where Medicare has little experience in rate setting.

SURVIVORS

NMFA believes that the government’s obligation as articulated by President Lincoln, “to care for him who shall have borne the battle and for his widow and his orphan,” is as valid today as it was at the end of the Civil War. We know that there is no way to compensate those who have lost their servicemember, but we do owe it to these families to help ensure a secure future. NMFA strongly believes that all servicemembers’ deaths should be treated equally. Servicemembers are on duty 24 hours a day, 7 days a week, 365 days a year. Through their oath, each servicemember’s commitment is the same. The survivor benefit package should not create inequities by awarding different benefits to families who lose a servicemember in a hostile zone versus those who lose their loved one in a training mission preparing for service in a hostile zone. To the family, the loss is the same. NMFA was pleased that both the House and Senate included increased survivor benefits in their versions of the fiscal year 2005 Emergency Supplemental Appropriations Act. We urge this subcommittee to ensure that these increased benefits will be funded for fiscal year 2006.

NMFA recommends the following changes to support surviving family members of active duty deaths:

- Treat all active duty deaths equally. The military Services have procedures in place to make “line of death” determinations. Do not impose another layer of deliberation on that process.
- Eliminate the DIC offset to SBP. Doing so would recognize the length of commitment and service of the career servicemember and spouse. Eliminating the offset would also restore to those widows/widowers of those retirees who died

- of a service-connected disability the SBP benefit that the servicemember paid for.
- Improve the quality and consistency of training for Casualty Assistance Officers and family support providers so they can better support families in their greatest time of need.
- In cases where the family has employer sponsored dental insurance, treat them as if they had been enrolled in the TRICARE Dental Program at the time of the servicemember's death, thus making them eligible for the 3-year survivor benefit.
- Update the TRICARE benefit provided in 3-year period following the servicemember's death in which the surviving spouse and children are treated as their active duty family members and allow them to enroll in TRICARE Prime Remote.
- Allow surviving families to remain in government or privatized family housing longer than the current 6-month period if necessary for children to complete the school year, with the family paying rent for the period after 6 months.
- Expand access to grief counseling for spouses, children, parents, and siblings through Vet Centers, OneSource, and other community-based services.
- To provide for the long-term support of surviving families, establish a Survivor Office in the Department of Veterans' Affairs.

WOUNDED SERVICEMEMBERS HAVE WOUNDED FAMILIES

Post-deployment transitions could be especially problematic for servicemembers who have been injured and their families. NMFA asserts that behind every wounded servicemember is a wounded family. Wounded and injured servicemembers and their families deserve no less support than survivors. Spouses, children, and parents of servicemembers injured defending our country experience many uncertainties, including the injured servicemember's return and reunion with their family, financial stresses, and navigating the transition process to the Department of Veterans Affairs (VA).

Support, assistance, and above all, counseling programs, which are staffed by real people who provide face to face contact, are needed for the families of wounded/injured servicemembers. Whenever feasible, Military OneSource should be used as a resource multiplier. Mental health services and trained counselors need to be available and easily accessible for all servicemembers and their families who may suffer "invisible" injuries like combat stress and PTSD. Distance from MTFs or VA Centers should not preclude servicemembers and their families from seeking and receiving care. Respite care options should be provided and accessible for family members who care for the seriously wounded.

NMFA recommends the following changes to support wounded and injured servicemembers and their families:

- Direct the military Services, OSD, and the VA to improve their coordination in support of the wounded servicemember and family.
- Consider initiatives to enhance the short term financial stability of the wounded servicemember's family, such as: continuing combat pays and tax exclusion, creating a disability gratuity, or implementing a group disability insurance program.
- Extend the 3-year survivor health care benefit to servicemembers who are medically retired and their families.
- Enhance servicemember and spouse education benefits and employment support.
- Establish a Family Assistance Center at every Military Treatment Facility (MTF) caring for wounded servicemembers.

EDUCATION FOR MILITARY CHILDREN

A significant element of family readiness is an educational system that provides a quality education to military children, recognizing the needs of these ever-moving students and responding to situations where the military parent is deployed and/or in an armed conflict. Addressing the needs of these children, their classmates, and their parents is imperative to lowering the overall family stress level and to achieving an appropriate level of family readiness. But it does not come without cost to the local school system. Schools serving military children, whether DOD or civilian schools, need the resources available to meet military parents' expectation that their children receive the highest quality education possible.

NMFA is appreciative of the support shown by Congress for the schools educating military children. You have consistently supported the needs of the schools operated by the DOD Education Activity (DODEA), both in terms of basic funding and mili-

tary construction. The commitment to the education of military children in DOD schools between Congress, DOD, military commanders, DODEA leadership and staff, and especially military parents has resulted in high test scores, nationally-recognized minority student achievement, parent involvement programs and partnership activities with the military community. This partnership has been especially important as the overseas communities supported by DODDS and many of the installations with DDESS schools have experienced high deployment rates. DOD schools have responded to the operations tempo with increased support for families and children in their communities. NMFA is concerned that 3 years of a weak dollar has forced the DODDS schools, especially in Europe, to divert funds from maintenance and other accounts to pay necessary increases in employee allowances. Given the high level of deployment from European communities, we ask that Congress work with DOD to ensure DOD schools have the resources they need to handle their additional tasks.

NMFA is also appreciative of the approximately \$30 million Congress adds in most years to the Defense budget to supplement Impact Aid for school districts whose enrollments are more than 20 percent military children and for the additional funding to support civilian school districts who are charged with educating severely disabled military children. NMFA does not believe, however, that this amount is sufficient to help school districts meet the current demands placed on them. Additional counseling and improvements to security are just two needs faced by many of these school districts. NMFA asks this subcommittee to increase the DOD supplement to Impact Aid to \$50 million so that the recipient school districts have more resources at their disposal to educate the children of those who serve.

SPOUSE EMPLOYMENT

Sixty-nine percent of all military spouses and 86 percent of junior enlisted spouses are in the labor force. For many families this second income is a critical factor in their financial well being. Concerned that spouses desiring better careers will encourage servicemembers to leave the military, DOD has instituted several programs to support military spouses in their career goals. With 700,000 active duty spouses, however, the task of enhancing military spouse employment is too big for DOD to handle alone. Improvements in employment for military spouses and assistance in supporting their career progression will require increased partnerships and initiatives by a variety of government agencies and private employers.

Despite greater awareness of the importance of supporting military spouse career aspirations, some roadblocks remain. State laws governing unemployment compensation vary greatly and very few states generally grant unemployment compensation eligibility to military spouses who have moved because of a servicemember's government ordered move. NMFA has been pleased to note that some States are examining their in-state tuition rules and licensing requirements. These changes ease spouses' ability to obtain an education or to transfer their occupation as they move. NMFA is appreciative of the efforts by DOD to work with States to promote the award of unemployment compensation to military spouses, eligibility for in-state tuition, and reciprocity for professional licenses. Its website, usa4militaryfamilies.org, provides details on these State initiatives.

CHILD CARE

On a recent visit to Europe, President and Mrs. Bush stopped at Ramstein Air Base, Germany, to thank the troops for their service and dedication to our Nation. While visiting with families there, Mrs. Bush was made aware of the lack of child care providers in the community. This information is not new to NMFA. We have been hearing from our field Representatives that this is an on-going problem, especially OCONUS where child care options are limited. As one of our members in Germany stated: "Drawing from the pool of military spouses is no longer working over here. Big shortages. They are asking too much of the spouses as it is." Families in Europe state that funding targeted to pay raises for child care providers and increased subsidies for in-home providers could help the Services recruit more child care workers.

A recent online survey conducted by NMFA further outlines the need for more child care. Of special interest in the survey results was the frustration from dual military parents. Dealing with deployments, drill weekends and lack of child care facilities were of great concern. Families also cited concerns about finding child care after relocating to a new area. Because the servicemember is often quickly deployed after relocation, the spouse must deal with the added stress as he/she looks for employment and childcare in the new location. At a recent hearing, three of the four Service Senior Enlisted Advisors cited child care as their number one concern for

their servicemembers and families. The advisors spoke of lost duty time by servicemembers unable to find child care. DOD officials estimate that the Department needs at least 38,000 more slots. According to the Enlisted Advisors, the need may be greater. All spoke of waiting lists stretching into the thousands.

DOD is expanding partnerships to meet the demand described by the NMFA survey respondents and the Senior Enlisted Advisors. The National Association of Child Care Resource and Referral Agencies (NACCRRA) initiated a program entitled Operation Child Care to provide donated short term respite and reunion child care for members of the National Guard and Reserve returning from Operation Enduring Freedom/Operation Iraqi Freedom for the 2-week Rest and Recreation leave period. Another initiative through Military OneSource offers 10 hours of free childcare to each service member returning on R&R leave. NACCRA is also partnering with DOD on "Operation Military Child Care," which will help provide much needed government-subsidized, high quality child care for mobilized and deployed military parents who cannot access a military child development center. More funding dedicated to support families' access to child care and subsidize the costs is still needed.

TRANSFORMATION, GLOBAL RE-BASING, AND BRAC

As the Base Realignment and Closure (BRAC) Commission prepares to receive DOD's list of installations recommended for realignment and closure, military beneficiaries are looking to Congress to ensure that key quality of life benefits and programs remain accessible. Members of the military community, especially retirees, are concerned about the impact base closures will have on their access to health care and the commissary, exchange, and MWR benefits they have earned. They are concerned that the size of the retiree, Guard, and Reserve populations remaining in a location will not be considered in decisions about whether or not to keep commissaries and exchanges open. In the case of shifts in troop populations because of Service transformation initiatives, such as Army modularity, or the return of servicemembers and families from overseas bases, community members at receiving installations are concerned that existing facilities and programs may be overwhelmed by the increased populations. NMFA does not have a position on whether or not downsizing overseas should occur or how or where troops should be based. Our interest in this discussion is in raising awareness of the imperative that military family and quality of life concerns be considered by policy-makers in their decision-making process and in the implementation of any rebasing or transformation plans.

Quality of life issues that affect servicemembers and families must be considered on an equal basis with other mission-related tasks in any plan to move troops or to close or realign installations. Maintaining this infrastructure cannot be done as an afterthought. Planning must include the preservation of quality of life programs, services, and facilities at closing installations as long as servicemembers and families remain AND the development of a robust quality of life infrastructure at the receiving installation that is in place before the new families and servicemembers arrive. Ensuring the availability of quality of life programs, services, and facilities at both closing and receiving installations and easing service members and families' transition from one to another will take additional funding and personnel. NMFA looks to Congress to ensure that DOD has programmed in the costs of family support and quality of life as part of its base realignment and closure calculations from the beginning and receives the resources it needs. DOD cannot just program in the cost of a new runway or tank maintenance facility; it must also program in the cost of a new child development center or new school, if needed.

STRONG FAMILIES ENSURE A STRONG FORCE

Mr. Chairman, NMFA is grateful to this subcommittee for ensuring funding is available for the vital quality of life components needed by today's force. As you consider the quality of life needs of servicemembers and their families this year, NMFA asks that you remember that the events of the past 3½ years have left this family force drained, yet still committed to their mission. Servicemembers look to their leaders to provide them with the tools to do the job, to enhance predictability, and to ensure that their families are cared for. Further, they look to their leaders to make sure their children are receiving a quality education and their spouses' career aspirations can be met. They look for signs from you that help is on the way, that their pay reflects the tasks they have been asked to do, and that their hard-earned benefits will continue to be available for themselves, their families, and their survivors, both now and into retirement.

Senator STEVENS. Our next witness is Donetta D'Innocenzo.

STATEMENT OF DONETTA D'INNOCENZO, PUBLIC POLICY COMMITTEE, THE LEUKEMIA & LYMPHOMA SOCIETY

Ms. D'INNOCENZO. D'Innocenzo, Mr. Chairman.

Senator STEVENS. Public Policy Committee of the Leukemia & Lymphoma Society. Thank you very much.

Ms. D'INNOCENZO. Mr. Chairman, Senator Inouye: My name is Donetta D'Innocenzo and I am pleased to appear today to testify on behalf of the Leukemia & Lymphoma Society. During its 56 year history, the society has been dedicated to finding a cure for blood-related cancers. That includes leukemia, lymphoma, and myeloma. The society has the distinction of being both the largest private organization dedicated to blood cancers and the Nation's second largest private cancer organization.

We are pleased to report that impressive progress is being made in the treatment of many blood cancers. Over the last 20 years there have been steady and impressive strides in the treatment of the most common form of childhood leukemia, and just 3 years ago a new therapy called Gleevec was approved for chronic myelogenous leukemia, which is a so-called targeted therapy that corrects the molecular defect that causes the disease and does so with few side effects.

The Leukemia & Lymphoma Society is proud to have played a role in the development of this lifesaving therapy, but our mission is far from complete. There is much work still to be done and we believe the research partnership between the public and private sectors, as represented in the Department of Defense's congressionally directed medical research program is an integral part of that effort and should be strengthened.

Hematological, or blood-related, cancers pose a serious health risk to all Americans. In 2005 more than 115,000 Americans will be diagnosed with a form of blood-related cancer and almost 56,000 will die. The Leukemia & Lymphoma Society, along with its partners, the Lymphoma Research Foundation and the Multiple Myeloma Research Foundation, believe this type of medical research is particularly important to the Department of Defense for a number of reasons.

First, research on blood-related cancers has significant relevance to the armed forces as the incidence of these cancers is substantially higher among individuals with chemical and nuclear exposure. Higher incidences of leukemia have long been substantiated in extreme nuclear incidents in both military and civilian populations, and recent studies have proven that individual exposure to chemical agents such as Agent Orange in the Vietnam war cause an increased risk of contracting lymphoid malignancies. In addition, bone marrow transplants were first explored as a means of treating radiation-exposed combatants and civilians following World War II.

Second, research in blood-related cancers has traditionally pioneered treatments in other malignancies. This research frequently represents the leading edge in cancer treatments that are later applied to other forms of cancer. Chemotherapy and bone marrow transplants are two striking examples of treatments first developed in the blood cancers.

From a medical research perspective, it is a particularly promising time to build a Department of Defense research effort focused on blood-related cancers. That relevance and opportunity were recognized over the last 4 years when Congress appropriated \$4.5 million annually, a total of \$18 million, to begin initial research into chronic myelogenous leukemia through the congressionally directed medical research program.

As members of the subcommittee know, a noteworthy and admirable distinction of the congressionally directed medical research program (CDMRP) is its cooperative and collaborative process that incorporates the experience and expertise of a broad range of patients, researchers, and physicians in the field. Since the chronic myelogenous leukemia (CML) program was announced, members of the society, individual patient advocates, and leading researchers have enthusiastically welcomed the opportunity to become a part of this program.

Unfortunately for us, \$4.5 million does not go very far in medical research. Recognizing that fact and the opportunity this research presents, a bipartisan group of 34 Members of Congress have requested that the program be modestly increased to \$15 million and be expanded to include all blood cancers, that is leukemias, lymphomas, and myeloma. This would provide the research community with the flexibility to build on the pioneering tradition that has characterized this field.

Department of Defense research on other forms of blood cancers addresses the importance of preparing for civilian and military exposure to weapons being developed by several hostile nations and to aid in the march to more effective treatment for all who suffer from these diseases.

We respectfully request inclusion of this in the 2006 legislation. Thank you.

[The statement follows:]

PREPARED STATEMENT OF DONETTA D'INNOCENZO

INTRODUCTION

I am pleased to appear before the subcommittee today and testify on behalf of The Leukemia & Lymphoma Society (LLS).

During its 56-year history, the Society has been dedicated to finding a cure for the blood cancers—leukemia, lymphoma, and myeloma. The Society has the distinction of being both the largest private organization dedicated to blood-related cancers and the Nation's second largest private cancer organization.

Our central contribution to the search for a cure is providing a significant amount of the funding for basic and translational research in the blood cancers. In 2005, we will provide approximately \$50 million in research grants. In addition to our role funding research, we provide a wide range of services to individuals with the blood cancers, their caregivers, families, and friends through our 63 chapters across the country. Finally, we advocate responsible public policies that will advance our mission of finding a cure for the blood cancers.

We are pleased to report that impressive progress is being made in the treatment of many blood cancers. Over the last two decades, there have been steady and impressive strides in the treatment of the most common form of childhood leukemia, and the survival rate for that form of leukemia has improved dramatically.

And just 3 years ago, a new therapy was approved for chronic myelogenous leukemia, a form of leukemia for which there were previously limited treatment options, all with serious side-effects. Let me say that more clearly, if 4 years ago your doctor told you that you had CML, you would have been informed that there were limited treatment options and that you should get your affairs in order. Today, those same patients have access to this new therapy, called Gleevec, which is a so-

called targeted therapy that corrects the molecular defect that causes the disease, and does so with few side effects.

LLS funded the early research on Gleevec, as it has contributed to research on a number of new therapies. We are pleased that we played a role in the development of this life-saving therapy, but we realize that our mission is far from complete. Many forms of leukemia, lymphoma and myeloma present daunting treatment challenges. There is much work still to be done, and we believe the research partnership between the public and private sectors—as represented in the Department of Defense's Congressionally Directed Medical Research Program—in an integral part of that effort and should be strengthened.

THE GRANT PROGRAMS OF THE LEUKEMIA & LYMPHOMA SOCIETY

The grant programs of the Society are in three broad categories: Career Development Grants, Translational Research Grants for early-stage support for clinical research, and Specialized Centers of Research. In our Career Development program, we fund Scholars, Special Fellows, and Fellows who are pursuing careers in basic or clinical research. In our Translational Research Program, we focus on supporting investigators whose objective is to translate basic research discoveries into new therapies.

The work of Dr. Brian Druker, an oncologist at Oregon Health Sciences University and the chief investigator on Gleevec, was supported by a translational research grant from the Society. Dr. Druker is certainly a star among those supported by LLS, but our support in this field is broad and deep. Through the Career Development and Translational Research Programs, we are currently supporting more than 500 investigators in 38 States and ten foreign countries.

Our new Specialized Centers of Research grant program (SCOR) is intended to bring together research teams focused on the discovery of innovative approaches to benefit patients or those at risk of developing leukemia, lymphoma, or myeloma. The awards will go to those groups that can demonstrate that their close interaction will create research synergy and accelerate our search for new therapies, prevention, or cures.

IMPACT OF HEMATOLOGICAL CANCERS

Despite enhancements in treating blood cancers, there are still significant research opportunities and challenges. Hematological, or blood-related, cancers pose a serious health risk to all Americans. These cancers are actually a large number of diseases of varied causes and molecular make-up, and with different treatments, that strike men and women of all ages. In 2005, more than 115,000 Americans will be diagnosed with a form of blood-related cancer and almost 56,000 will die from these cancers. For some, treatment may lead to long-term remission and cure; for others these are chronic diseases that will require treatments on several occasions; and for others treatment options are extremely limited. For many, recurring disease will be a continual threat to a productive and secure life.

A few focused points to put this in perspective:

- Taken together, the hematological cancers are fifth among cancers in incidence and second in mortality.
- Almost 700,000 Americans are living with a hematological malignancy in 2005.
- Almost 56,000 people will die from hematological cancers in 2005, compared to 40,000 from breast cancer, 30,200 from prostate cancer, and 56,000 from colorectal cancer.
- Blood-related cancers still represent serious treatment challenges. The improved survival for those diagnosed with all types of hematological cancers has been uneven. The 5-year survival rates are: Hodgkin's disease, 83 percent; Non-Hodgkin's lymphoma, 53 percent; Leukemias (total), 45 percent; Multiple Myeloma, 29 percent; Acute Myelogenous Leukemia, 14 percent.
- Individuals who have been treated for leukemia, lymphoma, and myeloma may suffer serious adverse events of treatment, including second malignancies, organ dysfunction (cardiac, pulmonary, and endocrine), neuropsychological and psychosocial aspects, and quality of life.

TRENDS

Since the early 1970's, incidence rates for non-Hodgkin's lymphoma (NHL) have nearly doubled.

For the period from 1973 to 1998, the death rate for non-Hodgkin's lymphoma increased by 45 percent, and the death rate for multiple myeloma increased by more than 32 percent. These increases occurred during a time period when death rates for most other cancers are dropping.

Non-Hodgkin's lymphoma and multiple myeloma rank second and fifth, respectively, in terms of increased cancer mortality since 1973.

Recent statistics indicate both increasing incidence and earlier age of onset for multiple myeloma.

Multiple myeloma is one of the top ten leading causes of cancer death among African Americans.

Despite the significant decline in the leukemia death rate for children in the United States, leukemia is still one of the two most common diseases that cause death in children in the United States.

Lymphoma is the third most common childhood cancer.

CAUSES OF HEMATOLOGICAL CANCERS

The causes of hematological cancers are varied, and our understanding of the etiology of leukemia, lymphoma, and myeloma is limited. Chemicals in pesticides and herbicides, as well as viruses such as HIV and EBV, play a role in some hematological cancers, but for most cases, no cause is identified. Researchers have recently published a study reporting that the viral footprint for simian virus 40 (SV40) was found in the tumors of 43 percent of NHL patients. These research findings may open avenues for investigation of the detection, prevention, and treatment of NHL. There is a pressing need for more investigation of the role of infectious agents or environmental toxins in the initiation or progression of these diseases.

IMPORTANCE TO THE DEPARTMENT OF DEFENSE

The Leukemia & Lymphoma Society, along with its partners in the Lymphoma Research Foundation and the Multiple Myeloma Research Foundation, believe this type of medical research is particularly important to the Department of Defense for a number of reasons.

First, research on blood-related cancers has significant relevance to the armed forces, as the incidence of these cancers is substantially higher among individuals with chemical and nuclear exposure. Higher incidences of leukemia have long been substantiated in extreme nuclear incidents in both military and civilian populations, and recent studies have proven that individual exposure to chemical agents, such as Agent Orange in the Vietnam War, cause an increased risk of contracting lymphoid malignancies. In addition, bone marrow transplants were first explored as a means of treating radiation-exposed combatants and civilians following World War II.

Secondly, research in the blood cancers has traditionally pioneered treatments in other malignancies. This research frequently represents the leading edge in cancer treatments that are later applied to other forms of cancer. Chemotherapy and bone marrow transplants are two striking examples of treatments first developed in the blood cancers.

From a medical research perspective, it is a particularly promising time to build a DOD research effort focused on blood-related cancers. That relevance and opportunity were recognized over the last 4 years when Congress appropriated \$4.5 million annually—for a total of \$18 million—to begin initial research into chronic myelogenous leukemia (CML) through the Congressionally Directed Medical Research Program (CDMRP). As members of the subcommittee know, a noteworthy and admirable distinction of the CDMRP is its cooperative and collaborative process that incorporates the experience and expertise of a broad range of patients, researchers and physicians in the field. Since the CML program was announced, members of the Society, individual patient advocates and leading researchers have enthusiastically welcomed the opportunity to become a part of this program and contribute to the promise of a successful, collaborative quest for a cure.

Unfortunately, \$4.5 million a year does not go very far in medical research. Recognizing that fact and the opportunity this research represents, a bipartisan group of 34 Members of Congress have requested that the program be modestly increased to \$15 million and be expanded to include all the blood cancers—the leukemias, lymphomas and myeloma. This would provide the research community with the flexibility to build on the pioneering tradition that has characterized this field.

DOD research on the other forms of blood-related cancer addresses the importance of preparing for civilian and military exposure to the weapons being developed by several hostile nations and to aid in the march to more effective treatment for all who suffer from these diseases. This request clearly has merit for inclusion in the fiscal year 2006 legislation.

The Leukemia & Lymphoma Society strongly endorses and enthusiastically supports this effort and respectfully urges the committee to include this funding in the fiscal year 2006 Defense Appropriations bill.

We believe that building on the foundation Congress initiated over the past 4 years would both significantly strengthen the CDMRP and accelerate the development of cancer treatments. As history has demonstrated, expanding its focus into areas that demonstrate great promise; namely the blood-related cancers of leukemia, lymphoma and myeloma, would substantially aid the overall cancer research effort and yield great dividends.

Senator STEVENS. We try each year to do our best on this. These are very serious diseases and you have the great support of members of this subcommittee. Whether we have the money to do it is getting to be another matter. But we will do our best. Thank you very much.

Ms. D'INNOCENZO. Thank you, Mr. Chairman.

Senator STEVENS. Senator Inouye.

Senator INOUE. No, thank you.

Senator STEVENS. Our next witness is Patricia Goldman, President Emeritus, and Ian Volvner, Ovarian Cancer National Alliance. Good afternoon.

STATEMENTS OF:

**PATRICIA GOLDMAN, PRESIDENT EMERITUS, ON BEHALF OF THE
OVARIAN CANCER NATIONAL ALLIANCE**

**IAN VOLVNER, ON BEHALF OF THE OVARIAN CANCER NATIONAL
ALLIANCE**

Ms. GOLDMAN. Thank you, Mr. Chairman and Senator Inouye. I am here today representing the Ovarian Cancer National Alliance along with Ian Volvner. We are a patient-led organization and we are here to give you our personal perspectives on this and our activities.

I am a very lucky lady. I am a 12 year survivor of ovarian cancer, and I suppose it is unusual to say you are lucky to have had a cancer, but in my case, where in ovarian cancer over half of the people who get this every year do not survive the 5-year mark with this.

One should not have to be lucky to survive ovarian cancer, and one of the things we are very grateful for for the research program that I am here to support is the progress we are beginning to make. Unlike breast, colon, cervical, there is no detection test that is applied for ovarian cancer. One of the things you may have seen in recent news accounts—and these have grown directly out of the research that has come from that—are the announcements of various biomarkers. We are not there yet, but it is exciting that the research is beginning to promise that has come out of this program that there may be a way if we keep at this to detect ovarian cancer.

As a further example, we formed this organization 8 years ago. A third of the founding board members, all in their 50s, have succumbed to the disease. So I think you get a sense of where we are with this.

Despite, as I mentioned, the terrible toll, we are beginning to make some progress. I am privileged, in addition, to serve on, have served on both the scientific review panels and the peer review panels of this very well managed program, in which case the patient advocates, the scientists, and the clinical physician sit together to review the programs. We have begun to find not only the markers, but some clinical evidence that can be applied. So we are very grateful for this program, and we respectfully request that the

program be continued as it has been in the form, both with the request of \$50 million for this.

I will submit the rest of my examples for the record if I may, and I thank you for that. I will turn to Mr. Volvner to have Ian give you his perspective on this from his own experience.

Senator STEVENS. Please do.

Mr. VOLVNER. Mr. Chairman, Senator Inouye: I am here today because my family—

Senator STEVENS. Would you pull the mike up toward you, please.

Mr. VOLVNER. I am here today because my family is a two-time survivor of ovarian cancer. You do not know the terrible toll that this insidious disease takes on a family, and I cannot begin to try to explain it to you. What I can tell you is that the very real gains that Pat Goldman referred to that have been made as a result of the research performed under the Defense Department's cancer research program, ovarian cancer research program, made our second tour of duty, if you will, considerably easier than the first time my wife incurred this dreadful disease.

The funding request that the Ovarian Cancer National Alliance has made is very modest. It is \$15 million. The returns in terms of the relief of burden on the social system, on the health care program, on our country, are enormous, and in simple human terms. I really do not know that my wife would be here but for this program.

So we thank you very much and we ask for your continued support of this very important but very modest financial program. Thank you.

[The statements follow:]

PREPARED STATEMENT OF THE OVARIAN CANCER RESEARCH PROGRAM

STATEMENT OF IAN D. VOLNER

Mr. Chairman and members of the committee, my name is Ian Volner, and I am a lawyer here in Washington, DC. Over the years, I have testified in my professional capacity before Congress on numerous occasions on a variety of public issues. This is only the second time I have testified in my personal capacity. On both occasions, I have appeared before this subcommittee to thank you for your support of the Department of Defense (DOD) Ovarian Cancer Research Program (OCRCP) and urge your continued support. I do so because my wife, Martha, our two sons, and I have "survived" ovarian cancer—not once, but twice.

The purpose of my testimony is to assure you that the monies you invested in the DOD Ovarian Cancer Research Program over the past 9 years have been wisely spent. We ask, therefore, that the funding level for this vital and very successful program be set at \$15 million for fiscal year 2006.

I first testified in support of the OCRCP before the subcommittee in May of 2000. Two weeks later, Martha was diagnosed, for the second time, with ovarian cancer. Our first battle with this insidious disease occurred in 1994. At that time, Martha's cancer was not detected until a very advanced stage; her chances of living 5 years was less than 1 in 3, and our sons were aged 13 and 10. Despite the odds, Martha survived due to the skill and dedication of her physicians and, in no small measure, because of their courage and hers. In 1994, the diagnostic tools were imprecise, unreliable and costly. The chemotherapy Martha underwent was designated as experimental, and its efficacy and side effects were not well understood.

The situation was measurably different when Martha was diagnosed with ovarian cancer for the second time, in late May of 2000. It was clear even then that the research being done under the auspices of this appropriation was bearing fruit. While the diagnostic tools were still imprecise, the medical professional better understood the strengths and weaknesses of the available tools. Treatment options had also improved. Thus, while skill, dedication and courage were still vitally important

to Martha's survival of her second bout with ovarian cancer, it was clear to our family that the research conducted by the OCRP was beginning to have effects, both in its own terms and, no less importantly, in fostering the development of a sustained commitment to ovarian cancer research.

While the OCRP has been funded at a constant level for the past 3 fiscal years, progress in diagnostics and treatment of ovarian cancer has been made. For example, research funded by the OCRP has resulted in the identification of new biomarkers that have the potential to alert doctors to the presence of ovarian cancer at an early stage. This could mean that in the future, women will not be exposed to the risks of late stage diagnosis as my wife was in 1994. Similarly, because of research funded by the OCRP, new and more effective treatments for this insidious disease are in development. In the future, women should not have to undergo the long and exhausting chemotherapy regime that Martha was subjected to in 1994.

There has been little or no improvement in the survival rate for women who are diagnosed at a late stage. This disease moves with daunting speed, and the mortality rates are alarming. Due to the funding limits for this program, many research projects rated as outstanding or excellent have not been funded. Even a modest increase in funding would help to further the progress that has been made.

When the subcommittee views the work that has been accomplished by the program in our written statements, I am sure it will agree that the money Congress appropriates for OCRP is being well spent. In some, perhaps immeasurable but nonetheless clear way, Martha is with us today—and is able to attend the graduation of each of her sons (now 24 and 21) from college—thanks to this program. The human, economic and social returns of the modest investment in this program are enormous. As a proxy for the millions of women who will benefit from that investment, I urge the committee to appropriate \$15 million for the Ovarian Cancer Research Program for fiscal year 2006.

I want to thank the members of the subcommittee for the opportunity to testify at this important hearing today. I know it has been a long day for you. I am ready to answer any questions you may have.

STATEMENT OF PATRICIA GOLDMAN

Senator Stevens, members of the subcommittee on Defense Appropriations, I am here today representing the Ovarian Cancer National Alliance (the Alliance), a patient-led organization that works to increase public and professional understanding of ovarian cancer and advocates for increased resources to support research on more effective ovarian cancer diagnostics and treatments. I thank you for the opportunity to submit comments for the record and to give you my very personal perspective on the program you are reviewing.

I am a very lucky lady. I am a 12-year survivor of ovarian cancer—the deadliest of all gynecologic cancers. I am lucky because I am one of the rare women whose cancer was detected in an early and curable stage. Currently, more than half of the women diagnosed with ovarian cancer will die within 5 years of diagnosis. Therefore, I am here representing thousands of women who could not be here. One shouldn't have to be "lucky" to survive ovarian cancer.

Because of extensive research and generous, sustained Federal investments, it is possible to diagnose and successfully treat many forms of cancer like breast, colon and prostate. Unfortunately, that is not yet the case for ovarian cancer. There is no screening test for ovarian cancer and few standard treatments. Federal programs for ovarian cancer continue to receive flat line funding for their already minimal budgets. In the 8 years since the Alliance was founded, a third of our founding board members have died and three more are being treated for a recurrence of their disease.

The discouragement of this death toll is balanced by the hope engendered by the progress we are making through research to fulfill the mandate of the program you are reviewing today. Because of the Federal investment in the DOD Ovarian Cancer Research Program, researchers are identifying the mechanisms by which ovarian cancer is initiated in the body and how the disease spreads. The research community is tantalizingly close to identifying a reliable and easily administered screening test, an achievement that could dramatically impact survival rates.

I have been privileged to serve as a patient advocate on both the scientific and peer review panels for this program. One of the program's mandates is to attract new researchers to the field, and it has been encouraging to see the increase in the numbers of young research scientists who are dedicating themselves to ovarian cancer research. Yet, as a reviewer, I have been discouraged to see an expanding number of worthwhile research proposals that have been unfunded due to flat funding for the program over the past 3 years.

In the testimony I am submitting for the record, I have recounted the accomplishments of this excellent program. I believe the program has followed Congress's directives directly and completely, which makes a strong case for it to be continued. For that reason the Alliance respectfully requests the subcommittee to provide \$15 million for the program in fiscal year 2006. Thank you, Senator.

OVARIAN CANCER NATIONAL ALLIANCE STATEMENT FOR THE RECORD

Ovarian Cancer's Deadly Toll

According to the American Cancer Society, in 2005, more than 22,000 American women will be diagnosed with ovarian cancer, and approximately 16,000 will lose their lives to this terrible disease. Ovarian cancer is the fourth leading cause of cancer death in women. Currently, more than half of the women diagnosed with ovarian cancer will die within 5 years. Among African American women, only 48 percent survive 5 years or more. When detected early, the 5-year survival rate increases to more than 90 percent, but when detected in the late stages, as are most diagnoses, the 5-year survival rate drops to 28 percent.

Today, it is both striking and disheartening to see that despite progress made in the scientific, medical and advocacy communities, ovarian cancer mortality rates have not significantly improved during the past decade, and a valid and reliable screening test—a critical tool for improving early diagnosis and survival rates—still does not yet exist for ovarian cancer. Behind the sobering statistics are the lost lives of our loved ones, colleagues and community members. While we have been waiting for the development of an effective early detection test—thousands of our sisters have lost their battle to ovarian cancer.

Women should not have to rely on luck for their survival. Research must continue on this disease through all possible avenues, building a comprehensive knowledge of its symptoms, causes and treatments. All women should have access to treatment by a specialist. All women should have access to a valid and reliable screening test. We must deliver new and better treatments to patients and the health care professionals who treat them. The Ovarian Cancer Research Program at DOD has begun to tackle the multiple gaps in our knowledge of this deadly disease, providing a growing baseline understanding of ovarian cancer.

The Ovarian Cancer Research Program at the Department of Defense

Over the past 9 years, Congress has appropriated funds to support the Ovarian Cancer Research Program at DOD, which is modeled after the successful breast cancer program first included in the DOD budget in 1992. The Ovarian Cancer Research Program supports innovative, integrated, multidisciplinary research efforts that will lead to better understanding, detection, diagnosis, prevention, and control of ovarian cancer. The program shares the Alliance's mission and objective of reducing and preventing—and eventually—eliminating ovarian cancer.

Awards made by the Ovarian Cancer Research Program are designed to stimulate research that will attract new investigators into the field, challenge existing paradigms, and support collaborative ventures, including partnerships with private and public institutions. Research awards are determined using a two-tier review process of peer and programmatic review that ensures scientific merit and attainment of program goals. The two-tier process is the hallmark of the Congressional Directed Medical Research Programs (CDMRP) and increasingly has served as a model for research programs throughout the world. Another important element in the execution of the Ovarian Cancer Research Program is the collaboration of advisors from the scientific, clinical, and consumer communities in the program. These advisors provide important guidance regarding funding strategies and serve on both levels of review.

In addition, the Ovarian Cancer Research Program has developed a funding strategy to complement awards made by other agencies and has taken steps to ensure that the duplication of long-term basic research supported by the National Institutes of Health is avoided. Importantly the program offers several awards that specifically seek to fill gaps in ongoing research and complement initiatives sponsored by other agencies.

Like all of the CDMRP Programs at DOD, the Ovarian Cancer Research Program serves as an international model in administrative efficiency for research programs. Integrating the latest technology and communications, the Ovarian Cancer Research Program only has a 5.64 percent management cost. The program has a quick turnaround time of 6 months from the initial proposal review (including two-tier review), to distribution of funds to investigators—speeding up the process of study concept to research conclusion.

Scientific Achievements of the Ovarian Cancer Research Program

Since its inception, the Ovarian Cancer Research Program at DOD has developed a multidisciplinary research portfolio that encompasses etiology, prevention, early detection/diagnosis, preclinical therapeutics, quality of life, and behavioral research projects. The Ovarian Cancer Research Program strengthens the Federal Government's commitment to ovarian cancer research and supports innovative and novel projects that propose new ways of examining prevention, early detection and treatment. The program also attracts new investigators into ovarian cancer research and encourages proposals that address the needs of minority, elderly, low-income, rural and other commonly underrepresented populations.

The program's achievements have been documented in numerous ways, including 131 publications in professional medical journals and books; 169 abstracts and presentations given at professional meetings; and six patents, applications and licenses granted to awardees of the program. The program has also introduced and supported 33 new investigators in the field of ovarian cancer research.

Investigators funded through the Ovarian Cancer Research Program have yielded several crucial breakthroughs in the study of prevention and detection, including:

- Recognition of the role of the progestins, hormonal components found in oral contraceptives, as a key agent in reducing the risk of ovarian cancer;
- Identification of several new biomarkers that have the potential to alert health care providers to the presence of early stage ovarian cancer, and be used to develop an early detection tool which would significantly improve early detection and survival; and
- Discovery of three new agents that inhibit tumor growth and spreading, as well as new blood vessel formation (angiogenesis)—a development that will result in new and more effective treatments.

Increased Investment Needed

In fiscal year 2005, the Ovarian Cancer Research Program received 222 proposals, but due to resource limitations, was only able to fund 17 awards. The program has received \$10 million for the past 3 years and when inflation is taken into account, the allocation of \$10 million actually represents an overall diminished level of funding. With new funding, the Ovarian Cancer Research Program can support new grants, provide funding to promising young investigators, and allocate additional resources to grants that should be extended or renewed.

The Ovarian Cancer Research Program has helped leverage and maximize both public and private sector funding. Awardees have cited DOD support as an impetus for the maturation of clinical trials, which led to an increase of locally funded ovarian cancer grants.

The fiscal year 1998-fiscal year 2003 awards have led to the recruitment of more than 33 new investigators into the ovarian cancer research field. Additionally, the Fox Chase Cancer Center in Philadelphia and the Fred Hutchinson Cancer Research Center in Seattle reported that the progress made during the first year of their DOD Program Project Awards enabled both institutions to successfully compete for National Cancer Institute SPOREs (Specialized Programs of Research Excellence) Awards to fund additional long-term ovarian cancer research.

Despite progress made, we still do not fully understand the risks factors, symptoms and causes of ovarian cancer. No effective screening tool exists to detect the disease at early stages and the devastating mortality rates remain the same year after year. The DOD Ovarian Cancer Research Program is developing science and scientists to help us achieve the necessary breakthroughs desperately needed in the field of ovarian cancer. Biomedical research—particularly in such insidious and complex conditions as ovarian cancer—requires a sustained, long-term investment and commitment in order to make significant gains. The investment the Congress and the DOD have made in the Ovarian Cancer Research Program to date is appreciated and has helped move the field forward; however, without new resources the program will be unable to maintain the status quo—let alone continue to reap benefits from previous and current Federal investments.

Summary and Conclusion

As an umbrella organization with 46 State and local groups, the Alliance unites the efforts of more than 500,000 grassroots activists, women's health advocates, and health care professionals to bring national attention to ovarian cancer. As part of this effort, the Alliance advocates sustained Federal investment in the Ovarian Cancer Research Program at DOD. The Alliance respectfully requests the subcommittee to provide \$15 million for the program in fiscal year 2006.

The Alliance maintains a longstanding commitment to work with Congress, the administration, and other policymakers and stakeholders to improve the survival

rate from ovarian cancer through education, public policy, research, and communication. Please know that we appreciate and understand that our Nation faces many challenges, and Congress has limited resources to allocate; however, we are concerned that without increased funding to bolster and expand ovarian cancer research efforts, the Nation will continue to see growing numbers of women losing their battle with this terrible disease. Thank you for your consideration of our views and for supporting increased funding for the DOD Ovarian Cancer Research Program in fiscal year 2006.

On behalf of the entire ovarian cancer community—patients, family members, clinicians and researchers—we thank you for your leadership and support of Federal programs that seek to reduce and prevent suffering from ovarian cancer.

Material in this testimony was partly taken from the Congressionally Directed Medical Research Program's Ovarian Cancer program Web site at <http://cdmrp.army.mil>.

Senator STEVENS. Thank you very much. We appreciate your testimony.

Senator Inouye.

Senator INOUE. Most people do not realize this, but a very significant number of Members of the Senate or members of their immediate family have been afflicted by this terrible, terrible disease one way or the other.

Ms. GOLDMAN. I am aware. I did not specify this in particular, but we all know in fact one of the Senators' wife is experiencing a recurrence again of her disease, which I am sure is what you are referring to.

Senator STEVENS. Despite differences, it is a very close family. We all know that.

Ms. GOLDMAN. Indeed.

Senator STEVENS. Thank you very much.

Ms. GOLDMAN. Thank you.

Senator STEVENS. The next witness is Brigadier General Stephen Koper, President of the National Guard Association. It is nice to have you back, General.

STATEMENT OF BRIGADIER GENERAL STEPHEN KOPER, U.S. AIR FORCE (RETIRED), PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General KOPER. I thank you, Mr. Chairman. Chairman Stevens, members of the subcommittee, thank you for this opportunity to testify today. You have always been champions of the citizen-soldier and citizen-airman and the National Guard Association (NGAUS) thanks you for your many years of outstanding support. This subcommittee is well versed in the contributions being made by the members of the National Guard in Operation Iraq, Afghanistan, and the global war on terror.

As the Secretary of Defense has said repeatedly, the war on terror could not be fought without the National Guard. Battles would not be won, peace would not be kept, and sorties would not be flown without the citizen-soldier and citizen-airmen. We are asking on their behalf for the resources necessary to allow them to continue to serve the Nation.

At the top of that list of resources is access to health care. The National Guard Association believes every member of the National Guard should have the ability to access TRICARE coverage on a cost-share basis regardless of duty status. While we are encouraged by the establishment of TRICARE Reserve Select, which is a pro-

gram where members earn medical coverage through deployments, we do not believe it goes far enough.

Health care coverage for our members is a readiness issue. If the Department of Defense expects Guard members to maintain medical readiness, then it follows that they should also have access to health care. As you know, when a National Guardsman is called to full-time duty he or she is expected to report ready for duty. Yet studies show that a significant percentage of our members do not have access to health care. Making TRICARE available to all members of the National Guard on a cost-share basis would provide a solution to this problem and it would finally end the turbulence visited on soldiers and their families who are forced to transition from one health care coverage to another each time they answer the Nation's call.

In addition to addressing readiness concerns, access to TRICARE will also be a strong recruitment and retention incentive. In an increasingly challenging recruitment and retention environment, TRICARE could make a significant difference. Part-time civilian Federal employees are eligible to participate in Federal health insurance programs. NGAUS believes that National Guard members should receive at a minimum the opportunity afforded to other Federal part-time employees.

Another issue of serious concern is full-time manning for the Army National Guard. For many years the Army National Guard full-time manning has been funded at approximately 58 percent of the validated requirements. All other Reserve components are manned at significantly higher levels. Recognizing this disparity, Congress, the Army, and the Army National Guard agreed to increase the Army Guard's full-time manning to a level of 71 percent by 2012. This increase was to be obtained through gradual increases in Active Guard and Reserve (AGR) and technician end strength. However, the wars in Iraq and Afghanistan have further exacerbated the problem as it is the full-time staff that bears the bulk of the increased workload associated with mobilization.

Consequently, we believe acceleration in the ramp is warranted. NGAUS believes there is a requirement to reach the 71 percent full-time level by 2010 versus the current target of 2012. This would require an increase in fiscal year 2006 of \$12 million for an additional 292 AGRs and \$6.2 million for 195 military technicians. Obviously, our ultimate goal is to reach 100 percent of validated requirements, and sooner rather than later.

NGAUS is also very concerned about equipment for the Army National Guard. When Army National Guard gets deployed to Iraq they deploy with their equipment. In most cases this equipment remains in theater when the unit returns home. The end result is that units cannot adequately train for the next rotation and they may not be equipped to meet an emergency at home, whether it is a natural disaster or terrorist act.

High on the priority list of Army Guard equipment shortfalls is the Humvee. The Army National Guard is critically short more than 13,000 of the nearly 42,000 vehicles required. In Alaska the Army Guard has only 62 of the 151 vehicles required, leaving the State 41 percent short of requirements.

The current President's budget request does not fully address the National Guard shortfall. Also, we understand there is money for Humvees in the supplemental, but it is not clear how much of the funds will go to provide equipment for the Army National Guard. NGAUS urges Congress to continue to support funding for Humvees and to ensure that the Army takes the needs of the Guard into consideration while procuring these vehicles. NGAUS also encourages the subcommittee to continue to support the procurement of up-armored Humvees for the Guard. While the Army has made a valiant commitment to procure armored Humvees for use in theater, we also recognize the need for up-armored vehicles for the homeland defense mission. Congress needs to provide additional earmarked funds to guarantee continued armored vehicle production.

Army Guard aviation is also a top priority. The extremely high operational tempos of our Operation Enduring Freedom and Iraqi Freedom have increased the demand for aviation assets. For Guard units, aviation assets are also critical for many State missions. HH-60 medevac units continue to have the highest operational tempo of any fixed wing or rotary aircraft in theater today and NGAUS requests the committee favorably consider funding the UH-60s and medevac aircraft.

Mr. Chairman, I submitted testimony earlier and I have revised my closing remarks and I would like to skip to that now if I may. In closing, I will address a serious concern we have regarding the Air Force Future Total Force, FTF, concept. With the release of DOD's BRAC list on May 13, our worst fears for the future of the Air National Guard have been confirmed. The Future Total Force was developed over the course of the last 2 years, cloaked in secrecy, and it did not include the adjutants general from its inception.

When reports of the direction and scope of the Air Force plan began to surface in the Guard community, the adjutants general individually and collectively expressed their concerns. Those concerns were dismissed. The adjutants general were finally admitted collectively to the process in October 2004.

Concurrently, the 2005 BRAC process provided an opportunity, again secure from scrutiny and debate, for the Air Force to carry out a reduction of fighter, transport, and tanker force structure in the Air National Guard without benefit of a detailed follow-on mission plan. It even spawned a new category of BRAC action for the Air National Guard called "enclaved." In layman's terms, that means the unit aircraft have been removed but the personnel will either stay, commute to a new base, or leave the force.

Now the challenge of airing out the full impact of FTF has been dumped on the doorstep of the Congress and the BRAC Commission. Our concerns include the question as to whether the 2005 BRAC will meet the requirements of the 2005 quadrennial defense review (QDR), or will the QDR merely be written to support the BRAC? Why not offer the continued upgrade of F-15 and F-16 aircraft and their systems that will have relevance well into the 2020s as an informed alternative to increased buys of new weapons platforms?

The enclaved units will threaten our ability to maintain a skilled and stable workforce. While the active Air Force can routinely move its personnel assets to follow its weapons systems, we see the potential for severe personnel losses because of their traditional ties to a community. It is the cornerstone of the militia.

Our members fully understand the need to modernize the Air Force, but we want to make sure that it is done in a prudent manner that will best protect the interests of the Nation. We will continue to urge the Congress and the BRAC Commission to closely scrutinize these initiatives to ensure that decisions regarding Air National Guard force structure are based on sound strategic principles.

Mr. Chairman, members of the subcommittee, I sincerely thank you for your time today and I am happy to answer any questions. Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF BRIGADIER GENERAL (RET.) STEPHEN M. KOPER

Chairman Stevens, members of the committee, thank you for this opportunity to testify today. You have always been champions of the citizen soldier and citizen airman and the National Guard Association thanks you for your many years of outstanding support.

This committee is well versed in the contributions being made by members of the National Guard in operations in Iraq, Afghanistan and the Global War on Terror. As the Secretary of Defense has said repeatedly, "The War on Terror could not be fought without the National Guard". Battles would not be won, peace would not be kept and sorties would not be flown without the citizen soldier and citizen airman. We are asking on their behalf for the resources necessary to allow them to continue to serve the Nation.

At the top of that list of resources is access to health care. The National Guard Association believes every member of the National Guard should have the ability to access TRICARE coverage, on a cost-share basis, regardless of duty status.

While we are encouraged by the establishment of TRICARE Reserve Select, which is a program where members "earn" medical coverage through deployments, we don't believe it goes far enough. Healthcare coverage for our members is a readiness issue. If the Department of Defense expects Guard members to maintain medical readiness, then it follows that they should also have access to healthcare. As you know, when a National Guardsman is called to full time duty, he or she is expected to report "ready for duty". Yet, studies show that a significant percentage of our members do not have access to healthcare. Making TRICARE available to all members of the National Guard, on a cost-share basis, would provide a solution to this problem. And, it would finally end the turbulence visited on soldiers and their families who are forced to transition from one healthcare coverage to another each time they answer the Nation's call.

In addition to addressing readiness concerns, access to TRICARE would also be a strong recruitment and retention incentive. In an increasingly challenging recruiting/retention environment, TRICARE could make a significant difference. Part-time civilian Federal employees are eligible to participate in Federal health insurance programs. NGAUS believes that National Guard members should receive, at a minimum, the opportunity afforded other Federal part-time employees.

Currently in the Senate, Senator Lindsey Graham and Senator Hillary Clinton, have co-sponsored a bill which would provide TRICARE, on a cost-share basis, to every member of the National Guard. NGAUS fully supports this bill, and asks the members of the committee to do the same by including the cost for this program in the Appropriations mark-up.

Another issue of serious concern is full time manning for the Army National Guard. For many years the Army National Guard full time manning has been funded at approximately 58 percent of the validated requirements. All other reserve components are manned at significantly higher levels.

Recognizing this disparity, the Congress, the Army and the Army National Guard agreed to increase the Army Guard's full time manning to a level of 71 percent by 2012. This increase was to be attained through gradual increases in AGR and technician end strength.

However, the wars in Iraq and Afghanistan have further exacerbated the problem since it is the full time staff that bears the brunt of the increased work load associated with mobilization. Consequently, we believe acceleration in the ramp is warranted.

The National Guard Association of the United States believes there is a requirement to reach the 71 percent full-time manning level by 2010 versus the current target of 2012. This would require an increase in fiscal year 2006 of \$12 million for an additional 292 AGRs and \$6.2 million for 195 military technicians. Obviously, our ultimate goal is to reach 100 percent of validated requirements and sooner, rather than later.

NGAUS is also very concerned about equipment for the Army National Guard. When Army National Guard units deploy to Iraq, they deploy with their equipment. In most cases, this equipment remains in theater when the unit returns home. The end result that units cannot adequately train for the next rotation, and they may not be equipped to meet an emergency at home, whether it is a natural disaster or terrorist attack.

High on the priority list of Army Guard equipment shortfalls is the HMMWV. The ARNG is critically short 13,581 of the nearly 42,000 vehicles required. In Alaska, the Army Guard has only 62 of the 151 vehicles required, leaving the State 41 percent short of its requirements. The current President's Budget request does not fully address the National Guard's shortfall. Also, we understand there is money for HMMWVs in the supplemental but it is not clear how much of the funds will go to provide equipment for the Army National Guard. The National Guard Association of the United States urges the Congress to continue to support funding for HMMWVs and to insure that the Army takes the needs of the Guard into consideration when procuring these vehicles.

NGAUS also encourages the committee to continue to support the procurement of Up-Armored HMMWVs for the Guard. While the Army has made a valiant commitment to procure Up-Armored HMMWVs for use in theater, we also recognize a need for Up-Armored vehicles for the Homeland Defense mission. Congress needs to provide additional earmarked funds to guarantee continued armored vehicle production until all deployed combat units have properly armored vehicles and Army National Guard Up-Armored HMMWV requirements inside the United States are backfilled.

Army Guard aviation is also a top priority. The extremely high operational tempos of Operation Enduring Freedom and Operation Iraqi Freedom have increased the demand for aviation assets while the environment and enemy conditions have reduced the number of aircraft. For Guard units, aviation assets are also critical for many State missions. HH-60 MEDEVAC units continue to have the highest operational tempo of any fixed wing or rotary aircraft in theater today.

NGAUS requests that the committee favorably consider funding for UH-60s and MEDEVAC aircraft.

On the Air Guard side, our equipment needs are also directly tied to operations in Iraq and Afghanistan. As you know, the C-130 is the workhorse of the Air Force, and a large segment of that force resides in the Air National Guard. These aircraft are vulnerable to enemy attack when flying in hostile areas. One of the primary threats is the proliferation of shoulder fired infrared missiles.

LAIRCM, Large Aircraft Infrared Countermeasures, would provide added protection from infrared missiles to C-130 crews flying in hostile areas. We are requesting \$34.5 million for LAIRCM for the ANG C-130 fleet.

Thanks to the Congress, one of the greatest Air Guard success stories is the procurement of targeting pods for fighter aircraft. Money added by the Congress over the past several years has enabled the Air Guard to be on the front line of air operations in Iraq. To continue this successful program, we are requesting an appropriation for an additional 15 pods in fiscal year 2006.

This committee has always been particularly sensitive to the equipment needs of the National Guard and generous in funding the National Guard and Reserve Equipment Account. Mr. Chairman, each and every dollar that has been appropriated over the years in the account has purchased combat capability. This account is absolutely essential to both the Army and Air National Guard and we thank you for your continued support of NGREA.

Chairman Stevens, I've highlighted some of the top procurement items which are urgently needed by the Army Guard and the Air Guard, but unfortunately, that is not an exhaustive list. Your professional staff has graciously agreed to meet with us and we will discuss additional Guard equipment requirements with them.

In closing, I will address a serious concern we have regarding the Air Force's Future Total Force concept. We urge the Congress to closely scrutinize this initiative to ensure that decisions regarding Air National Guard force structure are based on sound strategic principles.

Over the past several years, the Congress has wisely invested money in upgrading the Air Guard's F-16 fleet to keep it relevant well into the 2020's. Faced with a growing deficit and a turbulent world, it seems imprudent to send capable aircraft to the bone yard. Yet, this is what we fear the Air Force is planning to do when in fact we believe they should be fully utilizing all the resources which the tax payers have already funded.

The Air National Guard has been at the forefront of providing the air defense of the Nation, as well as playing a major role in the Air Expeditionary Force. Yet, the Air Force has not fully addressed how it will meet these mission requirements with a significantly reduced Air Guard fighter force.

NGAUS believes the Air Force should provide details to the Congress on how it intends to meet critical national defense requirements at the same time it plans to drawdown significant amounts of Air Guard fighter force structure.

Our members fully understand the need to modernize the Air Force, but we want to make sure that it is done in a prudent manner that will best protect the interests of national defense. We hope that Congress will continue to ask the Air Force for more details as the plan unfolds.

Mr. Chairman, members of the committee, I sincerely thank you for your time today and am happy to answer any questions.

Senator STEVENS. Senator Bond has come in, General, and I want to recognize Senator Bond. He came particularly on notice that we gave him you would be here.

Senator BOND. Thank you very much, Mr. Chairman, Senator Inouye. I had an Intelligence hearing, but this was so important, and I very much appreciate your having Brigadier General Koper, President of the National Guard Association, speaking out about his concerns relating to the BRAC report.

As you know from previous sessions we have had with the Secretary of Defense and the chief, Joint Chiefs of Staff, the Chairman of the Joint Chiefs of Staff, I had concerns prior to the release and now I think what General Koper has just cited is something that should be read by every Member of the United States Congress. When he said the Future Total Force was developed over the course of the last 2 years cloaked in secrecy and did not include the adjutants general from its inception, well, I think that is accurate. It appears that the Pentagon had its mind made up, and there are very, very significant implications for maintaining the civilian force, the civilian fighters that we have so often relied on and now rely on for 50 percent of the force in Iraq.

As I said, I raised these concerns 2 months ago. Unfortunately, those concerns and the concerns expressed by the Guard leaders were ignored. The result is a BRAC list that is absolutely stunning. It will eliminate over one-third of the Air Guard's aviation assets. In the tactical air forces (TACAIR) alone there would be 12 F-16 wings and 3 F-15 wings gone, poof. It would adversely impact, as the General said, community basing concept the Guard relies so heavily upon in recruiting and retention. In an area that I do not know that we have adequately touched on, it would adversely compromise our Nation's ability to defend the skies over our homeland, because it ignores the very significant role that the Air National Guard provides in the homeland defense mission, specifically the conduct of Operation Noble Eagle.

Finally, I think it shortsightedly undermines the Air Guard's proven, effective, and invaluable expeditionary role. If we continue to shortchange the Guard, if we treat them as an unwanted stepchild, particularly in this Future Total Force of our air assets—and I made a Freudian slip last hearing when I called it a “feudal total

force." I did not mean to do that, but unfortunately my words have appeared to come true.

I have asked the chairman of the BRAC Commission to hold a hearing in St. Louis, where I hope to discuss the shortfalls of the Pentagon's BRAC plan and try to work with my colleagues who also share my concern about and commitment to the National Guard, the Pentagon's plan irreparably harming the Air National Guard.

Mr. Chairman, I would just pose one question to the General if it is appropriate now.

Senator STEVENS. Yes, sir.

Senator BOND. In your view, General, were Guard leaders allowed a substantive role in the planning of the Future Total Force strategy, and if not what is the impact on the Guard of the BRAC process? What are your conclusions from these actions and the results?

General KOPER. Mr. Chairman, Senator Bond, as I said in my closing remarks, it is the view of the adjutants general that collectively they were not included in the development of the Future Total Force from its inception. They were fed bits and pieces, and not until October 2004 did they manage to get some regular representation in the general officer steering committee on Future Total Force.

With respect to BRAC, the BRAC, as I also earlier indicated, is by its very nature a process which deals in confidentiality. The adjutants general were not a player in the gathering of facts with respect to units of the Army and Air National Guard.

I would say this to you, however. The Army National Guard, as all of you are well aware, is loaded down with terribly outdated facilities in armories across the country. The Army National Guard and the Army full well recognize that the military construction process is never going to be able to solve that issue. The Army and the Army National Guard have come up with a rather creative plan to utilize the BRAC process to close and consolidate a large number of those kinds of installations. It probably makes good sense.

So with respect to the Army National Guard, I believe there was at least some long-term general conversations between State adjutants general about Army National Guard facilities, not an official part of the BRAC process because they don't have an active role in that.

On the Air National Guard side, the adjutants general that I have spoken to since the release of the list on Friday are finding out things that of course they did not know. So we have only had since Friday to determine the full impact of that, but we will be continuing to do that.

Senator STEVENS. Thank you very much.

Senator Inouye.

Senator INOUE. I am glad to learn that they consulted with the Army National Guard.

General KOPER. You bet. And I would add, sir, that as a former blue suiter I am a little embarrassed. We have had a reputation for a great relationship and we are at a total loss to determine why this has come about.

Senator STEVENS. Yes, General, and we are at a loss to understand how this relates to the Total Force Concept, this movement of forces to the South and to the East, particularly with the almost denuding of the forces that face the Pacific. Very difficult for us to understand. We intend to go into it pretty deeply here soon. We have some other problems ahead of us right now, but as soon as we can start scheduling some hearings we are going to schedule some hearings on this process and listen to some people.

I am not sure there is much we can do about it, now the BRAC process has started, except to try to enlighten the BRAC people themselves. I think we should do that.

So we thank you for your contribution.

General KOPER. Thank you, Mr. Chairman.

Senator STEVENS. Our next witness is Mary Ann—

Ms. GUERRA. Guerra.

Senator STEVENS. Guerra, thank you. Vice President, Research Operations, for Translational—

Ms. GUERRA. Genomics Research Institute, TGen. We call it “TGen” for short.

Senator STEVENS. My eyes hurt today. Maybe you can tell me a little bit of research about that.

STATEMENT OF MARY ANN GUERRA, SENIOR VICE PRESIDENT FOR RESEARCH OPERATIONS, TRANSLATIONAL GENOMICS RESEARCH INSTITUTE, ON BEHALF OF THE NATIONAL PROSTATE CANCER COALITION

Ms. GUERRA. Good afternoon, Mr. Chairman, Senator Inouye. It is a pleasure to be here this afternoon. Thank you for your time.

I enthusiastically offer testimony on behalf of the National Prostate Cancer Coalition. From 1994 to 2001 I served as the Deputy Director for Management of the National Cancer Institute (NCI), where I watched this prostate cancer program grow, launch, and flourish. I also recently served on the congressionally sponsored Institute of Medicine panel that was asked to evaluate alternative funding strategies that could leverage DOD research programs.

My organization, TGen, is a leading private sector biomedical research institute focused on identifying genes that can quickly be translated into diagnostics and therapeutics to serve the American public to improve health. Thus, these combined career experiences have made me a congressionally directed medical research program (CDMRP) convert and a strong supporter of the prostate cancer research program (PCRP), because they fill a research niche that is not served by other programs, including the NCI.

These programs achieve two important objectives. First, they provide innovative programs that support early stage high risk and novel research. They also fund programs that specifically support the translation of discoveries into products that improve lives. The translational component is an essential and sometimes missing ingredient in the discovery to bedside process. You might find it astonishing that while the rate of R&D spending at the NIH and in pharma has gone up since 1993, the number of new drug applications has gone down. In simple words, discoveries are not being translated into drugs that serve the people of the United States.

These principles of translation and acceleration govern the venture research sponsored by the PCRP in its relentless effort to

change the course of prostate cancer, the most commonly diagnosed non-skin cancer and the second leading cause of cancer death in men. The facts are in 2005, 232,000 men will be diagnosed with prostate cancer. They will join the 2 million men already diagnosed. Over 30,000 of these men will die of cancer this year.

African-Americans will be harder hit, with occurrence rates nearly 65 percent greater and death rates 2.5 times greater than Caucasian men.

The Veterans Administration estimates that there are roughly 24.7 million male veterans living in the United States. The impact of percent on them? 4.1 million veterans will be diagnosed with prostate cancer in their lifetime. Nearly 5,000 patients in the VA system will be diagnosed with prostate cancer this year.

A recent scientific study has also shown that cancer rates are increased among service men who were in Southeast Asia and that men whose assignments averaged more than the normal, the average tour of duty, are at a greater risk of prostate cancer.

But let me bring this even closer to home. The Department of Defense estimated that the direct costs of prostate cancer on the military were expected to exceed \$42 million in 2004 and nearly 85 percent of the 1.4 million individuals serving in America's military are men. The impact? 200,000 service men will be diagnosed with prostate cancer. The DOD, America's largest company, must be prepared to protect its employees from the killer that will affect 14 percent of their workforce.

Thanks to your vision and leadership, the CDMRP has become the gold standard for conducting and administering cancer research. To effectively fight this war on prostate cancer and to leverage your already earlier investments, the committee must appropriate \$100 million for the PCRFP. Without such an investment, the translation pipeline remains closed and this investment in the valuable research already funded will not be translated into discoveries that are used in the lab—in the clinic.

Two years ago this subcommittee requested that the DOD, in consultation with the Institute of Medicine, evaluate opportunities for public and private sector funding collaborations to reduce the burden of Federal appropriations for the CDMRP. Those of us who served on that committee found that there are no new funding sources because these programs fund research that is not funded by the private sector. Our panel found that we have—this program has been efficiently and effectively managed, with only a 6 percent overhead rate. They have created novel funding mechanisms for that early and translational research that is not being done in other institutions. They have been scientifically productive and they play an important role in the national health research enterprise.

The Prostate Cancer Research Foundation conference is a great example of a private-public partnership. This panel brings together all Government people that are working on cancer research along with their private counterparts. This parent consumer research group looks for innovation in translation rather than funding small incremental science that is sometimes funded in other agencies. As co-conveners of this conference, the PCRFP helps establish priorities.

For this conference to be successful, Federal agencies engaged in cancer research should be required to participate in this conference, and we are asking that you lend your leadership to make this participation required. We need more leveraging of the existing resources and a broader and more active engagement of our Federal agencies to accomplish this important objective. No one institution, scientific discipline, or business sector is solely equipped to fully translate discoveries into products. Government, academia, and industry must be brought together to solve these complex problems that are affecting our Nation and our families. Moreover, Congress must encourage them to cooperate together.

Mr. Chairman, Senator Inouye, we have done remarkable work and are making progress. I urge you to continue to support an enhanced growth of PCRP, a program that is efficient, is driven by scientific priorities, and is scientifically productive.

The war on prostate cancer must be funded appropriately so researchers can get new drugs to patients who need them most. For this to happen, the PCRP needs \$100 million in fiscal year 2006 and I respectfully request that you appropriate this need.

Thank you for the time and I would be glad to answer any questions.

Senator STEVENS. Thank you very much.

Senator INOUE. Thank you.

[The statement follows:]

PREPARED STATEMENT OF MARY ANN GUERRA

Mr. Chairman and members of the Senate Defense Appropriations Subcommittee, good morning. My name is Mary Ann Guerra, and I am Senior Vice President for Operations at the Translational Genomics Research Institute (TGen) in Phoenix, Arizona, a not-for-profit research enterprise. From 1994 until 2001, I served as Deputy Director for Management at the National Cancer Institute, and I am thoroughly familiar with the prostate cancer research effort and portfolio at the NCI. During my time at NCI, I watched the Department of Defense Congressionally Directed Medical Research Program (CDMRP) in prostate cancer grow and flourish since its inception at Fort Detrick in 1997. I also served on the Institute of Medicine (IOM) panel that Congress asked to evaluate leveraging strategies for funding of DOD peer reviewed medical research programs in order to reduce the burden on Federal appropriations. While our IOM panel did not include a formal evaluation of the CDMRP programs, I can tell you that I was very impressed by their scope and breadth—doing what parallel research efforts the NCI cannot do, and serving as a crucial part of this Nation's biomedical research effort to beat serious, often life threatening diseases. I must say, my past experience at NCI and NIH, my recent experience in the private sector, and the knowledge gained through participating in the IOM review, made me a convert and strong supporter of the CDMRP. Consequently, I am particularly pleased to offer testimony on behalf of the National Prostate Cancer Coalition, supporting an appropriation of \$100 million for the CDMRP Prostate Cancer Research Program (PCRP) for fiscal year 2006.

My organization, TGen, is among the world's leading private sector biomedical research institutes. It strives to make and quickly translate genomic discoveries into diagnostic and therapeutics that improve the health of all Americans. Our prostate cancer research program, headed by Dr. John Carpten, uses cutting edge technology to search for genes predisposing to prostate cancer, particularly among special populations including African American men, the population hardest hit by this devastating disease. Using information generated from mapping the human genome, coupled with our technology, TGen can now conduct large family and population based studies not possible before. With the patient who suffers from disease as our focus, TGen is guided by three core principles: integration, translation and acceleration. We integrate the best and brightest scientists across disciplines to attack disease; we hasten the translation of research discoveries into meaningful therapies; and, through our academic, health and industry partnerships, we accelerate our research goals on behalf of those who need them most.

The same kinds of principles govern venture research sponsored by the PCRCP in its effort to change the course of prostate cancer, the nation's most commonly diagnosed nonskin cancer and the second leading cause of cancer death among men. In 2005, the American Cancer Society has estimated that more than 232,000 men will hear physicians tell them, "You have prostate cancer," as they join the nearly 2 million Americans who already have the disease. Sadly, over 30,000 men will lose their lives to prostate cancer this year. Although the wider use of early detection along with changes in early treatment likely account for the near 100 percent survival of men with localized disease, too many men are still diagnosed with advanced disease, particularly at younger ages (in their 40's and 50's), too many men suffer advanced recurrences after an earlier successful treatment, and too many ultimately face no cure.

However hard prostate cancer may hit among white families, it is regularly a tragedy in African American communities. Prostate cancer occurrences rates are nearly 65 percent higher among black Americans and death rates are nearly 2½ times greater than those of Caucasian men. Research dollars directed at special populations is not a high priority as evidenced by the overall funding expended on such studies.

The Department of Veterans Affairs (VA) estimates that there are roughly 24.7 million male veterans living in the United States. That means at least 4.1 million veterans will be diagnosed with prostate cancer at some point during their lifetimes. The Veterans Health Administration currently estimates that nearly 5,000 patients in its system are diagnosed with prostate cancer each year. While evidence is not conclusive, it appears that America's servicemen, who stood in harm's way for their country in the Asian theater and were directly exposed to Agent Orange, may be at double the risk for prostate cancer. Moreover, a recent scientific study has shown that cancer rates are increased among men who were in uniform in Southeast Asia, even if they were not directly involved in spraying herbicides, and that men who had longer than average tours of duty in the Asian theater may be at particular risk of prostate cancer. With our brave men in uniform in mind, I am asking you today to take care of all of them, past, present and future.

The Department of Defense estimated the direct health care costs of prostate cancer on the military were expected to be over \$42 million in fiscal year 2004. Nearly 85 percent of the current 1,465,000 individuals serving in America's military are men. That means about 200,000 servicemen will be diagnosed with prostate cancer—without the additional consideration of service related environmental factors, like Agent Orange exposure, that may increase occurrences of the disease. The DOD refers to itself as America's largest company; it must therefore be prepared to protect its employees from a killer that will affect 14 percent of its workforce.

Whether in battle or peacetime, the lives of men from coast to coast depend on your decisions. You have the unique opportunity to provide a brighter future for millions of men and families through continued and expanded prostate cancer research. With proper funding we can find a way to end the pain and suffering caused by this disease.

To effectively fight the war on prostate cancer for America's families, your committee must appropriate \$100 million for the PCRCP. As stated in its fiscal year 1997 business plan, PCRCP needs at least \$100 million to conduct human clinical trials research. Without that appropriation, the program is unable to test new treatments and get those new products to patients that could retard the course of their disease and improve the quality of their lives. Without such an investment, the translational pipeline remains closed, meaning that valuable prostate cancer research remains stuck in laboratories instead of at work in clinics.

Thanks to your vision and leadership, CDMRP has become the gold standard for administering cancer research. Prostate cancer advocates and scientists throughout this Nation have long applauded the program and its peer and consumer driven approach to research. PCRCP is a unique program within the government's prostate cancer research portfolio because it makes use of public/private partnerships, awards competitive grants for new ideas, does not duplicate the work of other funders, integrates scientists and survivors and uses a unique perspective to solve problems. Its mission and its results are clear. The program fills a niche that other Federal research programs do not. It funds research with the end in mind; funding science that advances solutions that will change the lives of the people who are diagnosed with this disease. Each year, the program issues an annual report detailing what it has done with taxpayer dollars to battle prostate cancer. PCRCP's transparency allows people affected by prostate cancer and people in the consumer research community to clearly see what our government is doing to fight the disease.

Two years ago, this committee requested that DOD, in consultation with the Institute of Medicine, evaluate opportunities for public and private sector funding col-

laborations to reduce the burden of Federal appropriations for CDMRP—and maintain or improve efficiencies, throughput and outcomes for its research programs. Those of us who served on the IOM task force determined that, on the whole, there are no new funding sources for CDMRP that would enhance its overall research effort, because the redirection of dollars would reduce the work those dollars provide in some other part of the research universe. While it was not part of our charge, we also had an opportunity to appreciate the special contribution that the CDMRP makes to the research landscape.

Our panel noted that despite initial respect for the primacy of NCI, skepticism about CDMRP in the scientific community, its location in DOD and the participation of consumers in peer review and priority setting, the program has been efficiently and effectively managed, scientifically productive and a valuable component of the Nation's health research enterprise. CDMRP's distinctive program features include its rigorous peer review of proposals for scientific merit and program relevance by outside reviewers—including consumers; its inclusive priority setting process; its emphasis on exploratory high-risk/high-gain basic, translational, and clinical research projects and on research capacity building; and its holding of periodic national meetings to share results among the investigators and with the program's constituencies. It can also do what NCI cannot, speedily evaluate proposed projects and rapidly change focus as research discoveries offer new opportunities to America's scientific community. CDMRP is a terrific reflection of a well-proved maxim: "Give the Army a problem, and you'll soon have a solution." The Army simply gets things done in a thorough and novel manner.

The CDMRP structure is based on a model developed by an earlier IOM report. Its mission and its philosophy for awarding research grants reflect that of DOD's Defense Advanced Research Projects Agency (DARPA). The DARPA model, performance through competition and innovation, was specifically praised in President Bush's fiscal year 2005 budget. This DARPA-esque approach to cancer research allows PCRP to identify novel research with large potential payoffs and to focus on innovative methods that do not receive funding elsewhere. This is an essential element of the research enterprise, that needs to be expanded, not contracted.

One of the strongest aspects of the program is PCRP's Integration Panel. The panel is composed of those who know prostate cancer research and the issues facing it: scientists, researchers, and prostate cancer survivors. This peer and consumer driven model allows the program to select grants based on merit and their translational benefit while incorporating the views of those who need research the most, prostate cancer patients. It funds research that encourages innovation rather than research that incrementally answers small scientific questions. No other publicly funded cancer research entity effectively brings together all those with a stake in curing prostate cancer.

Perhaps the best example of public-private partnerships in prostate cancer research is the Prostate Cancer Research Funders Conference. That panel brings together representatives of all the government agencies that fund prostate cancer research along with their counterparts in the private sector. Participants include NIH/NCI, DOD, the Veterans Health Administration, the Centers for Disease Control and Prevention, the Food and Drug Administration, Canadian and British government agencies, private foundations/organizations and representatives from industry. Members of the Conference have come together to focus on shared objectives and address commonly recognized barriers in research.

As a co-convenor of the conference, PCRP plays an important role in shaping its priorities. Currently, Federal agencies participate voluntarily, but they can opt in or out based on the tenure of executive leadership. For the conference to be successful, Federal agencies engaged in prostate cancer research should, in my opinion, be required to participate, and we ask for your leadership to make that happen. We need to see more leveraging of existing resources and a broader engagement of Federal agencies can help accomplish this important objective. Moreover, Congress must also offer sufficient incentives for the private sector to participate. However, these incentives must not compromise the autonomy or integrity of PCRP's peer review structure. I firmly believe that a collaborative, multifaceted approach to prostate cancer research can bring about better results in a more timely fashion. No one Institution is equipped to fully translate discoveries into products; government, academia and industry must be brought together to solve these very difficult and complex problems that face our Nation and our families. Mr. Chairman, we have done remarkable work and are making progress. Public-private collaboration and new scientific discoveries are moving us toward a better understanding of how prostate cancer kills, but, for our work to be worthwhile, it must be translated into tangible goals and results for patients.

I urge you to continue to support and enhance growth of PCRP, a program that is efficient, driven by scientific priorities and scientifically productive. The War on Prostate Cancer must be funded appropriately so researchers can get new drugs to patients who need them most. For this to happen, PCRP needs \$100 million in fiscal year 2006, and I respectfully request that you appropriate this need.

Senator STEVENS. Our next witness is Captain Robert Hurd and Chief Petty Officer Michael Silver of the United States Naval Sea Cadet Corps.

**STATEMENT OF CAPTAIN ROBERT C. HURD, U.S. NAVY (RETIRED)
ACCOMPANIED BY CHIEF PETTY OFFICER MICHAEL SILVER, UNITED STATES NAVY SEA CADET CORPS**

Captian HURD. Good afternoon, Senators.

Senator STEVENS. Yes, sir.

Captain HURD. It is my pleasure today to have Chief Petty Officer Michael Silver present our testimony. Just as a little bit of background, out of 10,000 young men and women in the Naval Sea Cadet Corps, about 50 a year attain the rank of chief petty officer. So it is quite a significant accomplishment. We have him for about 1 more month before he joins the Marine Corps upon graduation from high school.

Senator STEVENS. Good.

Nice to have you.

Mr. SILVER. Thank you, sir. Good afternoon, Mr. Chairman, Senator Inouye. I am a chief petty officer. I am with a battalion based in the naval base in Ventura County in California. I also go to El Camino Real High School in Woodland Hills.

I am honored to represent over 10,000 Sea Cadets across the Nation, and also 2,000 adult volunteers in the program. We are a congressionally chartered youth development and education program whose main goals are to develop young men and women while promoting interest and skills in seamanship, aviation, construction, and other military fields. We instill a sense of patriotism, commitment, self-reliance, along with the Navy's core values, honor, courage, and commitment. We also take pride in molding strong moral character and self-discipline in a drug- and gang-free environment.

Many young people join our program for our hands-on experience. We try to maximize our opportunities as much as possible all throughout the program with the armed services and also the civilian workforce. Our program over any other youth program, over Reserve Officer Training Corps (ROTC), Sea Scouts, Boy Scouts, Devil Pups, we have the most in-depth program that is offered outside of school.

We have the most hands-on experience. We were out there with the actual Navy, with the actual Marine Corps, the Air Force, different services. We go on the bases. There is no other program that is offered that goes in depth as we do. We go on Navy ships, on Coast Guard ships. I personally have been—I participated in basic airman's training where it is pretty much I am on a ground crew, on Navy aircraft. I have been to medical training. I worked at a naval hospital for 2 weeks. I have worked in the emergency room (ER).

I have been to a leadership academy. I learned pretty much how to be a successful leader to others and stuff like that. I have also been to field training, which is pretty much on the Marine Corps

aspect of it; field ops aviation school in Maryland. I have also been to an international exchange with the Her/His Majesty's Ship (HMS) Bristol in England, where I was there with Swedish, Canadian, South Korean, Chinese, and Australian, because the Sea Cadets is also an international program and they were there with over 50 other people from different other countries.

Also, there are 473 former Sea Cadets now attending the U.S. Naval Academy and approximately 400 former cadets annually enlist in the armed services. These prescreened, highly motivated and well prepared young people have shown that prior Sea Cadet experience is an excellent indicator of high career success rate, both in and out of the military. Whether or not we choose a military career, we also carry forth the forged values of good citizenship, leadership, and moral courage that we believe will benefit our country and us as well.

The corps is particularly sensitive that no young person is denied access to the program because of economic status, as for the most part we are responsible for our own expenses, which can amount to an average of \$500 without outside assistance per cadet per year. Federal funds have been used to help offset the cadets' out of pocket training costs. However, for a variety of reasons current funding can no longer adequately sustain the program and we respectfully ask you to consider and support funding that will allow for the full amount of \$2 million requested for the next fiscal year.

Thank you for the opportunity to speak today and I and the entire Sea Cadet Corps appreciate your support for this fine program that has meant so much to myself over the past 7 years and which will continue to influence me for the rest of my life. I would just like to thank you, and I am open to questions.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN ROBERT C. HURD

REQUEST

Navy had originally requested full funding at the \$2,000,000 level in their fiscal year 2006 budget submission. This was in response to last year's Senate/House conference committee language urging them to include the NSCC in their fiscal year 2006 request. Navy initially budgeted these funds at the \$2,000,000 level but subsequently deleted this funding to meet an imposed budget mark. Subsequent negotiations with Navy after the President's Budget had been submitted have resulted in a verbal promise to fund the NSCC in fiscal year 2006 at the fiscal year 2005 appropriated level of \$1,700,000—to be funded from existing budget lines. Because this action occurred after the budget submission, no separate line item exists for NSCC and because it was originally funded (Before the mark), no Unfunded Requirements List item was submitted.

It is respectfully requested that \$300,000 be appropriated for the NSCC in fiscal year 2006, so that when added to the promised \$1,700,000 will restore full funding at the \$2,000,000 level. Further, in order to codify the Navy's promised commitment and to ensure future funding, consideration of including the following conference language is requested: "Congress is pleased to learn that Navy has agreed to fund the U.S. Naval Sea Cadet Corps in the fiscal year 2006 budget as urged by the Senate and House in the 2005 Defense Budget Conference Report. Conferees include an additional \$300,000 for the U.S. Naval Sea Cadet Corps, that when added to the \$1,700,000 in the fiscal year 2006 budget request will fund the program at the full \$2,000,000 requested. Conferees urge the Navy to continue to fund this program in the fiscal year 2007 budget request and out years."

BACKGROUND

At the request of the Department of the Navy, the Navy League of the United States established the Naval Sea Cadet Corps in 1958 to "create a favorable image of the Navy on the part of American youth." On September 10, 1962, the U.S. Congress federally chartered the Naval Sea Cadet Corps under Public Law 87-655 as a non-profit civilian youth training organization for young people, ages 13 through 17. A National Board of Directors, whose Chairman serves as the National Vice President of the Navy League for Youth Programs, establishes NSCC policy and management guidance for operation and administration. A full-time Executive Director and small staff in Arlington, Virginia administer NSCC's day-to-day operations. These professionals work with volunteer regional directors, unit commanding officers, and local sponsors. They also collaborate with Navy League councils and other civic, or patriotic organizations, and with local school systems.

In close cooperation with, and the support of, the U.S. Navy and U.S. Coast Guard, the Sea Cadet Corps allows youth to sample military life without obligation to join the Armed Forces. Cadets and adult leaders are authorized to wear the Navy uniform, appropriately modified with a distinctive Sea Cadet insignia.

There are currently over 368 Sea Cadet units with a program total of 10,980 participants (2,204 adult Officers and Instructors and 8,776 Cadets (about 33 percent female).

NSCC OBJECTIVES

- Develop an interest and skill in seamanship and seagoing subjects.
- Develop an appreciation for our Navy's history, customs, traditions and its significant role in national defense.
- Develop positive qualities of patriotism, courage, self-reliance, confidence, pride in our Nation and other attributes, which contribute to development of strong moral character, good citizenship traits and a drug-free, gang-free lifestyle.
- Present the advantages and prestige of a military career.

Under the Cadet Corps' umbrella is the Navy League Cadet Corps (NLCC), a youth program for children ages 11 through 13. While it is not part of the Federal charter provided by Congress, the Navy League of the United States sponsors NLCC. NLCC was established ". . . to give young people mental, moral, and physical training through the medium of naval and other instruction, with the objective of developing principles of patriotism and good citizenship, instilling in them a sense of duty, discipline, self-respect, self-confidence, and a respect for others."

BENEFITS

Naval Sea Cadets experience a unique opportunity for personal growth, development of self-esteem and self-confidence. Their participation in a variety of activities within a safe, alcohol-free, drug-free, and gang-free environment provides a positive alternative to other less favorable temptations. The Cadet Corps introduces young people to nautical skills, to maritime services and to a military life style. The program provides the young Cadet the opportunity to experience self-reliance early on, while introducing this Cadet to military life without any obligation to join a branch of the armed forces. The young Cadet realizes the commitment required and routinely excels within the Navy and Coast Guard environments.

Naval Sea Cadets receive first-hand knowledge of what life in the Navy or Coast Guard is like. This realization ensures the likelihood of success should they opt for a career in military service. For example, limited travel abroad and in Canada may be available, as well as the opportunity to train onboard Navy and Coast Guard ships, craft and aircraft. These young people may also participate in shore activities ranging from training as a student at a Navy hospital to learning the fundamentals of aviation maintenance at a Naval Air Station.

The opportunity to compete for college scholarships is particularly significant. Since 1975, over 178 Cadets have received financial assistance in continuing their education in a chosen career field at college.

ACTIVITIES

Naval Sea Cadets pursue a variety of activities including classroom, practical and hands-on training as well as field trips, orientation visits to military installations, and cruises on Navy and Coast Guard ships and small craft. They also participate in a variety of community and civic events.

The majority of Sea Cadet training and activities occurs year round at a local training or "drill" site. Often, this may be a military installation or base, a reserve center, a local school, civic hall, or sponsor-provided building. During the summer,

activities move from the local training site and involve recruit training (boot camp), “advanced” training of choice, and a variety of other training opportunities (depending on the Cadet’s previous experience and desires).

SENIOR LEADERSHIP

Volunteer Naval Sea Cadet Corps officers and instructors furnish senior leadership for the program. They willingly contribute their time and effort to serve America’s youth. The Cadet Corps programs succeed because of their dedicated, active participation and commitment to the principles upon which the Corps was founded. Cadet Corps officers are appointed from the civilian sector or from active, reserve or retired military status. All are required to take orientation, intermediate and advanced Officer Professional Development courses to increase their management and youth leadership skills. Appointment as an officer in the Sea Cadet Corps does not, in itself, confer any official military rank. However, a Navy-style uniform, bearing NSCC insignia, is authorized and worn. Cadet Corps officers receive no pay or allowances. Yet, they do derive some benefits, such as limited use of military facilities and space available air travel in conjunction with carrying out training duty orders.

DRUG-FREE AND GANG-FREE ENVIRONMENT

One of the most important benefits of the Sea Cadet program is that it provides participating youth a peer structure and environment that places maximum emphasis on a drug and gang free environment. Supporting this effort is a close liaison with the U.S. Department of Justice Drug Enforcement Administration (DEA). The DEA offers the services of all DEA Demand Reduction Coordinators to provide individual unit training, as well as their being an integral part of our boot camp training program.

Among a variety of awards and ribbons that Cadets can work toward is the Drug Reduction Service Ribbon, awarded to those who display outstanding skills in the areas of leadership, perseverance and courage. Requirements include intensive anti-drug program training and giving anti-drug presentations to interested community groups.

TRAINING

Local Training

Local training, held at the unit’s drill site, includes a variety of activities supervised by qualified Sea Cadet Corps Officers and instructors, as well as Navy, Coast Guard, Marine and other service member instructors.

Cadets receive classroom and hands on practical instruction in basic military requirements, military drill, water and small boat safety, core personal values, social amenities, drug/alcohol abuse, cultural relations, naval history, naval customs and traditions, and nautical skills. Training may be held onboard ships, small boats or aircraft, depending upon platform availability, as well as onboard military bases and stations. In their training, cadets also learn about and are exposed to a wide variety of civilian and military career opportunities through field trips and educational tours.

Special presentations by military and civilian officials augment the local training, as does attendance at special briefings and events throughout the local area. Cadets are also encouraged, and scheduled, to participate in civic activities and events to include parades, social work, and community projects, all part of the “whole person” training concept.

For all Naval Sea Cadets the training during the first several months is at their local training site, and focuses on general orientation to, and familiarization with, the entire Naval Sea Cadet program. It also prepares them for their first major away from home training event, the 2 weeks recruit training which all Sea Cadets must successfully complete.

The Navy League Cadet Corps training program teaches younger cadets the virtues of personal neatness, loyalty, obedience, courtesy, dependability and a sense of responsibility for shipmates. In accordance with a Navy orientated syllabus, this education prepares them for the higher level of training they will receive as Naval Sea Cadets.

Summer Training

After enrolling, all sea cadets must first attend a 2-week recruit training taught at the Navy’s Recruit Training Command, at other Naval Bases or stations, and at regional recruit training sites using other military host resources. Instructed by Navy or NSCC Recruit Division Commanders, cadets train to a condensed version of the basic course that Navy enlistees receive. The curriculum is provided by the

Navy, and taught at all training sites. In 2004 there were 19 Recruit training classes at 18 locations, including 1 class conducted over the winter holiday school break. These 18 nationwide regional sites are required to accommodate the increased demand for quotas and also to keep cadet and adult travel costs to a minimum. Over 2500 Naval Sea Cadets attended recruit training in 2004, supported by another 230 adult volunteers.

Once Sea Cadets have successfully completed recruit training, they may choose from a wide variety of advanced training opportunities including basic/advanced airman, ceremonial guard, seamanship, sailing, amphibious operations, leadership, firefighting and emergency services, submarine orientation, seal and mine warfare operations, Navy diving, and training in occupational specialties including health care, legal, music, master-at-arms and police science, and construction.

The Naval Sea Cadet Corps is proud of the quality and diversity of training opportunities offered to its Cadet Corps. For 2004 approximately 8,000 training opportunities were formally advertised for both cadets and adults. Another 600 opportunities presented themselves through the dedication, resourcefulness and initiative of the adult volunteer officers who independently arranged training for cadets onboard local bases and stations. This locally arranged training represents some of the best that the NSCC has to offer and includes the consistently outstanding training offered by the U.S. Coast Guard. The total cadet and adult opportunity for 2004 stood at about 8,500 quotas, including all recruit training. Approximately 7,800 NSCC members, with about 7,050 being cadets, stepped forward and requested orders to take advantage of these training opportunities. Cadets faced a myriad of challenging and rewarding training experiences designed to instill leadership and develop self-reliance. It also enabled them to become familiar with the full spectrum of Navy and Coast Guard career fields.

This steady and continuing participation once again reflects the popularity of the NSCC and the positive results of Federal funding for 2001 through 2004. The NSCC continues to experience increased recruit and advanced training attendance of well over 2,000 cadets per year over those years in which Federal funding was not available. While the Global War On Terrorism (GWOT) following the events of 9/11 has continued to preclude berthing availability at many bases and stations, the NSCC maintained its strength and opportunity for cadets as other military hosts offered resources in support of the NSCC. While recruit training acquaints cadets with Navy life and Navy style discipline, advanced training focuses on military and general career fields and opportunities, and also affords the cadets many entertaining, drug free, disciplined yet fun activities over the entire year. Approximately 400–500 cadets per year further confirm the program's popularity by performing multiple 2-week trainings, taking maximum advantage of the opportunities presented. The NSCC also remains proud that approximately 9 percent of the midshipman brigade at the U.S. Naval Academy report having been prior Naval Sea Cadets, most citing summer training as a key factor in their decision to attend the USNA.

Training Highlights for 2004

The 2004 training focus was once again on providing every cadet the opportunity to perform either recruit or advanced training during the year. To that end emphasis was placed on maintaining all traditional and new training opportunities developed since federal funding was approved for the NSCC. These include classes in sailing and legal (JAG) training, expanded SEAL orientation opportunity, SCUBA classes, more seamanship training onboard the NSCC training vessels on the Great Lakes, and additional honor guard training opportunities. Other highlights included:

- Maintained national recruit training opportunity for every cadet wanting to participate with 19 evolutions in 2004.
- In spite of escalating costs and increased competition for base resources, kept cadet summer training cost at only \$40 per week, an increase of only \$10 per week per cadet for all training.
- Continued NSCC's expanded use of Army and State National Guard facilities to accommodate demand for quotas for recruit training.
- Completed total rewrites and updates of the NSCC Officer Professional Development Courses for all adults and implemented programs for reducing adult volunteer out of pocket participation expenses, dramatically improving the quality and extent of training for adult volunteers.
- Expanded NSCC cadet training with Navy Explosive Ordnance Disposal/Mobile Diving Salvage Units to include West Coast opportunities in addition to the training in Norfolk, Virginia.
- Expanded SEAL training opportunities beyond NSCC's traditional two annual classes to include an additional class with the Navy's Special Warfare Combat Craft (SWCC) units in Norfolk.

- Developed and instituted the first ever Air Traffic Control training class at NAS, Kingsville, TX.
- Maintained double the number of MAA classes and cadets taking this training since 9/11.
- Implemented first ever opportunity for culinary arts training for cadets onboard the USS Kiluea T-AE-26 at Alameda, CA in support of traditional seamanship training annually conducted onboard that MSC ship.
- Re-instituted at Naval Hospital Great Lakes NSCC's unique class for advanced medical "First Responder" training.
- Expanded opportunities for music training beyond traditional training with the Navy's School of Music in Norfolk, VA to include training with the Atlantic Fleet Band in Jacksonville, FL.
- Expanded and conducted NSCC's first advanced seamanship class for outstanding cadets at the Massachusetts Maritime Academy at Buzzards Bay, MA.
- For all adults volunteering to be escorts for summer training, implemented the first ever and only program for reducing volunteer out of pocket expenses. An extremely modest program designed to offset travel cost only (15 cents a mile with a mileage cap) it has promoted improved program commitment among NSCC's adult volunteers and alleviated critical shortages of adult escorts for summer training.
- Maintained expanded YP training on the Great Lakes, with 5 underway cruises in 2004.
- Continued to place cadets onboard USCG Barque Eagle for multiple 3-week underway orientation cruises.
- Continued to place cadets aboard USCG stations, cutters, and tenders for what each year proves to be among the best of the training opportunities offered in the NSCC.
- Again conducted the popular, merit based, International Exchange Program for 2004, expanded to include the Asian opportunities in Hong Kong and Korea that were suspended in 2003 due to the SARS concern. Included Australia in the program for 2004.
- Maintained attendance at NSCC Petty Officer Leadership Academies, (POLA) at approximately 280 cadets.
- Placed cadets onboard USN ships under local orders as operating schedules and opportunity permitted, to include for 12 cadets a 60+ day transit and homeport relocation of the USS Ronald Reagan from Norfolk to San Diego via the Straits of Magellan.
- And as in all prior years, again enjoyed particularly outstanding support from members of the United States Navy Reserve, whose help and leadership remain essential for summer training.

INTERNATIONAL EXCHANGE PROGRAM (IEP)

For 2004 the NSCC continued again for the third year its redesigned and highly competitive, merit based, and very low cost to the cadet, International Exchange Program. Cadets were placed in Australia, United Kingdom, Sweden, Netherlands, Hong Kong, Korea, and Bermuda to train with fellow cadets in these host nations. The NSCC and Canada maintained their traditional exchanges in Nova Scotia and British Columbia, and the NSCC hosted visiting cadets in Norfolk and at Fort Lewis, WA for 2 weeks of U.S. Navy style training.

NAVY LEAGUE CADET TRAINING

In 2004, approximately 1,400 Navy League cadets and escorts attended Navy League Orientation Training at 17 sites nationwide. Participation in 2004 was very much like 2003. The diversity in location and ample quotas allowed for attendance by each and every League cadet who wished to attend. Approximately 270 League cadets and their escorts attended Advanced Navy League training where cadets learn about small boats and small boat safety using the U.S. Coast Guard's safe boating curriculum. Other advanced Navy League training sites emphasize leadership training. Both serve the program well in preparing League cadets for further training in the Naval Sea Cadet Corps, and particularly for their first "boot camp." The continuing strong numbers of participants for both Orientation and Advanced training, support not just the popularity of the NSCC program but also the positive impact the Federal training grant has had in helping cadets afford the training and helping them take advantage of the increased opportunities available to them.

SERVICE ACCESSIONS

The Naval Sea Cadet Corps was formed at the request of the Department of the Navy as a means to “enhance the Navy image in the minds of American youth.” To accomplish this, ongoing presentations illustrate to Naval Sea Cadets the advantages and benefits of careers in the armed services, and in particular, the sea services.

While there is no service obligation associated with the Naval Sea Cadet Corps program, many Sea Cadets choose to enlist or enroll in Officer training programs in all the Services.

Annually, the NSCC conducts a survey to determine the approximate number of Cadets making this career decision. This survey is conducted during the annual inspections of the units. The reported Cadet accessions to the services are only those that are known to the unit at that time. There are many accessions that occur in the 2–3 year timeframe after Cadets leave their units, which go unreported. For example, for the year 2000, with about 83 percent of the units reporting, the survey indicates that 510 known Cadets entered the armed forces during the reporting year ending December 31, 2000. Of these, 30 ex-Sea Cadets were reported to have received appointments to the U.S. Naval Academy. Further liaison with the USNA indicates that in fact, there are currently 472 Midshipmen with Sea Cadet backgrounds—almost 9 percent of the entire Brigade. Navy accession recruiting costs have averaged over \$14,000 per person, officer or enlisted, which applied to the number of Sea Cadet accessions represents a significant financial benefit to the Navy. Equally important is the expectation that once a more accurate measurement methodology can be found, is, that since Sea Cadets enter the Armed Forces as disciplined, well trained and motivated individuals, their retention, graduation and first term enlistment completion rates are perhaps the highest among any other entry group. USNA officials are currently studying graduation rates for past years for ex-Sea Cadets as a group as compared to the entire Brigade. Their preliminary opinion is that these percents will be among the highest. It is further expected that this factor will be an excellent indicator of the following, not only for the USNA, but for all officer and enlisted programs the Sea Cadets may enter:

- Extremely high motivation of ex-Cadets to enter the Service.
- Excellent background provided by the U.S. Naval Sea Cadet experience in preparing and motivating Cadets to enter the Service.
- Prior U.S. Naval Sea Cadet Corps experience is an excellent pre-screening opportunity for young men and women to evaluate their interest in pursuing a military career. This factor could potentially save considerable tax-payer dollars expended on individuals who apply for, then resign after entering the Academy if they decide at some point they do not have the interest or motivation.
- U.S. Naval Sea Cadet experience prior to entering the Service is an excellent indicator of a potentially high success rate.

Data similar to the above has been requested from the United States Coast Guard Academy and the United States Merchant Marine Academy.

Whether or not they choose a service career, all Sea Cadets carry forth learned values of good citizenship, leadership and moral courage that will benefit themselves and our country.

PROGRAM FINANCES

Sea Cadets pay for all expenses, including travel to/from training, uniforms, insurance and training costs. Out-of-pocket costs can reach \$500 each year. Assistance is made available so that no young person is denied access to the program, regardless of social or economic background.

Federally funded at the \$1,000,000 level in fiscal years 2001, 2002, and 2003, \$1,500,000 in fiscal year 2004 and \$1,700,000 for fiscal year 2005 (of the \$2,000,000 requested), all of these funds were used to offset individual Cadet’s individual costs for summer training, conduct of background checks for adult volunteers and for reducing future enrollment costs for Cadets. In addition to the Federal fund received, NSCC receives under \$700,000 per year from other sources, which includes around \$226,000 in enrollment fees from Cadets and adult volunteers. For a variety of reasons, at a minimum, this current level of funding is necessary to sustain this program and the full \$2,000,000 would allow for program expansion:

- All time high in number of enrolled Sea Cadets (and growing).
- General inflation.
- Some bases denying planned access to Sea Cadets for training due to increased terrorism threat level alerts and the associated tightening of security measures—requiring Cadets to utilize alternative, and often more costly training alternatives.

- Reduced availability of afloat training opportunities due to the Navy's high level of operations related to the Iraq war.
- Reduced training site opportunities due to base closures.
- Non-availability of open bay berthing opportunities for Cadets due to their elimination as a result of enlisted habitability upgrades to individual/double berthing spaces.
- Lack of "Space Available" transportation for group movements.
- Lack of on-base transportation, as the navy no longer "owns" busses now controlled by the GSA.
- Navy outsourcing of messing facilities to civilian contractors increases the individual Cadet's meal costs.

Because of these factors, Cadet out-of-pocket costs have skyrocketed to the point where the requested \$2,000,000 alone would be barely sufficient to handle cost increases

It is therefore considered a matter of urgency that the full amount of the requested \$2,000,000 be provided for fiscal year 2006.

Senator STEVENS. Thank you very much.

It is a very successful program and we know that costs have gone up. But we will do our best to stretch that money, General, and see to it that you have the ability to produce young men like this for us every year.

Thank you very much. We appreciate your statement of your past experience.

Senator INOUE. How many naval sea cadets are there in the United States at this moment?

Captain HURD. It is about 10,000. The mix of males, females is the same as it is in the Navy for the most part, about a three to one mix. We have units in every State except Wyoming.

Senator STEVENS. They are seeking \$300,000 more this year. It is a modest request, General. We will do our best to achieve it. Do you have anything else, Senator?

Senator INOUE. I am impressed at the number, 472 cadets have received appointments to the Naval Academy.

Captain HURD. That are currently at the Naval Academy now, yes, sir. The admissions folks love them because these young men and women for the most part know what they are getting into and our graduation rates at the Academy and through boot camp far exceed the general Navy completion rates as well. We are quite proud of that.

Mr. SILVER. And the training, the background, what you learn through the program, the experiences—when we do the hands-on training, because you are training with the actual military that do the jobs that you want to do, you do the same courses that the Navy does or the Marines, and they go through it with you. The training that you learn through this program, there is no other program that you can get that will even come close to what you learn in this program.

That is why the military allows us when we enlist to go in as advanced pay grades, through the knowledge that we learned and the reputation of what we learned in the program.

Senator INOUE. Your testimony is most reassuring at a time when our services are all experiencing problems in recruiting and retaining. Thank you very much.

Senator STEVENS. Are you in all 50 States?

Captain HURD. All except Wyoming. We have units in Guam and Iceland as well.

Senator STEVENS. Thank you very much. We appreciate your testimony.

Captain HURD. We appreciate your support.

Senator STEVENS. Our next witness is the President of the National Association of Uniformed Services, Retired Major General William Matz, formerly Deputy Commander, U.S. Army in the Pacific. Nice to see you, sir.

STATEMENT OF MAJOR GENERAL WILLIAM MATZ, JR., U.S. ARMY (RETIRED), PRESIDENT, NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

General MATZ. Yes, sir, nice to see you again.

Mr. Chairman and Senator Inouye, on behalf of the over 200,000 members and supporters of the National Association for Uniformed Services (NAUS), I want to thank you for this opportunity to present our views on defense funding. We also thank you, Mr. Chairman, and the other members of your subcommittee for your leadership and your continued efforts to support and care for the men and women of the armed forces and for our military retirees and their survivors.

The primary purpose of our association is to support a strong national defense and this support includes being an advocate for the earned benefits of our Nation's warriors, both Active and retired. We understand clearly that during a time of severe budget deficits and with the country at war dollars for all Government programs are tight. But we believe that funds for the care and support of those who serve and have served must always be one of the Nation's highest priorities.

As you are aware, some Government officials have stated recently that providing the earned benefits for those who have served is hurtful. In reality, from my perspective, taking care of military personnel, their families and retirees is helpful to the Nation's cause and it will also enhance the recruiting efforts of our armed forces. Retired military and veterans can be among the very, very best recruiters if they can report that the promises were kept after their service was over.

We at NAUS join the other military and veterans services organizations in asking for the necessary funding for the proposed enhancements for those currently serving on active duty. These include, just very quickly: The Crosby-Puller Combat Wounds Compensation Act that requires that a member of the uniformed services who was wounded in a combat zone continue to be paid the monthly pay and allowances and receive the combat zone tax exclusion during his recovery period.

We also ask for your support for the Supply Our Soldiers Act, which would provide postal benefits for those serving in combat zones. Should these initiatives be enacted individually or as part of the National Defense Authorization Act, we simply ask that the funds be made available for these needed enhancements.

Now, while these issues, sir, are important, my main thrust today is to emphasize the need for full funding of the defense health program. Arriving at the point where we are now with the TRICARE program has been a long and very arduous battle and a fight that members of this subcommittee, joining with the Na-

tional Military Veterans Alliance and the Military Coalition, made happen, and for this we thank you.

As you know, the defense health program is a critical piece in ensuring the maintenance of a strong military. From my perspective, each dollar is an investment in military readiness. During my service in Vietnam as an infantryman, one of the greatest fears of soldiers arriving in that country was being wounded and not getting adequately timely medical care. Because of this, we would assure them that every wounded soldier would be recovered, every wounded soldier would be treated and evacuated as a first priority, and that they would get the very best medical care in the world.

Our military medical system is the best in the world. To stay the best, it must be fully funded. So unless we have a strong, vital military medical program here in the continental United States (CONUS) we will not be able to continue to deploy the highly trained medical units and personnel supporting our combat forces in the overseas theaters. This includes funding the network of stateside military hospitals and clinics and of course the Uniformed Services University of the Health Sciences, which I know you are both familiar with.

In my view this is at the core of medical professionalism for our Nation's uniformed services. It also includes the funding necessary to ensure adequate care for our military families and retirees.

Mr. Chairman, your longstanding leadership and your support for military medicine has been clearly stated over the years. In fact, from my view it has been critical to its success, indeed to its very survival. I am reminded of a like sentiment expressed just recently by the chairman of the Senate Armed Services Committee, who was opposing a proposal to shift money from military health care to buy weapons rather than seeking the funds for both. We absolutely agree on this point and also that funding for both must be a national priority. Accordingly, sir, we ask that you continue to support full funding for our very vital defense health program.

Again, thank you for your support and thank you for these few minutes to come before you today.

Senator STEVENS. Senator.

Senator INOUE. Well, as you have indicated, the best recruiting weapon that we have is a veteran who has served and can tell the new American that the military is the best place to serve.

General MATZ. Absolutely, sir, yes.

Senator INOUE. He is the evidence, the proof.

General MATZ. Yes, that is the evidence, absolutely.

Senator INOUE. We will do our best, sir.

Senator STEVENS. I was amazed to find when we were in Iraq and Afghanistan the number of young people we talked to that talked to us about their fathers and their experience. There is no replacing that generation to generation conveyance of the duty to serve.

General MATZ. Absolutely, sir.

Senator STEVENS. Thank you very much, General.

General MATZ. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM M. MATZ, JR.

Introduction

Mister Chairman and distinguished members of the committee, I became the President of the National Association for Uniformed Services (NAUS) on January 15 of this year. As the representative of our 190,000 members/supporters, I extend our gratitude for the invitation to testify before you about our views and suggestions concerning the following defense funding issues:

First, I would like to explain to you our association and why we feel so very qualified to discuss our members' legislative concerns. The National Association for Uniformed Services (NAUS) prides itself in that it is the "The Servicemember's Voice in Government—Focusing on People." NAUS is unique. Founded in 1968, it's the only military affiliated association whose membership represents the entire military/veteran family. No other association provides such a broad representation when dealing with Congress, the White House, and the Pentagon. NAUS represents all seven branches of the uniformed services: Army, Navy, Marine Corps, Air Force, Coast Guard, United States Public Health Service (USPHS), and National Oceanic and Atmospheric Administration (NOAA), including all components: Active Duty, Retired, Reserve, National Guard, and other veterans, their spouses, widows/widowers, other family members and survivors; and all grades and ranks—enlisted/officer.

The primary purpose of our association is to support a strong national defense and to promote and protect the interests and promised benefits earned by members of the uniformed services for themselves, their families and survivors and those of all American citizens with common interests.

Accordingly, we support issues that directly affect those currently serving on Active duty—Regular, National Guard and Reserve. Our testimony will ask this committee's funding for the following pieces of legislation upon passage:

Crosby-Puller Combat Wounds Compensation Act

We support this Act which would ensure that a member of the uniformed services who is wounded or otherwise injured while serving in a combat zone continues to be paid monthly military pay and allowances, while recovering from the wound or injury at the same level received while in the combat zone. This act will also ensure that the servicemember continues to receive the combat zone tax exclusion during recovery.

Position.—We urge that S. 461, the Crosby-Puller Combat Wounds Compensation Act be funded in the Defense appropriation.

Montgomery GI Bill (MGIB) & Educational Benefits

The strain on the Reserve Component (Reserve and National Guard units) caused by frequent and long call-ups to Active Duty has had a negative affect on recruiting and retention efforts. Added enticements are needed to help bolster these forces, which our National defense has come to rely so heavily on in contingency operations.

We believe that extending the same MGIB and educational benefits to the Reserve and Guard forces would help in their recruiting/retention programs.

Position.—We urge the Defense subcommittee to provide the funding of enhanced MGIB and Educational Benefits for the Reserve and National Guard units.

Guard and Reserve Enhanced Benefits Act

Since the National Guard and Reserve make up a great portion of the troops in the areas of current operations, we believe other measures are needed to alleviate many of the hardships caused by these frequent and prolonged deployments. Many are contained in the Guard and Reserve Enhanced Benefits Act, such as Child Care, Non-reduction in pay for Federal Employees, Tax Credit for Employers, Reduced minimum age for eligibility for non-regular Service retired pay, and Expanded eligibility of Ready Reserve Members under the Tricare Program.

Position.—We urge the Defense subcommittee to provide funding for S. 38, the Guard and Reserve Enhanced Benefits Act.

Supply Our Soldiers Act of 2005

NAUS supports the "Supply Our Soldiers Act of 2005," H.R. 887, a bill to provide for a program under which postal benefits shall be made available for purposes of certain personal correspondence and other mail matter sent from within the United States to members of the Armed Forces serving on active duty abroad who are engaged in military operations, and for other purposes.

Position.—We urge the Senate to sponsor a companion bill and the Defense subcommittee to provide the funding to assist families of active duty and activated Re-

serve and National Guard servicemembers with postal costs for packages and mail to troops in current operations.

We contend that honoring the promises made to those veterans who made a career of the military will help the military services in their recruiting and retention efforts. Accordingly, we strongly urge the Defense subcommittee's support of the following:

Combat Related Special Compensation (CRSC) for Chapter 61 Retirees

Many combat injured military veterans were forced by the severity of their injuries to be medically retired under Chapter 61 regulations. Quite a few of them would have completed 20 years of service towards a full military retirement, but could not. These individuals are not qualified for Combat Related Special Compensation because they served less than 20 years. They deserve the same consideration for the award of CRSC as a 20-year retiree and their level of award should be based on their years of active service.

Position.—The House has introduced legislation to resolve this issue (H.R. 1366). NAUS urges the Senate to introduce companion legislation, and urges the Defense subcommittee to provide the funding to resolve this issue.

Survivor Benefits Program/Dependency and Indemnity Compensation Offset

Currently, if the retired military sponsor, who enrolled in the Survivor Benefits Program (SBP), dies of a service-connected disability, the surviving spouse is eligible for both the SBP annuity and Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs. However, the SBP annuity is offset by the full amount of the DIC annuity. Each program's purpose is different, SBP's goal is to provide for the loss of the sponsor's earned retired pay, and DIC's goal is to provide the surviving spouse compensation for the loss of their spouse due to injuries caused by his/her service to the country.

Position.—The National Association for Uniformed Services strongly urges funding for S. 185 which would end the SBP offset with DIC.

30 Year Paid-Up Status

A secondary goal is the acceleration of the paid-up SBP provisions by changing the effective date from October 1, 2008, to October 1, 2005, already 2 years beyond the 30th anniversary of the program. Enrollees who have reached the age of 70 and have paid their SBP premiums for more than 30 years (360 payments) are already being penalized.

Position.—We ask that the Defense subcommittee provide funding to allow those early enrollees to be paid up as described in S. 185.

Permanent ID Card for Dependents Age 65 and Over

One of the issues stressed by NAUS is the need for permanent ID cards for dependents age 65 and over. Last year's NDAA authorized the issuance of permanent ID card for dependents age 75 and over. We still believe the age should be 65 and over. With the start of TRICARE for Life, expiration of TFL-eligible spouses' and survivors' military identification cards, and the threatened denial of health care claims, causes some of our older members and their caregivers' significant administrative and financial distress.

Position.—NAUS urges that the Defense subcommittee continue the progress made last year by directing the Secretary of Defense to authorize issuance of permanent military identification cards to uniformed services family members and survivors who are age 65 and older, with appropriate guidelines for notification and surrender of the ID card in those cases where eligibility is ended by divorce or remarriage.

Finally, NAUS urges the Defense subcommittee's consideration of the following issues related to the benefit of military service:

Military Exchanges and Commissaries

Issue One.—NAUS believes that DOD wants to reduce/eliminate the subsidy for the commissary system that provides food and other essentials to troops and families around the world, which will result in the military community losing the benefit.

Position.—The National Association for Uniformed Services strongly urges the committee to continue to provide the funding for the commissary subsidy to sustain the current services. Commissaries are a key component of the military pay and compensation package. Any action that would reduce/eliminate this benefit would result in a diminished quality of life and more out of pocket costs.

Issue Two.—Recent DOD initiatives towards exchange consolidation and more recently shared services are an issue of interest for our members. The Unified Ex-

change Task Force has been developing several shared services models designed to reduce overhead costs in the areas of logistics, finance and accounting, information technology, human resources and non-resale procurement. This approach is based on reducing “backroom” costs for the exchanges so that they will have greater margins from which to offer their customers better pricing. However, NAUS continues to view the proposals with cautious interest until additional information becomes available. For example, implementation costs and transition costs are important components in the shared services decision and that information is not yet available.

While the Unified Exchange Task Force (UETF) has been extremely open and informative throughout this process (associations have met quarterly with the UETF leadership since its inception), NAUS will reserve its support of shared services until a substantive, business-based analysis is completed that clearly demonstrates the change will enhance the benefit to the patron and increase the MWR dividend.

Position.—NAUS asks the Defense subcommittee to provide the funding necessary to ensure that the exchanges, whether or not they share services, continue to provide appropriate product choices, competitive prices, and increased funding for MWR programs.

Current and Future Issues Facing Uniformed Services Health Care

The National Association for Uniformed Services would like to thank the subcommittee and the full Appropriations Committee for its leadership in the past for providing the landmark legislation extending the Pharmacy benefit and TRICARE system to Medicare eligible military retirees, their families and survivors, making the lifetime benefit permanent, establishing the DOD Medicare Eligible Retiree Health Care Fund, reducing the catastrophic cap and making other TRICARE improvements. However, we must again urge that the Senate provide full funding of the Defense Health Program.

Position.—DOD has projected an \$11 billion shortfall in funding between fiscal year 2006–2011. NAUS strongly urges the Defense subcommittee to ensure that full funding is provided for this most crucial of programs.

Federal Employees Health Benefits Program (FEHBP)

The National Association for Uniformed Services has been a long time proponent of legislation that would provide military personnel the option of participating in the Federal Employees Health Benefit Program. Though confident that the TRICARE program and the TRICARE for Life program will be successful, because they are an outstanding value for most beneficiaries, in a few cases, the TRICARE/TRICARE for Life options may not be the best choice, or may not be available for the eligible beneficiary. For that reason, we believe the FEHBP option should be enacted. Providing the FEHBP, as an option would help stabilize the TRICARE program, provide a market based benchmark for cost comparison and be available to those for whom TRICARE/TRICARE for Life is not an adequate solution.

Position.—NAUS strongly urges the Defense subcommittee to provide additional funding to support a full FEHBP program for military personnel as an option.

Include Physician and Nurse Specialty Pay in Retirement Computations

Results of a recent Active Duty Survey show that pay and benefits are the most important factors impacting retention. Improving specialty pay/bonuses and including specialty pay/bonuses in retired pay calculations would aid retention. Therefore, prompt action to retain these and other highly skilled medical professionals is needed.

Position.—The National Association for Uniformed Services requests funding to allow the military physicians and nurses to use their specialty pay in their retirement computations. The military services continue to lose top quality medical professionals (doctors and nurses) at mid-career. A major reason is the difference between compensation levels for military physicians and nurses and those in the private sector.

Conclusion

Mr. Chairman and distinguished members of the Defense subcommittee, we want to thank you for your leadership and for holding these hearings this year. You have made it clear that the military continues to be a high priority and you have our continuing support.

Senator STEVENS. Our last witness is Retired Master Chief Joseph Barnes, the U.S. Naval Executive Secretary of the Fleet Reserve Association. Yes, sir.

STATEMENT OF MASTER CHIEF JOSEPH L. BARNES, U.S. NAVY (RETIRED), NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION

Chief BARNES. Thank you, Mr. Chairman, Senator Inouye. The Fleet Reserve Association (FRA) appreciates the opportunity to present its views on the 2006 defense budget.

Before I address several priority issues, I wanted to thank this distinguished subcommittee for its leadership, support, and strong commitment to important quality of life programs benefiting service members, reservists, military retirees, and their families.

FRA's number one priority is supporting adequate funding for protected devices and equipment and military personnel serving in Operations Iraqi Freedom and Enduring Freedom. This includes body armor, outer protective vests, and armor for combat vehicles. The next priority is ensuring that wounded troops, their families and survivors of those killed in action are those cared for by a grateful nation. FRA fully endorses continuing combat pay and other special pays until the completion of hospital care or discharge from their respective service and permanent increases to the death gratuity and service members group life insurance.

Another top concern of FRA is to work with Congress and DOD to ensure continued full funding of the defense health budget and ensure access to health care for all uniformed services beneficiaries. The new TRICARE Reserve Select health plan is important to our Guard and Reserve personnel and their families and a fully funded health care benefit is critical to readiness and the retention of qualified uniformed services personnel.

FRA supports appropriations necessary to implement the 3.1 percent across the board military pay increase on January 1, 2006. The association also strongly supports continued progress toward closing the military pay gap. Unfortunately, targeted pay increases for senior enlisted personnel and certain officer grades were not included in the administration's budget. At a minimum, FRA supports funding pay increases at least comparable to the annual employment cost index.

Adequate service end strengths are important to maintaining readiness. If force size is inadequate and operational tempo (OPTEMPO) too intense, the performance of individual service members is negatively affected. FRA believes there are inadequate numbers of uniformed personnel to sustain the war effort and other operational commitments. This situation also creates considerable stress on the families of service personnel.

FRA appreciates the major reform of the military survivor benefit plan authorized in this year's defense authorization act and soon thousands of survivors will no longer have to endure a reduction in their survivor benefits plan (SBP) annuities upon reaching age 62.

Another SBP reform issue is also important to FRA's membership, that being the acceleration of SBP paid-up date from 2008 to 2005 for participants having paid premiums for 30 years and being at least 70 years of age. If authorized, the association asks for support from this distinguished subcommittee.

FRA supports funding to maintain the commissary benefit at the current level, increased reserve Montgomery GI bill (MGIB) edu-

cation benefits, which are currently funded well below the authorized level, funding for family awareness and spouse employment opportunities, which are integral to our well-being retention—their well-being and retention, excuse me—and supplemental impact aid funding for school districts with large numbers of military-sponsored students.

If authorized, FRA also strongly supports full concurrent receipt of military retired pay and VA disability compensation, retention of the full final month's retired pay by retirees' surviving spouse, and the extension of the dislocation allowance to retiring service members.

Thank you again, Mr. Chairman, for the opportunity to present the association's recommendations and I stand ready to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF JOSEPH L. BARNES

INTRODUCTION

Mr. Chairman and other distinguished members of the subcommittee, the Fleet Reserve Association (FRA) is most grateful for your support of our military men and women and, particularly, those serving or having served in Afghanistan, Iraq and other troubled spots around the globe. At the top of the Association's gratitude list is the quality of life improvements funded in the 108th Congress. Thanks so much for the effort. FRA knows you have contributed in the previous year to making a tough life much easier for those that might make the ultimate sacrifice in the service of this Nation. BRAVO ZULU.

This Statement lists the concerns of our members, keeping in mind that the Association's primary goal will be to endorse any positive safety programs, rewards, and quality of life improvements that support members of the uniformed services, particularly those serving in hostile areas, and their families.

FRA is concerned that in spite of signs of bravado, many of our Sailors, Marines and Coast Guardsmen serving in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) may not be fully armed with the protective devices available for their personal safety. Advocating the funding for and receipt of these protective devices; i.e.—interceptor body armor, outer protective vests, and small arms protective inserts; to every uniformed member sent into harm's way is FRA's No. 1 priority.

The Association's next priority is to see that our wounded troops, their families, and the surviving families of the men and women killed in action are cared for by a grateful Nation. In this respect, FRA fully endorses funding any proposal that authorizes our wounded veterans continuance of their combat pay and other special pays received while in combat until the completion of their hospital care or discharge from their respective military service. And any authorized increases to the death gratuity and life insurance proposed by the Congress.

OTHER GOALS

Health Care.—FRA and its membership are most grateful for the improvements in accessing proper health care for the military community and the expansion of the program to provide greater care for military retirees and their families. Not everyone in the military community is pleased, but Congress has done much with the resources available to offer the best program for as many beneficiaries as possible. There are other proposals on the table that would increase benefits for those not satisfied with the current program. FRA endorses these proposals for many of its members would be affected by their adoption. However, the Association's primary concern is that existing programs be adequately funded for fiscal year 2006 and beyond.

Active Duty/Reserve Programs.—Topping the list among the active duty and reserve members of the Sea Services (Navy and Marines) are adequate pay and allowances, child care and housing.

Pay and Allowances.—For the fiscal year 2006, the administration has recommended a 3.1 percent across the board basic pay increase for members of the Armed Forces. This is commensurate with the 1999 formula to provide increases of

0.5 percentage points greater than that of the previous year for the private sector. With the addition of targeted raises, the formula has reduced the pay gap with the private sector from 13.5 percent to 5.2 percent following the January 1, 2005, pay increase.

FRA, however, is disappointed that there is no targeted pay increase recommended, particularly for mid-grade and more senior enlisted personnel. FRA, The Military Coalition, the 9th Quadrennial Review of Military Compensation (9thQRMC), and the Department of Defense have advocated the necessity for targeted pays. In spite of the number of special pay increases in the last few years, the pay of our noncommissioned and petty officers remains compressed; a situation that has existed since the advent of the all-volunteer force.

FRA urges the subcommittee to appropriate the necessary funds for the 3.1 percent pay increase for fiscal year 2006.

Other Pays and Allowances.—FRA supports funding to continue and enhance enlistment and reenlistment bonuses and other compensatory items necessary for the military services to function accordingly and to provide the necessary incentives for the Nation's young men and women to serve in the Armed Forces. Recruiting and retention are vital to the success of the All-Volunteer Force and fulfilling the Nation's commitments and should be funded adequately to meet the services needs.

Basic Allowance for Housing (BAH).—FRA is seeking revised housing standards. Many enlisted personnel, for example, are unaware of the standards for their respective pay grade and assume that the applicable BAH level is determined by a higher standard than they may be authorized. This causes confusion over the mismatch between the amount of BAH they receive and the actual cost of their type of housing. As an example, enlisted members are not authorized to receive BAH for a 3-bedroom single-family detached house until achieving the rank of E-9—which represents only 1 percent of the enlisted force—yet many personnel in more junior pay grades do in fact reside in detached homes. The Coalition believes that as a minimum, this BAH standard (single family detached house) should be extended gradually to qualifying service members beginning in grade E-8 and subsequently to grade E-7 and below over several years as resources allow.

Through your leadership and support, the plan to reduce median out-of-pocket expenses has been implemented. The aggressive action to better realign BAH rates with actual housing costs has had a real impact and provides immediate relief for many service members and families struggling to meet rising housing and utility costs. Unfortunately, housing and utility costs continue to rise and the pay comparability gap, while diminished over recent years, continues to exist. Members residing off base face higher housing expenses along with significant transportation costs, and relief is especially important to junior enlisted personnel living in the civilian environment who do not qualify for other supplemental assistance.

FRA urges the subcommittee to appropriate the necessary funds to cover authorized increases in housing allowances for uniformed personnel.

Permanent Change of Station (PCS) Reimbursements.—FRA is most appreciative of the significant increases in the Temporary Lodging Expense (TLE) allowance authorized for fiscal year 2002 and the authority to raise PCS per diem expenses to match those for Federal civilian employees in fiscal year 2003. FRA greatly appreciates the provision in the fiscal year 2004 defense bill to provide full replacement value for household goods lost or damaged by private carriers during government directed moves, and looks forward to the timely implementation of the Department of Defense comprehensive "Families First" plan to improve claims procedures for service members and their families.

These were significant steps to upgrade allowances that had been unchanged over many years. Even with these changes, however, service members continue to incur significant out-of-pocket costs in complying with government-directed relocation orders.

For example, PCS mileage rates have not been adjusted since 1985. The current rates range from 15 to 20 cents per mile—less than half the 2005 temporary duty mileage rate of 40.5 cents per mile for military members and Federal civilians. PCS household goods weight allowances were increased for grades E-1 through E-4, effective January 2003, but weight allowance increases are also needed for service members in grade E-5 and above to more accurately reflect the normal accumulation of household goods over the course of a career. The Association has recommended modifying weight allowance tables for personnel in pay grades E-7, E-8 and E-9 to coincide with allowances for officers in grades O-4, O-5, and O-6, respectively. FRA also supports authorization of a 500-pound professional goods weight allowance for military spouses.

In addition, the overwhelming majority of service families own two privately owned vehicles, driven by the financial need for the spouse to work, or the distance

some families must live from an installation and its support services. Authority is needed to ship a second POV at government expense to overseas' accompanied assignments. In many overseas locations, families have difficulty managing without a second family vehicle because family housing is often not co-located with installation support services.

FRA is sensitive to the subcommittee's efforts to reduce the frequency of PCS moves. But the Armed Services cannot avoid requiring members to make regular relocations, with all the attendant disruptions in their children's education and their spouse's career progression. The Association believes strongly that the Nation that requires them to incur these disruptions should not be requiring them to bear the resulting high expenses out of their own pockets.

FRA urges additional funding to support further upgrades of permanent change-of-station reimbursement allowances to recognize that the government, not the service member, should be responsible for paying the cost of government-directed relocations.

Combat and Incentive Pays during Hospitalization.—FRA strongly urges the subcommittee to take action to ensure combat-wounded service members do not have their pay reduced or their taxes increased during periods of hospitalization. The Association believes that such compensation treatment is essential for service members who continue to suffer from the hazardous conditions that combat-related incentive pays and tax relief were created to recognize.

Basic Allowance for Subsistence (BAS).—FRA is grateful for the increases in BAS over the years. There is more to be done; however, to permit single career-enlisted members greater individual responsibility in their personal living arrangements. FRA believes it is inconsistent to demand significant supervisory, leadership and management responsibilities of noncommissioned and petty officers, but still dictate to them where and when they must eat their meals while at their home duty station.

FRA has urged the authorizers to repeal the statutory provision limiting BAS eligibility to 12 percent of single members residing in government quarters. As a long-term goal, extend full BAS eligibility to all single career enlisted members, beginning with the grade of E-6 and, eventually, to the lower grades as budgetary constraints are eased. FRA requests the subcommittee's support for the repeal by appropriating the necessary funding to implement any increases in BAS adopted by the authorization process.

MGIB. The Montgomery GI Bill often is characterized as a form of compensation or as a "recruiting tool." However, FRA would argue that it would be more appropriate to consider the benefit an investment in our nation's future. Military personnel can use the MGIB on active duty to aid in their professional development, giving them the tools to become better leaders, mentors and representatives of their respective service. Our Nation has a responsibility to ensure the MGIB investment remains a relevant supplement to completing one's education. We must give our veterans the tools to excel in an academic environment.

There are 61,000 senior enlisted members in the Armed Forces who entered military service during the Veterans Education Assistance program (VEAP) era and did not have the opportunity to enroll in the MGIB. FRA has urged the adoption of an open enrollment period offering these enlisted leaders a chance to sign up for the education benefits available through the MGIB. In fact, the Association believes the MGIB should be expanded so that any uniformed member reenlisting in his or her military service will have the opportunity to enroll in the program.

FRA recommends funding enhancements of benefits in the MGIB as authorized. The Association is grateful for the October 1, 2004 increases in basic rates but they cover only about 60 percent of current tuition expenses. A creation of a benchmark for the MGIB will keep pace with the cost of an average 4-year college education. For the school year 2004–2005 (\$20,082 for 4 yrs. at private institutions; \$5,132 at public institutions) the cost is much greater than what is available through the MGIB. Enhancing the value of the MGIB would be an improved incentive to enlist or reenlist in the Armed Forces.

FAMILY READINESS AND SUPPORT

It's most important that DOD and the military services concentrate on providing programs for the families of our service members. There are a number of existing spousal and family programs that have been fine tuned and are successfully contributing to the well-being of this community. The Navy's Fleet and Family Centers and the Marines' Marine Corps Community Services (MCCS) and Family Services programs are providing comprehensive, 24/7 information and referral services to the service member and family through its One Source links. One Source is particularly

beneficial to mobilized reservists and families who are unfamiliar with varied benefits and services available to them.

It's true that "the service member enlists in the military service—but it's the family that reenlists." To ensure the family opts for a uniformed career, the family must be satisfied with life in the military. To assist in bringing that satisfaction, FRA recommends the following to the subcommittee.

Child and Youth Programs.—Both programs rank high in priority for the families of Sailors and Marines. As an integral support system for mission readiness and deployments, its imperative these programs continue to be improved and expanded to cover the needs of both married and single parents. Currently, the Navy's program cares for over 31,000 children 6 months to 12 years in 227 facilities and 3,180 on and off base licensed child development homes. With the high priority tagged to child care, FRA urges Congress to continue enhancing and increase funding for this important benefit.

Pre-tax Treatment for Child Care Expenses.—FRA seeks the support of the subcommittee to direct the Department of Defense to implement flexible spending accounts for pre-tax payment of child-care expenses. The Association urges the subcommittee to coordinate with the Ways and Means Committee to enact such authority as may be needed as soon as possible.

Spousal Employment.—Today's all-volunteer environment requires the services to consider the whole family. It is no longer adequate to focus only on the morale and financial well-being of the member. Now, his or her family must be considered. One of the major considerations for spousal employment is it could be a stepping-stone to retention of the service member—a key participant in the defense of this Nation. The Association urges Congress to continue its support of the military's effort to affect a viable spousal employment program and to authorize sufficient funds to assure the program's success.

Impact Aid.—FRA is most appreciative for the Impact Aid authorized in previous Defense measures but must urge this subcommittee and its full committee to support a substantial increase in the funding for schools bearing the responsibility of educating the children of military personnel and Federal employees. Current funds are not adequate to ably support the education of federally sponsored children attending civilian community elementary schools. Beginning with the Nixon Administration, funding for Impact Aid has decreased dramatically. For example, in the current fiscal year the Military Impacted Schools Association (MISA) estimates Impact Aid is funded at only 60 percent of need according to law. Our children should not be denied the best in educational opportunities. Impact Aid provides the children of our Sailors, Marines, Coast Guardsmen, Soldiers, and Airmen, a quality education. FRA implores Congress to accept the responsibility of fully funding the military Impact Aid program. It is important to ensure our service members, many serving in harm's way, have little to concern with their children's future but more to do with the job at hand.

DOD Schools.—FRA notes with concern the Department of Defense's (DOD's) repeated quest to close some or all DOD-sponsored schools operating on military installations in CONUS. FRA is adamantly opposed to reducing the quality of education now enjoyed by the children of military personnel and Federal employees' by forcing them to enroll in public schools. As long as the United States continues with an all-volunteer force and as long as U.S. uniformed personnel and employees of the Armed Forces are deployed to foreign shores, CONUS schools provide a safe haven for their children. FRA recommends that Congress provide the necessary funds to continue the effective operation of the Department of Defense's school system and to cease and desist from using appropriated funds to find ways and means to close or transfer its school system to local school districts. There is no need for further threats of closures that damage the morale of our Nation's military personnel and families. In an all-voluntary force environment, it's certain Congress doesn't want to add to the retention challenges the military may face in the future.

Morale, Welfare, and Recreation Programs (MWR).—FRA can't help but believe Congress and even the military services are less concerned with MWR programs that are really vital to supporting the service member and his or her family. The Navy's top enlisted chief, MCPON Terry Scott USN, again this year advised a House panel on February 16 last he is particularly troubled that current budget decisions will place a greater burden on the Service in providing the necessary programs so important in maintaining the well-being of its sailors and families. The MWR programs of the Navy; Child Care, Fleet/Family Support Program (FFSP), for example, include recreation, fitness, social and community support activities, spouse employment, personal financial management, counseling, family advocacy, safety, transition and relocation—all having a positive affect on Fleet Readiness.

Currently, the shortage of funds is curtailing or closing some of the activities while the costs of participating in others have increased over the past year or two. One major problem is in Europe. The weakening dollar has caused an increase in child-care rates, movie tickets, etc., and placed a hiring freeze on MWR employees.

The lack of fiscal support for MWR programs is damaging the need to provide mental and physical relief to both sailors and families from the stress of deployments that have increased dramatically since the military downsized in the 1990's. MWR programs build a community spirit among those living on or near a military installation, something not experienced by those who may seek comfort and well-being from a civilian environment.

MWR facilities should be fully funded and include where and when available the guard, reserve, and retired military population residing in the area. One group aids the other. Who better to assist, comfort, counsel, and encourage military family members concerned with the conflict in Iraq, continuing deployments, and other military related activities.

FORCE SIZE/READINESS/OPTEMPO/PERSTEMPO

FRA will again simultaneously address force size, readiness, OPTEMPO, and PERSTEMPO as one issue. Readiness is achieved at its highest if force size is adequate in numbers, OPTEMPO is not too excessive, and PERSTEMPO is not adversely affecting the performance of individual service members. FRA noted in its fiscal year 2005 statement that all four were suffering from a shortage of uniformed members. Since then Congress has added numbers to the uniformed manpower in both the Army and Marine Corps. FRA is grateful for the increase and is hopeful the added manpower will be the answer to the difficulty experienced by the military in Iraq over the past few years. The Association, however, is concerned that the Navy is going to the extreme in downsizing its uniformed manpower. This concern has been voiced to the authorizing committee in hope some action will be directed to steady the outgoing tide of experienced naval personnel.

Meanwhile, FRA urges the subcommittee to continue funding our military personnel to ensure the numbers remain sufficient to relieve both OPTEMPO and PERSTEMPO, primarily the result of operations in Afghanistan and Iraq.

RESERVE COMPONENT

Operational Tempo.—The increase in the use of reserve units to serve along side active duty components in Iraq, as an example, has caused considerable challenges for individual reservists. Not only has their mobilization placed a strain on employment and income, but the family as well. Employer support, once strong, decreases as more essential employees are whisked-off to spend longer periods in uniform leaving the employer frustrated with having to find a replacement and, at the same time, hold the position open for the reservist's return.

FRA has always supported the Total Force Policy but is concerned that the sustained use of reserve forces will eventually harm the recruiting and retention of young men and women willing to serve as future citizen Sailors, Marines, and Coast Guardsmen. The United States must maintain a strong reserve force at all times in the event of a greater need than at the present.

The fiscal year 2005 defense authorization bill established a Commission on the National Guard and Reserves. FRA is in hope that it will provide recommendations on what enhancements are necessary to recruit and retain the number of reservists required for the defense of the United States. There is a possibility the study may include recommendations addressing such issues as tax relief, healthcare, retirement upgrades, improvements in the MGIB-SR, and family support programs.

Until the study is released, FRA urges this subcommittee to appropriate funds to support reserve and guard programs authorized in the fiscal year 2006 National Defense Authorization Act that:

- Increase in both enlisted and reenlistment bonuses.
- Enhance the MGIB-SR rates for those who choose to participate in the program.
- Provide academic and financial protection to members who are attending an institution of higher learning when called to active duty.
- Support and fund programs for families, particularly those geographically dispersed and not readily accessible to military installations and inexperienced with the military.
- Authorize cost-share access to Tricare for members of the Selected Reserve and their families.

RETIRED COMPONENT

Concurrent Receipt.—The fiscal year 2003 National Defense Authorization Act (NDAA) authorizes a special compensation that establishes a beachhead to authorizing full concurrent receipt, a term for the payment of both military non-disability retired pay and any VA compensation for service-connected disabilities without a reduction in one or the other payment. The fiscal year 2004 and 2005 NDAA expanded the benefit list through Combat Related Disability Pay (CRDP) and Combat Related Special Compensation (CRSC). Although FRA is appreciative of the effort of Congress to address the issue, it fails to meet the resolution adopted by the Association's membership to seek full compensation for both length-in-service military retirement and VA compensation. Currently, the receipt of VA compensation causes a like reduction to a retired service member's military retired pay. This leads to the belief, and well-deserved, that retired service members, earning retired pay as a result of 20 years or more of service, are forced to pay for their own disablement.

Most disabilities are recognized after the service member retires. Some are discovered while the member is still performing active duty or as the result of a retirement physical. However, it is to the benefit of the Department of Defense to retire the member without compensation for any disability. Instead, the member is directed to the Department of Veterans' Affairs for compensatory relief for the damages incurred by the member while serving the Nation in uniform.

FRA has encouraged Congress to take the helm and authorize and fund concurrent receipt for all qualified military non-disabled retirees who are eligible for and receiving veterans' compensation.

CONCLUSION

FRA is grateful to the subcommittee for the opportunity to present its goals for fiscal year 2006. Further information may be obtained by contacting Mr. Matthew Schafer, FRA Acting Director for Legislative Programs.

Senator STEVENS. Thank you very much and thank you for your patience in staying with us, the last witness of the day.

Chief BARNES. Not a problem, sir.

Senator STEVENS. Questions, Senator?

Senator INOUE. I just wanted to say that the FRA has a very, very active organization in Hawaii.

Chief BARNES. Thank you, Senator, and congratulations on your recognition last year as our Pinnacle Award recipient—

Senator INOUE. Thank you, sir.

Chief BARNES. Following the distinguished chairman's receipt a couple years ago.

Senator STEVENS. That is right.

Thank you again for your testimony.

ADDITIONAL SUBMITTED STATEMENTS

If there are any additional statements that individuals would like to submit for the record, it will be held open for 5 days.

[The statements follow:]

PREPARED STATEMENT OF SUE SCHWARTZ, DBA, RN, CO-CHAIRMAN, HEALTH CARE COMMITTEE, MILITARY OFFICERS ASSOCIATION OF AMERICA, ON BEHALF OF THE MILITARY COALITION (TMC)

OVERVIEW

Mr. Chairman, The Military Coalition (TMC) thanks you and the entire subcommittee for your continued, unwavering support for funding the needs of active duty, Guard, Reserve and retired members of the uniformed services, and their families and survivors. The subcommittee's work to greatly improve military pay, eliminate out of pocket housing expenses, improve health care, and enhance other personnel programs has made a significant difference in the lives of active, Guard and Reserve personnel and their families. This is especially true for our deployed servicemembers and their families and survivors who are engaged throughout this world in the global war on terror.

Despite these improvements in military compensation, we are deeply troubled by how much harder troops have to work—and how much more their families have to sacrifice—for that compensation.

Today's reality is simple—servicemembers and their families are being asked to endure ever-greater workloads and ever-greater sacrifices. Repeated deployments, often near back-to-back, have stressed the force to the point where recruiting and retention are real concerns for some Services; and, if it weren't for the Services' stop-loss policies and massive recalls of Guard and Reserve members, readiness would suffer. The hard fact is that we don't have large enough forces to carry out today's missions and still be prepared for any new contingencies that may arise elsewhere in the world. In addition, the Coalition is concerned that the Navy and Air Force are in the midst of "transformation" initiatives that include reducing their respective end strengths despite continuing demanding operational commitments.

In testimony today, The Military Coalition offers its collective recommendations on what needs to be done to address these important issues and sustain long-term personnel readiness.

BUDGET OVERVIEW

The Military Coalition is concerned that some in the Executive Branch are now bemoaning Congress' efforts in recent years to reverse military pay shortfalls and correct compensation and benefit inequities affecting retired military members, military survivors and Guard and Reserve members, contending that the cost of those initiatives impinges on current defense budget needs, including the ability to support compensation initiatives for the current force.

The Coalition objects strongly to any such efforts to pit one segment of the military community against another. Our experience has been that this subcommittee has rarely turned down Defense Department requests for current force funding needs. If anything, Congress has had greater sensitivity than the Executive Branch—regardless of the political party of the administration—to the importance of career military benefits to long-term retention and readiness.

Those who complain today about the cost of restoring military pay comparability, repealing REDUX retirement penalties, and enacting TRICARE For Life apparently do not recall that the Joint Chiefs of Staff at the time all told Congress that fixes were needed in these areas in order to address the significant retention problems experienced in the late 1990's.

Congress has been wise enough to see what Executive Branch officials of both parties have not in recent years—that it is not enough to just meet the short term desires of the 19 year old new enlistee with more cash in hand. Those members get older and have families, and their families grow much more concerned at the second and third reenlistment points, often after multiple family separations, whether the long-term benefits of a military career offset the extraordinary and persistent demands and sacrifices inherent in serving 20 to 30 years in uniform.

The Military Coalition believes this subcommittee will see past penny-wise and pound-foolish efforts to rob one element of the military community to pay another, and will continue to recognize the hard-learned lessons of the past—that successfully sustaining readiness and retention over the long term requires fair treatment for military members and families at every stage: active duty, Guard and Reserve, retired, and survivors.

ACTIVE FORCE ISSUES

Since the end of the Cold War, the size of the force and real defense spending has been cut by more than a third. In fact, the defense budget today is 3.8 percent of this Nation's Gross Domestic Product—less than half of the share it comprised in 1986. But today America's armed forces are engaged in a global war on terror—a campaign that has made constant and repeated deployments a way of life for today's servicemembers. There is no question that the stress of today's sustained operations is taking a significant toll on our men and women in uniform, and their families and survivors, and this is being reflected in failure of the Army Guard and Reserve to meet its recent recruiting goals. In addition, there are indications of growing challenges in recruiting members of the other Services.

Congress has taken action to help relieve the stress of repeated deployments by increasing Army and Marine Corps end strength and by making family separation and danger area pays permanent. These are notable and commendable improvements; however, sustaining a quality force for the long-term remains a significant challenge, especially in technical specialties. While some Services are meeting retention goals, these goals may be skewed by post-9/11 patriotism and by Services' intermittent stop-loss policies. This artificial retention bubble is not sustainable for the

long-term under the current pace of operations, despite the reluctance of some to see anything other than rosy scenarios.

From the servicemembers' standpoint, the increased personnel tempo necessary to meet continued and sustained training and operational requirements has meant having to work progressively longer and harder every year. "Time away from home" is now a real focal point in the retention equation. Servicemembers are enduring longer duty days; increased family separations; difficulties in accessing affordable, quality health care; deteriorating military housing; less opportunity to use education benefits; and significant out-of-pocket expenses with each permanent change of station move.

Intensified and sustained operations in Iraq and Afghanistan are being met by servicemembers' patriotic dedication, but there is little question that once Service stop-loss policies are lifted, the retention of combat-experienced servicemembers is going to be problematic.

Experienced (and predominantly married) officers, NCOs and petty officers are under pressure to make long-term career decisions against a backdrop of a demand for their skills and services in the private sector. Many servicemembers and their families debate among themselves whether the rewards of a service career are sufficient to offset the attendant demands and sacrifices inherent in uniformed service. Faced with repeated deployments to a combat zone, the appeal of a more stable career and family life, often including an enhanced compensation package and less demanding working conditions, is attractive. When allowed the option, many of our excellent soldiers, sailors, airmen and Marines will opt for civilian career choices, not because they don't love what they do, but because their families just can no longer take the stress.

On the recruiting front, one only needs to watch prime-time television to see powerful marketing efforts on the part of the Services. But this strong marketing must be backed up by an ability to retain these experienced and talented men and women. This is especially true as the Services become more and more reliant on technically trained personnel. Congress reacted to retention problems by improving military compensation elements. But we also understand the pressures to reduce spending and the challenges associated with proposed defense budget increases. The truth remains that the finest weapon systems in the world are of little use if the Services don't have enough high quality, well-trained people to operate, maintain and support them.

The subcommittee's key challenge will be to ease servicemembers' debilitating workload stress and continue to build on the foundation of trust that you have established over the past 4 years—a trust that is being strained by years of disproportional sacrifice. Meeting this challenge will require a reasonable commitment of resources on several fronts.

Personnel Strengths and Operations Tempo.—The Coalition has noted with disappointment the Department of Defense's resistance to accept Congress's repeated offers to permanently increase Service end strength to relieve the stress on today's armed forces, which are clearly sustaining a wearing operations tempo fighting today's global war on terror. While we are encouraged by the subcommittee's support for increased Army and Marine Corps end strength, we are deeply concerned that administration-proposed plans for temporary manpower increases rely too heavily on continuation of stop-loss policies, unrealistic retention assumptions, overuse of the Guard and Reserves, optimistic scenarios in Southwest Asia, and the absence of new contingency needs.

While the Department's transformation vision is an understandable and necessary plan, its implementation will take a long time—time that is taking its toll after years of extraordinary operational tempo that is exhausting our downsized forces.

The Joint Chiefs testified that their forces were stressed before 9/11, and end strength should have been increased then. Now, almost 4 years later, heavily engaged in two major operations with no end in sight, massive Guard and Reserve mobilizations, and implementation of "stop-loss" policies, action to provide substantial relief is late and short of the need. Especially noteworthy is a recent memorandum detailing serious Army Reserve readiness concerns referencing the Reserves as "rapidly degenerating into a broken force."

Administration and military leaders warn of a long-term mission against terrorism that requires sustained, large deployments to Central Asia and elsewhere. The Services simply do not have sufficient numbers to sustain the global war on terrorism, deployments, training exercises and other commitments, even with the recall of large numbers of Guard and Reserve personnel. Service leaders have tried to alleviate the situation by reorganizing deployable units, authorizing "family down time" following redeployment, or other laudable initiatives, but such things do little to eliminate long-term workload or training backlogs, and pale in the face of ever-

increasing mission requirements. For too many years, there has always been another major contingency coming, on top of all the existing ones. If the administration does not recognize when extra missions exceed the capacity to perform them, Congress must assume that obligation.

Some argue that increasing end strengths wouldn't help the situation, questioning whether the Services will be able to meet higher recruiting goals. The Coalition believes strongly that this difficult problem can and must be addressed as an urgent national priority, with increases in recruiting budgets as necessary.

Others point to high reenlistment rates in deployed units in certain Services as evidence that high operations tempo actually improves morale. But much of the reenlistment rate anomaly is attributable to tax incentives that encourage members to accelerate or defer reenlistment to ensure this occurs in a combat zone, so that any reenlistment bonus will be tax-free. Retention statistics are also skewed by stop-loss policies. Experience has shown time and again that family separation is the single greatest retention disincentive. The Military Coalition believes that those who ignore this and argue there is no retention problem are "whistling past the graveyard."

The Military Coalition strongly recommends additional funding for permanent end strength increases to sustain the long-term global war on terrorism and fulfill national military strategy. The Coalition supports increases in recruiting resources as necessary to meet this requirement and ease operational stresses on active, Guard and Reserve personnel.

Accession and Retention Bonuses.—In the interim, maintaining and increasing accession and retention bonuses is crucial to meet Manning requirements. The Services have requested increased bonus authority and special pay authority, as well as more flexible authorities, to meet specific Manning, retention and assignment needs. The Coalition strongly supports these efforts and hopes the Subcommittee will provide the full funding needed to sustain these critical programs.

The Military Coalition strongly recommends additional funding to increase accession and retention bonuses.

Combat and Incentive Pays During Hospitalization.—The Coalition is concerned that current eligibility rules for combat zone compensation programs are insensitive to the circumstances of wounded members during hospitalization and rehabilitation.

Members assigned to combat zones, as well as those performing hazardous duty elsewhere, are eligible for additional compensation because the country recognizes the increased risk to life and limb entailed in such duty. Yet the members who are injured or wounded lose eligibility for hazardous duty/combat incentive programs during their hospitalization and recovery from their injuries. In many cases, this recovery can take months, and their families may be subject to additional expenses because of their incapacity.

If we acknowledge that members deserve these extra pays for incurring the risk inherent in a combat zone, we should also acknowledge an obligation to continue such pays for those who actually incur combat injuries until they can be returned to duty, retired, or separated.

The Military Coalition strongly urges the subcommittee to take action to ensure servicemembers injured or wounded as a result of hazardous duty/combat do not have their compensation reduced during periods of hospitalization. The Coalition believes funding support is essential to sustain compensation for servicemembers who continue to suffer from the wounds and injuries these incentive programs were created to recognize.

Commissaries.—The Coalition is committed to preserving the value of the commissary benefit—which is widely recognized as the cornerstone of quality of life benefits and a valued part of servicemembers' total compensation package.

In the fiscal year 2005 Defense Authorization Act, Congress enacted stronger statutory protections for the commissary and exchange systems.

The Coalition supports cost savings through effective oversight and management. However, we are concerned about the unrelenting pressure on the Defense Commissary Agency to cut spending and squeeze additional efficiencies from its operations—despite years of effective reform initiatives and recognition of the agency for instituting improved business practices.

The commissary is a highly valued quality of life benefit whose savings and retention value for military members far exceeds the appropriated amount.

The Military Coalition opposes initiatives that would reduce Commissary benefits or savings for members, and strongly supports full funding of the benefit in fiscal year 2006 and beyond to sustain the current level of service for all patrons, including retirees, Guard and Reserve personnel, and their families.

Family Readiness and Support.—Today, two-thirds of active duty families and virtually all Guard and Reserve families live off military installations, and approxi-

mately 60 percent of these servicemembers are married. A fully funded family readiness program to include financial education and benefit information has never been a more crucial component to the military mission and overall readiness than it is today.

More needs to be done to “connect” servicemembers and their families with important resources. A more aggressive outreach effort is needed to educate servicemembers and their families on the benefits and programs to which they are entitled. A systematic and integrated family support system will help families cope with the stresses of deployment and the demands of military life. Addressing such issues as childcare, spousal employment/education, flexible spending accounts, increases in SGLI, and other quality of life concerns will go a long way in enhancing family well-being and improving retention and morale of the force.

The Military Coalition urges additional funding for improved family readiness through further education and outreach programs and increased childcare availability for servicemembers and their families and associated support structure to assist families left behind during deployments of active duty, Guard and Reserve members.

Death Benefits Enhancement.—Military insurance and death gratuity fall short of what is needed when measured by private sector standards for employees in hazardous occupations.

The fiscal year 2005 Emergency Supplemental Appropriations Act will increase the death gratuity and upgrade military life insurance programs. Continued funding for these significant upgrades is essential for fiscal year 2006 and the out years.

The Military Coalition urges the subcommittee to fully fund military death benefits improvements.

NATIONAL GUARD AND RESERVE ISSUES

More than 473,000 members of the National Guard and Reserve have been mobilized since September 11, 2001, and many thousands more are in the activation pipeline. Today, they face the same challenges as their active counterparts, with a deployment pace greater than any time since World War II.

Guard/Reserve operational tempo has placed enormous strains on reservists, their family members and their civilian employers alike. Homeland defense and war-on-terror operations continue to place demands on citizen soldiers that were never anticipated under the “Total Force” policy. The Coalition understands and fully supports that policy and the prominent role of the Guard and Reserve forces in the national security equation.

However, many Guard and Reserve members are facing increased financial burdens under the current policy of multiple extended activations over the course of a reserve career. Some senior reserve leaders are rightly alarmed over likely manpower losses if action is not taken to relieve pressures on Guard and Reserve troops. The Coalition believes that addressing critical Guard and Reserve pay, bonuses, benefits and entitlements issues—along with active duty manpower increases—are needed to alleviate those pressures and help retain these qualified, trained professionals.

Healthcare for Members of the National Guard and Reserve.—The Military Coalition is very grateful that Congress established the “TRICARE Reserve Select” health benefit in the fiscal year 2005 National Defense Authorization Act. This new authority—along with permanent pre- and post- activation TRICARE coverage—will help address the needs of Guard and Reserve families in the call-up pipeline. We anticipate that further improvements in this program are likely to be forthcoming in the fiscal year 2006 Defense Authorization Act.

More specifically, with the increasing rate of utilization for all areas of our Reserve Components increasing, we feel that Congress must act to provide increased health care benefits for all our country’s Guardsmen, Reservists, and their families, to guarantee the Nation can continue to call on them.

It is our strong recommendation that we must provide and fund a permanent TRICARE program on a cost-share basis for our members of the Guard and Reserve components who are being mobilized and deployed at increasing rates.

Seventy percent of Guard and Reserve members have employer-sponsored health insurance. The Coalition believes this is not a “one size fits all” population. Usage of the TRICARE benefit when the servicemember is activated may not be the best way to ensure continuity of care for some families. As an option for these servicemembers, the Coalition urges Congress to take action to have the government pay part or all of private health insurance premiums when activation occurs, a program already in effect for reservists who work for the Department of Defense.

The Military Coalition recommends funding to allow permanent authorization of cost-share access to TRICARE for all members of the Selected Reserve and IRR members subject to activation under Presidential call-up authority, to support readiness, family morale, and deployment health preparedness.

Eliminate BAH II.—BAH II is paid to Guard and Reserve members in lieu of regular BAH (Basic Allowance for Housing) who are on orders of less than 140 days. BAH II is an antiquated standard that no longer bears any relation to real housing expenses and is, on average, far less than the BAH rate for any given locality. There is an exception to this rule that applies, by public law, for those called up for a contingency operation. The Coalition believes strongly that any member activated for 30 days or more should be eligible for locality-based BAH.

The Military Coalition urges appropriation of funding to permit payment of locality-based BAH to all Guard and Reserve members mobilized for 30 days or more.

Family Support Programs.—Providing a core set of family programs and benefits that meet the unique needs of these families would go a long way in improving morale and meeting family readiness challenges.

These programs would promote better communication with servicemembers, specialized support for geographically separated Guard and Reserve families, and training (and back-up) for family readiness volunteers. Such access would include:

- Expansion of web-based programs and employee and family assistance programs like Military One Source and Guard Family.org;
- Enforcement of command responsibility for ensuring that programs are in place to meet the special information and support needs of Guard/Reserve families;
- Expanded programs between military and community religious leaders to support service members and families during all phases of deployments;
- The availability of robust preventative counseling services for service members and families and training so they know when to seek professional help related to their circumstances;
- Enhanced education for Reserve component family members about their rights and benefits;
- Innovative and effective ways to meet Reserve component community needs for occasional child care, particularly for preventative respite care, volunteering, family readiness group meetings and drill time; and,
- A joint family readiness program to facilitate understanding and sharing of information between all family members, no matter what the service.

We applaud the support shown to families by DOD and military and civilian community organizations. But with the continued and sustained activation of the Reserve Component, a stronger support structure needs to be implemented, funded, and sustained.

The Military Coalition urges Congress to increase funding for military family support programs to meet the unique needs of the families of mobilized Guard and Reserve component members.

HEALTH CARE

The Military Coalition (TMC) is most appreciative of the subcommittee's efforts to honor the government's health care commitments to all uniformed services beneficiaries. While much has been accomplished, we are equally concerned about making sure that subcommittee-directed changes are implemented and the desired positive effects actually achieved.

FULL FUNDING FOR THE DEFENSE HEALTH BUDGET

Once again, a top Coalition priority is to work with Congress and DOD to ensure full funding of the Defense Health Budget to meet readiness needs—including graduate medical education and continuing education, full funding of both direct care and purchased care sectors, providing access to the military health care system for all uniformed services beneficiaries, regardless of age, status or location. An underfunded Defense Health Program inevitably compromises the capability to deliver desired levels of quality care and undermines the health care benefits military beneficiaries have earned. A fully funded health care benefit is critical to readiness and the retention of qualified uniformed service personnel.

The subcommittee's continued oversight of the defense health budget is essential to avoid a return to the chronic under funding of recent years that led to execution shortfalls, shortchanging of the direct care system, inadequate equipment capitalization, failure to invest in infrastructure, curtailed drug formularies, and reliance on annual emergency supplemental funding requests as a substitute for candid and conscientious budget planning. We are grateful that once again late last year, Congress provided \$683 million supplemental appropriations to meet the last quarter's

obligations—but not all of the growing requirements in support of the deployment of forces to Southwest Asia and Afghanistan in the global war against terrorism.

The Coalition is hopeful that fiscal year 2006 funding levels will not fall short of current obligations. We fear that additional supplemental funding will once again be required. Last year, citing budgetary restraints, the Air Force made a unilateral decision to remove certain drugs from military treatment facility (MTF) formularies. We appreciate that these are extremely challenging budget times for MTF commanders; however, we are greatly concerned that this budget-driven action undermined the deliberative process by which the Uniform Formulary must be developed.

In addition, this policy forced increased use of mail-order and retail pharmacy programs, and thus increased costs to both DOD and beneficiaries; inappropriately made budget considerations the primary driver of formulary limits; and imposed regrettable inter-service disparities in pharmacy benefits.

Health care requirements for members returning from the GWOT are also expected to continue to strain the military delivery system in ways that may not have been anticipated in the budgeting process. Similarly, implementation of the TRICARE Standard requirements in the fiscal year 2004 Authorization Act—particularly those requiring actions to attract more TRICARE providers—will almost certainly require additional resources that we do not believe are being budgeted for. Financial support for these increased readiness requirements; TRICARE provider shortfalls and other needs will most likely require additional funding.

At the January 2005 TRICARE Conference, Assistant Secretary Winkenwerder said that funding for fiscal years 2006 and 2007 was adequate. However, he went on to state, “looking to the longer term, I’m candidly concerned.” At the same conference Air Force Chief of Staff Gen. John Jumper said that the health system faces an \$11 billion shortfall over the next few years.

The Military Coalition strongly recommends the subcommittee ensure full funding of the Defense Health Program, including military medical readiness, needed TRICARE Standard improvements, and the DOD peacetime health care mission. It is critical that the Defense Health Budget be sufficient to secure increased numbers of providers needed to ensure access for TRICARE beneficiaries in all parts of the country.

TRICARE ISSUES

Provider Reimbursement.—The Coalition appreciates Congress’s efforts to address provider reimbursement needs in the fiscal year 2004 NDAA (Public Law 108–136). We recognize that part of the problem is endemic to the flawed Medicare reimbursement system, to which TRICARE rates are directly tied.

The Coalition is troubled to note that a flaw in the provider reimbursement formula led the Centers for Medicare and Medicaid (CMS) to propose cutting Medicare fees in recent years, which were only forestalled by last-minute legislative relief. While the Coalition is grateful for Congress’s temporary fixes, the reimbursement formula remains broken.

Once again, the Coalition wishes to bring to the subcommittee’s attention that the 2004 report of the Medicare Trustees predicts 5 percent annual cuts in Medicare reimbursements to providers for 2006 through 2012. However, MedPAC has recommended raising Medicare’s physician payment rate by 2.7 percent in 2006, stating that a “small but consistent share” of beneficiaries have experienced some difficulty in accessing providers.

Cuts in Medicare (and thus TRICARE) provider payments, on top of providers’ increasing overhead costs and rapidly rising medical liability expenses, seriously jeopardizes providers’ willingness to participate in both these programs. Provider resistance is much more pronounced for TRICARE than Medicare for a variety of social, workload, and administrative reasons. Provider groups tell us that TRICARE is seen as the lowest-paying program they deal with, and often causes them the most administrative problems. This is a terrible combination of perceptions if you are a TRICARE Standard patient trying to find a doctor.

For patients in Prime the situation is growing increasingly problematic as deployments of large numbers of military health professionals continue to diminish the capacity of the military’s direct health care system. In this situation, more and more TRICARE patients have to turn to the purchased care sector—thus putting more demands on civilian providers who are reluctant to take an even larger number of beneficiaries with relatively low-paying TRICARE coverage.

The Coalition firmly believes this is a readiness issue. Our deployed service men and women need to focus on their mission, without having to worry whether their family members back home can find a provider. Uniformed services beneficiaries deserve the Nation’s best health care, not the cheapest.

Congress did the right thing by reversing the proposed provider payment cuts previously planned for March 1, 2003 and January 1, 2004, and instead providing 1.6 percent and 1.5 percent payment increases respectively. Unless Congress or the administration acts soon, effective next year, providers will have to absorb a 5 percent cut for TRICARE patients as well as Medicare patients. More importantly, the underlying formula needs to be fixed to eliminate the need for perennial "band-aid" corrections.

The Military Coalition requests the subcommittee's support of any means to stabilize, maintain and fund Medicare and TRICARE provider payment rates to ensure beneficiary access.

CONCLUSION

The Military Coalition reiterates its profound gratitude for the extraordinary progress this subcommittee has made in advancing a wide range of personnel and health care initiatives for all uniformed services personnel and their families and survivors. The Coalition is eager to work with the subcommittee in pursuit of the goals outlined in our testimony. Thank you very much for the opportunity to present the Coalition's views on these critically important topics.

PREPARED STATEMENT OF THE NAVAL RESERVE ASSOCIATION

Chairman Stevens, Senator Inouye and distinguished members of the subcommittee, on behalf of our 22,000 members, and in advocacy for the 80,000 active Naval Reservists and the mirrored interest of Guard and Reserve personnel, we are grateful for the opportunity to submit testimony, and for your efforts in this hearing.

We very much appreciate the efforts of this subcommittee, the full committee on Appropriations and like committees in the House of Representatives to support our deployed personnel and their families. Your willingness to address and correct issues facing Guardsmen and Reservists affirms their value to the defense of our great Nation. Your recognition of these men and women as equal partners in time of war stands you well in the eyes of many. Our young Naval Reservists indicate to us that they are watching and waiting to see our actions to address their concerns. Your willingness to look at issues related to the use of the Guard and Reserve on the basis of fairness sets the Legislative Branch well above the Executive Branch which seemingly develops its positions on the basis of cost.

That said, there are issues that need to be addressed by this committee and this Congress.

Recruiting and retention issues are moving to center stage for all services and their reserve components. In all likelihood the Navy will not meet its target for 13,000 new Naval Reservists and the Naval Reserve will be challenged to appreciably slow the departure of 17,000 experienced personnel this fiscal year. Other services and their Reserve Components likely face these same challenges.

We believe that Congress and this committee should give the services the tools targeted to mid-career personnel in the Guard and Reserve: (1) appropriate critical skills bonuses for Guardsmen and Reservists (G&R) that would provide \$100,000 over an entire career (no authorization exists for G&R personnel while one with a \$200,000 limit exists for active duty personnel); (2) increase affiliation bonuses to \$15,000 to attract veterans; (3) restore the Reserve MGIB to 50 percent of the active duty entitlement (presently at 28 percent) and make it available throughout a career; (4) Provide the resources to maintain Navy Reserve end strength at 66,000 Selected Reservists and 13,500 for FTS personnel; and (5) Provide supportive language that provides for an earlier than age 60 retirement.

We've heard that Reserve Chiefs are in agreement, expressing concern that senior personnel will leave in droves. Hopefully this is more than conscript thinking. A compromise solution to this earlier than age 60 retirement issue is something modeled after Social Security—if you take reserve retirement as early as age 55 you do so with a greatly reduced annuity for life. This NRA-conceived proposal would significantly reduce the estimated costs to the government over other plans being proposed. The money has been accrued; the costs then would be those associated with administering monthly payments earlier than expected and any lost interest on the accrued amount. The greatly reduced annuity for life may very well serve as a disincentive to early retirement for the senior leaders who truly have upwardly mobile careers.

We ask you to fund Navy Reserve equipment in the NGREA accounts, including an additional C-40 aircraft that is critical for supporting Reserve forces in today's Global War on Terrorism. The Navy Reserve is downsizing. Naval Reserve units are

engaged in this Global War, and these units, the people, and their families are responding to Combatant Commanders calls. We must maintain the proper equipment for these Navy Reserve units and Navy Reserve Sailors. The AC will not do it, yet will call on them to respond. Only through the NGREA will your citizen-Sailors be able to respond to the needs of the Nation and Combatant Commanders.

These recommendations are relevant to the needs of the services today, and to the future readiness of the Nation. The last two issues (end-strength cap) and (early retirement) are on the minds of many Guardsmen and Reservists. We urge you to address these issues as our young Sailors are very concerned about these issues, and what it means to their long term service.

In summary, we believe the committee needs to address the following issues for our Guardsman and Reservists in the best interest of our National Security:

- Increase funding for Naval Reserve equipment in NGREA
- Address and authorize recruitment and retention issues:
 - Authorize critical skills bonuses for Guardsmen and Reservists—\$100,000 over an entire career
 - Increase affiliation bonuses to \$15,000 to attract veterans
 - Restore Reserve MGIB to 50 percent of the active duty entitlement
- Establish 79,500 SelRes (66,000) and FTS (13,500) as a floor for end strength to Navy Reserve manpower—providing for surge-ability and operational support
- Substantiate that Navy Reserve equipment remain a part of the Chief of Naval Reserve inventory
- Reduce annuity for reserve retirement before age 60 is a retention issue, and must be addressed by this Congress.

For Navy Reserve NGREA accounts we recommend the following: (1) C-40 Procurement—procure 1 additional C-40 for fiscal year 2006; (2) Equipment for Naval Coastal Warfare/Small Arms—Emerging GWOT requirement EOD/NCW equipment for Naval Coastal Warfare units; (3) Reserve Requirements—for activation—Funds associated for Reservist mobilize for GWOT.

The above are a part of the Navy's unfunded list; however, there are other items that must be addressed in the NGREA account. Guard and Reserve Components still need the funding Congress provides through this means.

We thank the committee for consideration of these tools to assist the Guard and Reserve in an age of increased sacrifice and utilization of these forces.

PREPARED STATEMENT OF NEUROFIBROMATOSIS, INC.—NEW ENGLAND

Thank you, Mr. Chairman, for the opportunity to present testimony to the subcommittee on the importance of continued funding for Neurofibromatosis (NF), a terrible genetic disorder directly associated with military purposes and closely linked too many common diseases widespread among the American population.

I am Naomi Stonberg, representing Neurofibromatosis, Inc., New England which is a participant in a national coalition of NF advocacy groups. I am actively involved in creating awareness of NF and promoting scientific research in this area. I am here on behalf of the 100,000 Americans who suffer from NF, including my daughter and nephew, as well as approximately 175 million Americans who suffer from diseases linked to NF, including some of the most common forms of cancer, brain tumors, congenital heart disease, hypertension, memory loss and learning disabilities.

Mr. Chairman, I am requesting increased support, in the amount of \$25 million, to continue the Army's highly successful NF Research Program (NFRP), which is now at the critical point of establishing a nation-wide clinical trials consortia. The program's great success can be seen in the commencement of clinical trials only 10 years since the discovery of the NF1 gene. Now, with NF in the expensive but critical era of clinical and translational research, scientists closely involved with the Army program have stated that the number of high-quality scientific applications justify a much larger program.

WHAT IS NEUROFIBROMATOSIS (NF)?

NF is a genetic disorder involving the uncontrolled growth of tumors along the nervous system which can result in terrible disfigurement, deformity, deafness, blindness, brain tumors, cancer, and/or death. NF can also cause other abnormalities such as unsightly benign tumors across the entire body and bone deformities. In addition, approximately one-half of children with NF suffer from learning disabilities. NF is the most common neurological disorder caused by a single gene. While not all NF patients suffer from the most severe symptoms, all NF patients and their families live with the uncertainty of not knowing whether they will be seriously affected one day because NF is a highly variable and progressive disease.

Approximately 100,000 Americans have NF. It appears in approximately one in every 3,500 births and strikes worldwide, without regard to gender, race or ethnicity. It is estimated that 50 percent of new cases result from a spontaneous mutation in an individual's genes and 50 percent are inherited. There are two types of NF: NF1, which is more common, and NF2, which primarily involves acoustic neuromas and other tumors, causing deafness and balance problems. Advances in NF research will benefit over 175 million Americans in this generation alone because NF is directly linked to many of the most common diseases affecting the general population, as indicated above.

NF'S CONNECTION TO THE MILITARY

NF research is directly linked to military purposes because NF is closely linked to cancer, brain tumors, memory loss, learning disabilities, heart disease, brain tissue degeneration, nervous system degeneration, healing after wounding, deafness, and balance. Because NF manifests itself in the nervous system, this subcommittee, in past Report language, has stated that Army-supported research on NF includes important investigations into genetic mechanisms governing peripheral nerve regeneration after injury from such things as missile wounds and chemical toxins. For the same reason, this subcommittee also stated that NF may be relevant to understanding Gulf War Syndrome and to gaining a better understanding of wound healing. Today, NF research now includes important investigations into genetic mechanisms which involve not just the nervous system but also other cancers.

LINK TO OTHER ILLNESSES

Researchers have determined that NF is closely linked to cancer, heart disease, learning disabilities, memory loss, brain tumors, and other disorders including deafness, blindness and orthopedic disorders, primarily because NF regulates important pathways common to these other disorders such as the RAS, cAMP and PAK pathways. Research on NF therefore stands to benefit millions of Americans.

Cancer.—Research has demonstrated that NF's tumor suppressor protein, neurofibromin, inhibits RAS, one of the major malignancy causing growth proteins involved in 30 percent of all cancer. Accordingly, advances in NF research may well lead to treatments and cures not only for NF patients but for all those who suffer from cancer and tumor-related disorders. Similar studies have also linked epidermal growth factor receptor (EGF-R) to malignant peripheral nerve sheath tumors (MPNSTs), a form of cancer which disproportionately strikes NF patients.

Heart disease.—Researchers have demonstrated that mice completely lacking in NF1 have congenital heart disease that involves the endocardial cushions which form in the valves of the heart. This is because the same ras involved in cancer also causes heart valves to close. Neurofibromin, the protein produced by a normal NF1 gene, suppresses ras, thus opening up the heart valve. Promising new research has also connected NF1 to cells lining the blood vessels of the heart, with implications for other vascular disorders including hypertension, which affects approximately 50 million Americans. Researchers believe that further understanding of how an NF1 deficiency leads to heart disease may help to unravel molecular pathways affected in genetic and environmental causes of heart disease.

Memory Loss and Learning Disabilities.—Because NF regulates and controls pathways vital to cognition, the RAS and the cyclic AMP pathways, researchers have determined that NF is directly linked to memory loss and learning disabilities affecting over 25 million and 35 million Americans respectively. Indeed, 5 percent of the world's population suffers from learning disabilities alone. NF researchers have successfully rescued learning deficits, including memory loss and learning disabilities, in pre-clinical animal models, which will benefit all people suffering from these conditions, not just those with NF. In addition, by curing learning disabilities, Federal, State, and local governments and school districts will save billions of dollars in special education costs.

Deafness.—NF2 accounts for approximately 5 percent of genetic forms of deafness. It is also related to other types of tumors, including schwannomas and meningiomas, as well as being a major cause of balance problems.

THE ARMY'S CONTRIBUTION TO NF RESEARCH

Recognizing NF's importance to both the military and to the general population, Congress has given the Army's NF Research Program strong bipartisan support. After the initial 3-year grants were successfully completed, Congress appropriated continued funding for the Army NF Research Program on an annual basis. From fiscal year 1996 through fiscal year 2005, this funding has amounted to \$155.3 million, in addition to the original \$8 million appropriation in fiscal year 1992. Between

fiscal year 1996 and fiscal year 2004, 138 awards have been granted to researchers across the country. The Army program funds innovative, groundbreaking research which would not otherwise have been pursued, and has produced major advances in NF research, such as the development of advanced animal models, preclinical therapeutic experimentation and clinical trials. The program has brought new researchers into the field of NF, as can be seen by the nearly 60 percent increase in applications in the past year alone. Unfortunately, despite this increase, the number of awards has remained relatively constant over the past couple of years resulting in many highly qualified applications going unfunded. Army officials administering this program have indicated in the past that they could easily fund 30 percent more applications if funding were available because of the high quality of the research applications received.

In order to ensure maximum efficiency, the Army collaborates closely with other Federal agencies that are involved in NF research, such as NIH and the VA. Senior program staff from the National Cancer Institute (NCI) and the National Institute of Neurological Disorders and Stroke (NINDS), for example, has sat on the Army's NF Research Program's Integration Panel which sets the long-term vision and funding strategies for the program. This assures the highest scientific standard for research funding, efficiency and coordination while avoiding duplication or overlapping of research efforts.

Because of the enormous advances that have been made as a result of the Army's NF Research Program, research in NF has truly become one of the great success stories in the current revolution in molecular genetics, leading one major researcher to conclude that more is known about NF genetically than any other disease. Accordingly, many medical researchers believe that NF should serve as a model to study all diseases. Indeed, in just over a dozen years since the discovery of the NF1 gene, researchers have successfully cured both NF's cognitive and tumor disorders in mice, have successfully removed NF tumors in at least one clinical trial involving human patients and are now on the threshold of developing a treatment and cure for this terrible disease.

In just the past few years, scientists have made major breakthroughs bringing NF fully into the translational era, with treatments close at hand. These recent advances have included:

- Phase II and Phase III clinical trials involving new drug therapies;
- Creation of a National Clinical Trials Consortia and NF Centers;
- Successfully eliminating tumors in NF1 and NF2 mice with the same drug;
- Developing advanced mouse models showing human symptoms;
- Rescuing learning deficits and eliminating tumors in mice with the same drug;
- Linking NF to vascular disorders such as congenital heart disease and hypertension, affecting more than 50 million Americans; and
- Conducting natural history studies to analyze the progression of the disease.

FUTURE DIRECTIONS

NF research has now advanced to the translational and clinical stages which hold incredible promise for NF patients, as well as for patients who suffer from many of the diseases linked to NF. This research is costly and will require an increased commitment on the Federal level. Specifically, future investment in the following areas would continue to advance research on NF:

- Clinical trials;
- Funding of a clinical trials network to connect patients with experimental therapies;
- Development of NF Centers, tissue banks, and patient registries;
- Development of new drug and genetic therapies;
- Further development of advanced animal models;
- Expansion of biochemical research on the functions of the NF gene and discovery of new targets for drug therapy; and
- Natural history studies and identification of modifier genes—studies are already underway to provide a baseline for testing potential therapies and differentiate among different phenotypes of NF.

FISCAL YEAR 2006 REQUEST

Mr. Chairman, the Army's highly successful NF Research Program has shown tangible results and direct military application with broad implications for the general population. The program has now advanced to the translational and clinical research stages, which are the most promising, yet the most expensive direction that NF research has taken. The program has succeeded in its mission to bring new researchers and new approaches to research into the field. Therefore, increased fund-

ing is now needed to take advantage of promising avenues of investigation, to continue to build on the successes of this program, and to fund this promising research thereby continuing the enormous return on the taxpayers' investment.

I respectfully request an appropriation of \$25 million in your fiscal year 2006 Department of Defense Appropriations bill for the Army Neurofibromatosis Research Program. This is level funding from the fiscal year 2005 level of \$25 million.

Mr. Chairman, in addition to providing a clear military benefit, the DOD's Neurofibromatosis Research Program also provides hope for the 100,000 Americans who suffer from NF, as well as the tens of millions of Americans who suffer from NF's related diseases such as cancer, learning disabilities, memory loss, heart disease, and brain tumors. Leading researchers now believe that we are on the threshold of a treatment and a cure for this terrible disease. With this subcommittee's continued support, we will prevail.

Thank you for your support of this program and I appreciate the opportunity to present this testimony to the subcommittee.

CONCLUSION OF HEARINGS

Senator STEVENS. This subcommittee will reconvene again tomorrow morning at 10 a.m. for a closed session to review the fiscal year 2006 defense intelligence budget. We will stand in recess until that time.

[Whereupon, at 4:58 p.m., Tuesday, May 17, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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