

**FISCAL YEAR 2004 SUPPLEMENTAL REQUEST FOR  
RECONSTRUCTION OF IRAQ AND AFGHANISTAN**

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**HEARINGS**  
BEFORE THE  
**COMMITTEE ON APPROPRIATIONS**  
**UNITED STATES SENATE**  
**ONE HUNDRED EIGHTH CONGRESS**  
FIRST SESSION

**SPECIAL HEARINGS**

SEPTEMBER 22, 2003—WASHINGTON, DC  
SEPTEMBER 24, 2003—WASHINGTON, DC  
SEPTEMBER 25, 2003—WASHINGTON, DC

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**FISCAL YEAR 2004 SUPPLEMENTAL REQUEST  
FOR RECONSTRUCTION OF IRAQ AND AF-  
GHANISTAN**

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**MONDAY, SEPTEMBER 22, 2003**

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

The committee met at 2:30 p.m., in room SH-216, Hart Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Domenici, Burns, Bennett, Craig, Hutchison, DeWine, Brownback, Byrd, Inouye, Leahy, Harkin, Reid, Murray, and Dorgan.

OPENING STATEMENT OF CHAIRMAN TED STEVENS

Chairman STEVENS. Mr. Ambassador, I notice you have your statement ready, and we have other Senators on the way. I'm going to call on you to make your statement first, and then the Senators can make their statements or ask questions after you've finished.

STATEMENT OF HON. L. PAUL BREMER, U.S. ADMINISTRATOR IN IRAQ

Ambassador BREMER. Thank you, Mr. Chairman, Members of the Committee, and thank you for this opportunity to discuss the President's supplemental request.

Mr. Chairman, before I begin, I would like to pay tribute to the men and women of our armed services. Leading a coalition, our armed forces delivered a military victory without precedent. In roughly 3 weeks, they liberated a country larger than Germany and Italy combined, and they did it with forces smaller than the Army of the Potomac. They did all this while absorbing and inflicting minimal casualties. The Iraqis understood that we tried to spare the innocent. After the first days of the war, only those citizens of Baghdad living close to obvious targets feared our bombing.

Mr. Chairman, I know you and all Americans hate waking up to hear a newscast that begins, "Last night, another American soldier was killed in Iraq." Well, my day starts 8 days earlier than yours, and I'm among the first to know of those deaths—

Chairman STEVENS. Eight hours earlier?

Ambassador BREMER. Yes.

No one regrets those deaths more than I do. But these deaths, painful as they are, are not senseless. They are part of the price we pay for civilization, for a world that refuses to tolerate terrorism and genocide and weapons of mass destruction.

Those who ambush Coalition forces, like those responsible for this morning's suicide bombing in Baghdad, and those who ambushed Governing Council member Aquila al-Hashimi on Saturday, are trying to thwart constitutional and democratic government in Iraq. They are trying to create an environment of insecurity. Mr. Chairman, they are in a losing battle with history.

President Bush's vision, in contrast, provides for an Iraq made secure through the efforts of the Iraqis. In addition to a more secure environment, the President's plan provides for an Iraqi economy based on sound economic principles, bolstered by a modern, reliable infrastructure. And, finally, the President's plan provides for a democratic and sovereign Iraq at the earliest reasonable date.

If we fail to recreate Iraq with a sovereign democracy sustained by a solid economy we will have provided the terrorists with an incredible advantage in their war against us. Terrorists love state sponsors, countries that provide them with cash, arms, refuge, a protected place to rest and plan future operations. Saddam's Iraq was one of those countries. If terrorists cannot find a congenial state sponsor, they thrive in chaotic environments with little or no effective government. When militias, warlords, and communities war with each other, terrorists are right at home. Think back on the Lebanon we knew in the 1980s.

Either outcome, or some combination of both, is possible in Iraq if we do not follow up on our military victory with the wherewithal to win the peace. The opposite is also true. Creating a sovereign, democratic, constitutional, and prosperous Iraq deals a blow to terrorists. It gives the lie to those who describe us as the enemies of Islam, enemies of the Arabs, or enemies of the poor. That is why the President's \$87 billion request has to be seen as an important element in the global war on terrorism.

Mr. Chairman, our national experience teaches us how to consolidate a military victory. We didn't have that experience 85 years ago when we emerged victorious from the first world war. Many had opposed that war, wished to shake the Old-World dust off their boots and solve the problems here at home. We have spent and lent a lot of money. The victors celebrated their victory, mourned their dead, and demanded the money they were owed.

Mr. Chairman, we know the results of that policy. Extremism, bred in a swamp of despair, bankruptcy, and unpayable debts, gave the world fascism in Italy and Nazism in Germany. The result was another world war. After that conflict, we showed that we had learned that military victory must be followed by a program to secure the peace. In 1948, our "greatest generation" recognized that military victory was hollow if democracy was not reinforced against tyranny and terrorism. Democracy could not flourish unless Europe's devastated economies were rebuilt. That generation responded with the boldest, most generous, most productive act of statesmanship in the past century, the Marshall Plan. Winston Churchill called it "the most un-sordid act in history."

The Marshall Plan, enacted with overwhelming bipartisan support, set war-torn Europe on the path to freedom and prosperity which Europeans enjoy today. After 1,000 years as a cockpit of war, Europe became the cradle of peace in just two generations.



The \$20.3 billion in grants to Iraq the President seeks as part of this \$87 billion supplemental bespeak grandeur of vision equal to the one which created the free world at the end of the Second World War. Iraqis living in freedom with dignity will set an example in this troubled region which so often spawns terrorism. A stable, peaceful, economically productive Iraq will serve America's interest by making America safer.

There are a few things I'd like to point out about this \$87 billion request. No one part of this supplemental is dispensable, and no part is more important than the others. This is a carefully considered request. This request is urgent, Mr. Chairman. The urgency of military operations is self-evident. The funds for nonmilitary action in Iraq are equally urgent. Most Iraqis welcomed us as liberators, and we glowed with pleasure at that welcome. Now the reality of foreign troops on the streets is starting to chafe. Some Iraqis are beginning to regard us as occupiers and not liberators. Some of this is inevitable, but faster progress on reconstruction will help.

Unless this supplemental passes quickly, Iraqis face an indefinite period with blackouts 8 hours daily. The link to the safety of our troops is indirect, but very real. The people who ambush our troops are small in number and don't do so because they have undependable electrical supplies. However, the population's view of us is directly linked to their cooperation in hunting down those who attack us. Earlier progress gives us an edge against the terrorists.

We need to emulate the military practice of using overwhelming force in the beginning. Incrementalism and escalation are poor military practice, and they are a poor model for economic assistance.

This money will be spent with prudent transparency. Every contract of the \$20 billion for Iraq will be competitively bid. That the money be granted and not loaned, Mr. Chairman, is essential. Initially offering assistance as loans seems attractive; but, once again, we must examine the facts and the historical record.

Iraq today has almost \$200 billion in debt and reparations hanging over it as a result of Saddam's economic incompetence and aggressive wars. Iraq is in no position to service its existing debt, let alone take on more. Mountains of unpayable debt contributed heavily to the instability that paved Hitler's path to power. The giants of the post-war generation recognize this, and the Marshall Plan assistance was overwhelming in the form of grant aid.

Turning to the specifics of the supplemental request, the President's first priority is security, security provided by Iraqis and to Iraqis. That security extends to our forces and changes Iraq from a logistics and planning base for terrorists into a bulwark against them. The President's supplemental seeks \$5.1 billion for three pillars of security.

The first pillar is public safety. If Congress agrees to the President's request, we will spend just over \$2 billion for police and police training, border enforcement, fire and civil defense, public-safety training, and a communications network to draw all of these together. Already, Mr. Chairman, 40,000 police are on duty throughout Iraq, and our plan will double this number in the next 18 months.

National defense forces are the second pillar of this security. The President seeks another \$2 billion for a new three-division Iraqi army and a civil defense corps. The first battalion of the new Iraqi army will graduate on schedule October 4. By next summer, Iraq will have 27 battalions trained.

The third pillar is a justice system to rein in the criminal gangs, revenge-seekers, and others who prey on Iraqis every day and make them fear that they will never know the quiet enjoyment that so many of us take for granted. To fund this justice system, the President requests approximately \$1 billion for technical assistance to investigate crimes against humanity, to provide security for witnesses, judges, and prosecutors, and to construct prisons sufficient to house an additional 16,000 inmates.

This security assistance to Iraq benefits the United States in four ways. First, Iraqis will be effective. As talented and courageous as the Coalition forces are, they can never replace an Iraqi policeman who knows his beat, knows his people, their customs, rhythms, and language. Iraqis want Iraqis providing their security, and so do we.

Second, as these Iraqi security forces assume their duties, they replace Coalition forces in the roles that generate frustration, friction, and resentment, things like conducting searches, manning checkpoints, guarding installations.

Third, this frees up Coalition forces for the mobile, sophisticated offensive operations against former regime loyalists and terrorists, for which they are best suited.

And, finally, these new Iraqi forces reduce the overall security demands on Coalition forces and speed the day when we can bring our troops home.

Now, security is the first and indispensable element of the President's plan for Iraq. It is not, however, by itself, sufficient to ensure success, because a security system resting only on arms is a security system that will fail.

Recreating Iraq as a nation at peace with itself and with the world, an Iraq that terrorists will flee rather than flock to, requires more than people with guns. A good security system cannot persist on the knife-edge of economic collapse. When Saddam scurried away from Coalition forces, he left behind an economy ruined not by our attacks, but by decades of neglect, theft, and mismanagement.

Imagine the effect on the economy of operating without a budget for a quarter century. Saddam, who came to power in 1979, Mr. Chairman, never prepared a national budget. Ill-conceived and clumsily executed policies left Iraq with an oil industry starved nearly to death by under-investment, thousands of miles of irrigation canals so weed-clogged as to be almost useless, and an electrical system that can, at best, meet only two-thirds of demand.

Reflect, Mr. Chairman, if you will, on that last item. As millions of households, including my own, this past week discovered, it is almost impossible to live in the modern world without dependable electricity. Think of what we would be asking of Iraq were we to suggest they fashion a new economy, a new democracy, while literally in the dark 8 hours a day.

The Iraqis must refashion their economy. Saddam left them a Soviet-style command economy. That poor model was further hobbled

by cronyism, theft, and pharaonic self-indulgence by Saddam and his intimates.

The good news is that important changes have already begun. The Iraqi Minister of Finance yesterday announced a set of market-oriented policies that is among the world's boldest. These policies include a new Central Bank law which grants the Iraqi Central Bank full legal independence, makes price stability the paramount policy objective, gives the Central Bank full control over monetary and exchange-rate policy, and broad authority to supervise Iraqi banks. This is rare enough anywhere in the world, and unique in that region.

The Iraqi Government Council proposed—and on Thursday, Mr. Chairman, I had the great joy to sign into law—a program opening Iraq to foreign investment. Foreign firms may now own wholly-owned companies or buy 100 percent of Iraqi businesses. Under this law, foreign firms receive national treatment and have an unrestricted right to remit profits or capital.

Iraq's new tax system is admirably straightforward, the highest marginal tax rate, as announced by the Minister of Finance yesterday, on personal and corporate income tax is, get this, 15 percent—one-fifth percent. Tariff policy is equally simple. There is a 2-year reconstruction tariff of 5 percent on all but a few imports. Foreign banks are free to enter Iraq and will receive equal treatment with Iraqi banks. On October 15, Iraq will get a new dinar, new currency, which will float against the world's currencies.

Iraq's pro-growth policies should bring real, sustained growth and protect against something we've all seen and regretted in the past, economic assistance funds disappearing into a morass of poverty.

Mr. Chairman, the Iraqi Government has put into place the legal procedures for encouraging a vibrant private sector, but those policies will come to nothing if Iraq must try to establish itself on an insufficient and unreliable electrical grid or in a security environment that puts a stick on the spokes of the wheel of commerce. Iraq, in short, cannot realize its potential to return quickly to the world stage as a responsible player without the services essential to modern society.

We have made significant progress restoring these essential services. The widely predicted humanitarian crisis did not occur. There was no major flow of refugees. All of Iraq's 240 hospitals and 90 percent of its health clinics are open today. There is adequate food, and there is no evidence of epidemic. We have cleared thousands of miles of irrigation canals so that farmers in these areas have more water than they've had for a generation. Electrical service will reach pre-war levels within 1 month. But the remaining demands are vast, and that is why the President is requesting almost \$15 billion for infrastructure programs in Iraq.

Here are some of the main areas in which the President plans to use the supplemental to bring essential services to the Iraqi people: \$5.7 billion for the electrical system; \$2.1 billion for the oil infrastructure; \$3.7 billion for potable water, sewer systems, and related public works; \$3.7 billion for water resources, transportation, telecommunications, housing and construction, health, and private-sector development.

Mr. Chairman, on another front, there is already good news. The democratization of Iraq on which so much global attention is focused is further advanced than many people realize. Encouraging a quick political transformation, we have laid out a clear seven-step process leading to sovereignty. Three of the seven necessary steps have already been completed.

First, an Iraqi Governing Council, the most broadly representative governing body in Iraq's history, took office in July. In August, the Governing Council took the second step by naming a preparatory committee to determine the mechanisms for writing Iraq's new constitution. Earlier this month, the Governing Council appointed ministers to run the day-to-day affairs of Iraq.

The fourth step will be writing a constitution, which sets the framework for all that follows. This will occur after the Iraqi Governing Council decides how to act on the recommendations of the preparatory committee. This constitution, Mr. Chairman, will be written by Iraqis and for Iraqis.

The fifth step, the constitution will be ratified by the popular vote of the entire adult population. This will give Iraq its first popularly approved constitution.

Next, after the constitution is ratified, elections for a new government will be held.

The seventh and final step comes after elections, when we transfer sovereignty from the Coalition authority to the new government.

And, Mr. Chairman, I mentioned that the Governing Council had appointed ministers, and it's my great pleasure to note for you and the members here the presence of two of the ministers of the new Iraqi Government. I would like to introduce the Minister of Public Works and Municipalities, Nesreen Berwari, and the Minister of Electricity, which is the power industry, Mr. Ayham Sameraei. They are here in Washington this week for meetings and discussions, and I consider it an honor that they would take the time to come up here and hear my opening statement. They are indicative of the quality of people in this new cabinet. Mr. Chairman, the cabinet has 25 members, 17 of whom have Ph.D.s, which must make it one of the best-educated governments anywhere in the world, an extremely able group of people.

Mr. Chairman, that's our seven-step plan. Some suggest that we should move soon to give full sovereignty to an Iraqi Government. I firmly believe that such haste would be a mistake. Iraq has spent a quarter century under a dictatorship as absolute and abusive as that of Nazi Germany. As a result, political distortions and inequities permeate the fabric of political life. No appointed government, not even one as honest and dedicated as the Iraq Governing Council, can have the legitimacy necessary today to take on the difficult issues Iraqis face as they write their constitution and elect a government. The only path to full Iraqi sovereignty is through a written constitution ratified and followed by free democratic elections. Shortcutting the process, in my view, would be dangerous.

Mr. Chairman, Members of the Committee, as you examine the President's plan, I'm sure you will see that it is an integrated and thoughtful whole. Every part depends on every other part. As the Congress knows, sweeping political reforms cannot be separated

from sweeping economic reforms. It is equally obvious that a population beleaguered by the threat of terrorism and endless insufficiencies in water, electricity, and telephones finds it hard to concentrate on the virtues of the new constitution and market-oriented policies. The need to protect the Coalition and populace alike against terrorist and common criminals is obvious and indispensable.

This entire program requires the help of Congress. The United States must take the lead in restoring Iraq as a friend and democratic model. There is a donor's conference in Madrid in late October. The United States must set the example for other countries of goodwill. Other nations who do not wish to see Iraq become a terror-supporting tyranny or a landscape of factions should join us. We set an example and work with other donors to avoid the near-anarchy in which terrorists would feel right at home.

When we launched military operations against Iraq, we assumed a great responsibility that extends beyond defeating Saddam's military. We cannot simply pat the Iraqis on the back, tell them they are lucky to be rid of Saddam, and ask them to go find their place in a global market to compete without the tools of competition. To do so would invite economic collapse followed by political extremism and a return to terrorism. If after coming this far we turn our backs and let Iraq lapse into factional chaos, some new tyranny and terrorism, we will have committed a grave error. Not only will we have left the long suffering Iraqi people to a future of danger and deprivation, we will have sown the dragon's teeth, which will sprout more terrorists and eventually cost more American lives.

You may think I exaggerate. I ask you to look at what happened in Afghanistan, another country which, after being debilitated by decades of war and mismanagement, become easy prey for the Taliban and al Qaeda.

The reconstruction of Iraq may seem distant from American concerns today. Eight time zones and two continents separate the East Coast of the United States from Iraq. The West Coast is effectively half a world away. Two years ago, on September 11, terrorists brought their threat home to us. From a faraway corner of the world they showed us that we must fight terrorism globally. Iraqis only seem far away. Today Iraq is a focal point in our global war on terrorism. Failure there would strengthen the terrorists morally and materially.

Success tells, not just the Iraqis, but the world, that there is hope, that the future is not defined by tyranny on one side and terrorism on the other.

#### PREPARED STATEMENT

Mr. Chairman, Members of the Committee, we respectfully ask you to honor the President's supplemental request, which responds to urgent requirements. The administration and I look forward to working with you to achieve the vision of a sovereign, stable, prosperous, and democratic Iraq at peace with us and with the world.

Mr. Chairman, I'd be happy to take your questions.

[The statement follows:]

## PREPARED STATEMENT OF AMBASSADOR L. PAUL BREMER

Mr. Chairman and members of the Committee, thank you for this opportunity to discuss the President's supplemental request.

Before I begin, I want to pay tribute to the men and women of our armed services. Leading a coalition, our armed forces delivered a military victory without precedent. In roughly three weeks they liberated a country larger than Germany and Italy combined. And they did so with forces smaller than the Army of the Potomac.

They did all this while absorbing and inflicting minimal casualties. Iraqis understood that we tried to spare the innocent. After the first days of the war, only those citizens of Baghdad living close to obvious targets feared our bombing.

Mr. Chairman, I know that you and all Americans hate waking up to hear a newscast that begins, "Last night another American soldier was killed in Iraq . . ."

My day starts eight hours ahead of yours. I am among the first to know of those deaths and no one regrets them more than I do.

But these deaths, painful as they are, are not senseless. They are part of the price we pay for civilization, for a world that refuses to tolerate terrorism and genocide and weapons of mass destruction.

Those who ambush Coalition forces, like those responsible for this morning's suicide bombing in Baghdad and those who ambushed Governing Council member Aquila al-Hashimi on Saturday, are trying to thwart constitutional and democratic government in Iraq. They are trying to create an environment of insecurity. They are in a losing battle with history.

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Terrorists love state sponsors, countries that provide them with cash, arms, refuge, a protected place to rest and plan future operations. Saddam's Iraq was one of those countries.

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Either outcome, or some combination of both, is possible in Iraq if we do not follow up on our military victory with the wherewithal to win the peace.

The opposite is also true. Creating a sovereign, democratic, constitutional and prosperous Iraq deals a blow to terrorists. It gives the lie to those who describe us as enemies of Islam, enemies of the Arabs and enemies of the poor. That is why the President's \$87 billion request has to be seen as an important element in the global war on terrorism.

Our national experience teaches us how to consolidate a military victory.

We did not have that experience 85 years ago when we emerged victorious from World War I. Many had opposed the war, wished to shake the old world dust off their boots and solve problems at home. We had spent and lent a lot of money. The victors celebrated their victory, mourned their dead and demanded the money they were owed.

We know the results of that policy. Extremism, bred in a swamp of despair, bankruptcy and unpayable debts, gave the world Fascism in Italy and Nazism in Germany.

The result was another World War. After that conflict we showed we had learned that military victory must be followed by a program to secure the peace. In 1948 our greatest generation recognized that military victory was hollow if democracy was not reinforced against tyranny and terrorism. Democracy could not flourish unless Europe's devastated economies were rebuilt. That generation responded with the boldest, most generous and most productive act of statesmanship in the past century—the Marshall Plan. Winston Churchill called it "the most unsordid act in history."

The Marshall Plan, enacted with overwhelming bipartisan support, set war-torn Europe on the path to the freedom and prosperity which Europeans enjoy today. After a thousand years as a cockpit of war Europe became a cradle of peace in just two generations.

The \$20.3 billion in grants to Iraq the President seeks as part of this \$87 billion supplemental bespeak grandeur of vision equal to the one which created the free

world at the end of World War II. Iraqis living in freedom with dignity will set an example in this troubled region which so often spawns terrorists. A stable peaceful economically productive Iraq will serve American interests by making America safer.

There are some things I would like to point out about this \$87 billion request:

—No one part of the supplemental is dispensable and no part is more important than the others. This is a carefully considered request.

—This is urgent. The urgency of military operations is self-evident. The funds for non-military action in Iraq are equally urgent. Most Iraqis welcomed us as liberators and we glowed with the pleasure of that welcome. Now the reality of foreign troops on the streets is starting to chafe. Some Iraqis are beginning to regard us as occupiers and not as liberators. Some of this is inevitable, but faster progress on reconstruction will help.

Unless this supplemental passes quickly, Iraqis face an indefinite period with blackouts eight hours daily. The link to the safety of our troops is indirect, but real. The people who ambush our troops are small in number and do not do so because they have undependable electric supplies. However, the population's view of us is directly linked to their cooperation in hunting down those who attack us. Earlier progress gives us an edge against the terrorists.

—We need to emulate the military practice of using overwhelming force in the beginning. Incrementalism and escalation are poor military practice and they are a poor model for economic assistance.

—This money will be spent with prudent transparency. Every contract of the \$20 billion for Iraq will be competitively bid.

—That the money be granted and not loaned is essential. Initially, offering assistance as loans seems attractive. But once again we must examine the facts and the historical record. Iraq has almost \$200 billion in debt and reparations hanging over it as a result of Saddam's economic incompetence and aggressive wars. Iraq is in no position to service its existing debt, let alone to take on more. Mountains of unpayable debt contributed heavily to the instability that paved Hitler's path to power. The giants of the post-World War II generation recognized this and Marshall Plan assistance was overwhelmingly grant aid.

The President's first priority is security, security provided by Iraqis to and for Iraqis. That security extends to our forces and changes Iraq from a logistics and planning base for terrorists into a bulwark against them.

The President's supplemental seeks \$5.1 billion for three pillars of security.

The first pillar is public safety. If the Congress agrees to the President's request, we will spend just over \$2 billion for police and police training, border enforcement, fire and civil defense, public safety training and a communications network to link it all together. Already 40,000 police are on duty. Our plan will double this number in the next 18 months.

National defense forces are the second pillar. The President seeks another \$2 billion for a new, three-division Iraqi Army and a Civil Defense Corps. The first battalion of the New Iraqi Army will graduate on schedule October 4. By next summer Iraq will have 27 battalions trained.

The third pillar is a justice system to rein in the criminal gangs, revenge seekers and others who prey on Iraqis every day and make them fear that they will never know the quiet enjoyment that so many of us take for granted.

To fund this justice system, the President requests approximately \$1 billion for technical assistance to investigate crimes against humanity, security for witnesses, judges and prosecutors and the construction of prisons sufficient to house 16,000 additional inmates.

This security assistance to Iraq benefits the United States in four ways.

First, Iraqis will be more effective. As talented and courageous as the Coalition forces are, they can never replace an Iraqi policeman who knows his beat, who knows his people, their customs, rhythms and language. Iraqis want Iraqis providing their security and so do we.

Second, as these Iraqi security forces assume their duties, they replace Coalition troops in the roles that generate frustration, friction and resentment—conducting searches, manning check points, guarding installations.

Third, this frees up Coalition forces for the mobile, sophisticated offensive operations against former regime loyalists and terrorists for which they are best suited.

Finally, these new Iraqi forces reduce the overall security demands on Coalition forces and speed the day when we can bring troops home.

Security is the first and indispensable element of the President's plan. It is not, by itself, sufficient to assure success because a security system resting only on arms is a security system that will fail. Recreating Iraq as a nation at peace with itself

and with the world, an Iraq that terrorists will flee rather than flock to, requires more than people with guns.

A good security system cannot persist on the knife edge of economic collapse. When Saddam scurried away from Coalition forces he left behind an economy ruined not by our attacks but by decades of neglect, theft and mismanagement.

Imagine the effect on the economy of operating without a budget for a quarter-century. Saddam, who came to power in 1979, never prepared a national budget. Ill-conceived and clumsily executed policies left Iraq with:

- an oil industry starved nearly to death by underinvestment,
- thousands of miles of irrigation canals so weed-clogged as to be almost useless, and
- an electrical system that can at best meet only two-thirds of demand.

Reflect, if you will, on that last item. As millions of American households (including the Bremer household) have learned in recent days, it is almost impossible to live in the modern world without dependable electricity. Think of what we would be asking of Iraqis were we to suggest they fashion a new economy, a new democracy, while literally in the dark eight hours per day.

The Iraqis must refashion their economy. Saddam left them a Soviet-style command economy. That poor model was further hobbled by cronyism, theft and pharonic self-indulgence by Saddam and his intimates.

Important changes have already begun.

The Iraqi Minister of Finance on Sunday announced a set of market-oriented policies that is among the world's boldest.

Those policies include:

- A new Central Bank law which grants the Iraqi Central Bank full legal independence, makes price stability the paramount policy objective, gives the Central Bank full control over monetary and exchange rate policy, and broad authority to supervise Iraqi banks. This is rare anywhere in the world and unique in the region.
- The Iraqi Government Council proposed and on Thursday I signed into law Thursday a program opening Iraq to foreign investment. Foreign firms may open wholly owned companies or buy 100 percent of Iraqi businesses. Under this law foreign firms receive national treatment and have an unrestricted right to remit profits and capital.
- Iraq's new tax system is admirably straightforward. The highest marginal tax rate on personal and corporate income is 15 percent.
- Tariff policy is equally simple. There is a two-year "reconstruction tariff" of five percent on all but a few imports.
- Foreign banks are free to enter Iraq and will receive equal treatment with Iraqi banks.
- On October 15, Iraq will get a new Dinar, which will float against the world's currencies.

Iraq's pro-growth policies should bring real, sustained growth and protect against something we have all seen and regretted—economic assistance funds disappearing into a morass of poverty.

The Iraqi Government has put in place the legal procedures for encouraging a vibrant private sector. But those policies will come to nothing if Iraq must try to reestablish itself on an insufficient and unreliable electric grid or in a security environment that puts a stick in the spokes of the wheels of commerce.

Iraq cannot realize its potential to return quickly to the world stage as a responsible player without the services essential to a modern society.

We have made significant progress restoring these essential services. The widely predicted humanitarian crisis did not occur. There was no major flow of refugees. All of Iraq's 240 hospitals and 90 percent of its health clinics are open. There is adequate food and there is no evidence of epidemic. We have cleared thousands of miles of irrigation canals so that farmers in these areas have more water than they have had for a generation. Electrical service will reach pre-war levels within a month.

However, the remaining demands are vast, which is why the President is requesting almost \$15 billion for infrastructure programs in Iraq.

Here are some of the main areas in which the President plans to use the supplemental to bring essential services:

- \$5.7 billion for the electrical system,
- \$2.1 billion for the oil infrastructure,
- \$3.7 billion for potable water, sewer service and related public works,
- \$3.7 billion for water resources, transportation and telecommunications, housing and construction, health, and private sector development.

On another front there is already good news. The democratization of Iraq, on which so much global attention is focused, is further advanced than many realize.



Encouraging a quick political transformation, we have laid out a clear, seven-step process leading to sovereignty. Three of the seven necessary steps have been completed:

- 1. An Iraqi Governing Council, the most broadly representative governing body in Iraq's history, was appointed in July.
- 2. In August the Governing Council named a Preparatory Committee to determine the mechanism for writing Iraq's new, permanent constitution.
- 3. Earlier this month the Governing Council appointed ministers to run the day-to-day affairs of Iraq.
- 4. The fourth step is writing a constitution, which sets the framework for all that follows. This will occur after the Iraqi Governing Council decides how to act on the recommendations of the Preparatory Committee. The constitution will be written by Iraqis.
- 5. The constitution will be ratified by popular vote of the entire adult population. This will give Iraq its first popularly approved constitution.
- 6. After the constitution is ratified, elections for a new government will be held.
- 7. The final step will come after elections, when we transfer sovereignty from the Coalition to the new government.

Some suggest we should move soon to give full sovereignty to an Iraqi government. I firmly believe that such haste would be a mistake. Iraq has spent a quarter century under a dictatorship as absolute and abusive as that of Nazi Germany. As a result, political distortions and inequities permeate the fabric of political life.

No appointed government, even one as honest and dedicated as the Iraqi Governing Council, can have the legitimacy necessary to take on the difficult issues Iraqis face as they write their constitution and elect a government.

The only path to full Iraqi sovereignty is through a written constitution, ratified and followed by free, democratic elections. Shortcutting the process would be dangerous.

As you examine the President's plan I am sure you will see that it is an integrated and thoughtful whole. Every part depends on every other part. As the Congress knows, sweeping political reforms cannot be separated from sweeping economic reforms.

It is equally obvious that a population beleaguered by the threat of terrorism and endless insufficiencies in water, electricity, and telephones finds it hard to concentrate on the virtues of a new constitution and market-oriented economic policies.

The need to protect the Coalition and the populace alike against terrorists and common criminals is obvious and indispensable.

All of this requires the help of Congress.

The United States must take the lead in restoring Iraq as a friend and democratic model. There is a donor conference in Madrid in late October. We must set the example for other nations of goodwill. Other nations who do not wish to see Iraq become a terror-supporting tyranny or a landscape of factions. We set an example and work with other donors to avoid the near anarchy in which terrorists will feel right at home.

When we launched military operations against Iraq we assumed a great responsibility that extends beyond defeating Saddam's military.

We cannot simply pat the Iraqis on the back, tell them they are lucky to be rid of Saddam and then ask them to go find their place in a global market—to compete without the tools for competition.

To do so would invite economic collapse followed by political extremism and a return to terrorism.

If, after coming this far, we turn our backs and let Iraq lapse into factional chaos, some new tyranny and terrorism, we will have committed a grave error.

Not only will we have left the long-suffering Iraqi people to a future of danger and deprivation, we will have sown the dragon's teeth which will sprout more terrorists and eventually cost more American lives.

You may think I exaggerate. I ask you to look at what happened in Afghanistan, another country which, after it was debilitated by decades of war and mismanagement became easy prey for the Taliban and al Qaida.

The reconstruction of Iraq may seem distant from American concerns today. Eight time zones and two continents separate the East Coast of the United States from Iraq. The West Coast is effectively half a world away.

Two years ago on September 11, terrorists brought their threat home to us. From a farway corner of the world, they showed us that we must fight terrorism globally.

Iraqis only seem far away. Today Iraq is a focal point in our global war on terrorism. Failure there would strengthen the terrorists morally and materially.

Success tells not just Iraqis, but the world that there is hope, that the future is not defined by tyranny on one side and terrorism on the other.

Mr. Chairman and members of the committee we respectfully ask you to honor the President's supplemental request, which responds to urgent requirements. The administration and I look forward to working with you to achieve the vision of a sovereign, stable, prosperous and democratic Iraq at peace with us and with the world.

Mr. Chairman, I welcome your questions.

COALITION PROVISIONAL AUTHORITY REQUEST TO REHABILITATE AND RECONSTRUCT  
IRAQ  
SECURITY

*Objective*

Ensure a secure environment for people and property that enables citizens to participate fully in political and economic life. Create conditions and provide means for Iraqis to assume responsibility for their own security. Request—\$5.136 billion.

*Accomplishments*

Security remains top priority. Major focus of CPA security efforts has been to increase Iraqi participation and responsibility for a safe and secure Iraq.

Security situation is complex:

—80 percent of Iraq is permissive environment—people returning to normal pace of life.

—Remaining 20 percent are less permissive, with entrenched Saddam loyalists, international terrorists and general lawlessness hindering recovery efforts.

60,000 Iraqis now under arms assisting in security:

—46,000 Iraqi police nationwide.

—8,700 facility protection officers augmenting the Iraqi police at 243 locations.

—4,000 border and customs police helping to enforce immigration and customs laws along the borders and stem the tide of foreign fighters entering Iraq.

—Civil Defense Corps is in the process of being developed.

Beginning to train New Iraqi Army; first battalion graduates in October.

In September, the Iraqi Ministry of Justice established an independent judiciary.

*Plan for Requested Funds*

*Public Safety Projects (\$2.141 billion)*

Reinforcement and training of police forces:

—Recruiting police officers, continuing operations and maintenance (\$150 million).  
—New police training force of 1,500 focusing on democratic principles (\$800 million).

—Recruiting and training of 5,200 traffic officers (\$50 million).

Establishment of a Department of Border Enforcement (\$150 million):

—13,600 new personnel.

—Rehabilitation of infrastructure.

Facilities protection, mine removal, fire service, and public safety facility and equipment repairs (\$500 million).

Establish Facility Protection, Services (\$67 million).

Conduct Public Safety Training to increase professional standards (\$274 million).

Develop a National Security Communications Network (\$150 million).

*National Security Forces Projects (\$2.076 billion)*

Establishment of New Iraqi Army (NIA) (\$2 billion):

—Full manning by September, 2004.

—Training 9 brigades, including 1 armored brigade and army aviation.

—Small coast guard.

—Military academies and military training facilities.

Establishment of Iraqi Civil Defense Corps (CDC) (\$76 million):

—Military support corps for the 18 Iraqi governates.

—One battalion for each governate.

*Justice and Civil Society Development Projects (\$919 million)*

Technical assistance for investigations of crimes against humanity (\$100 million).

—Establish a working system of criminal investigations and trials.

Security for judges and prosecutors, renovate and harden courthouses (\$200 million).

Witness Protection Program (\$100 million).

Other technical investigative methods (\$10 million).

Prison system rehabilitation:

—Prison system technical assistance (\$10 million).

- Reconstruction and modernization of 26 detention facilities (\$99 million).
- 2 new 4,000 bed facilities (\$400 million).

#### ESSENTIAL SERVICES AND INFRASTRUCTURE

##### *Objective*

Restore essential services to acceptable standards and to begin to create a civil society which participates in improving social and physical infrastructure. Provide foundation from which Iraqis can rebuild Iraq. Request—\$14.868 billion.

##### *Accomplishments*

Under difficult conditions, there has been no food or health crisis:

- Sufficient food stockpiles and distribution system; total distribution since the beginning of operations has exceeded 1.8 million MT.
- All hospitals and primary care clinics are open, have power 24 hours a day, and are being supplied with adequate medical supplies for the first time in many years.
- All schools and universities are open.

Working together Coalition and Iraqi engineers have restored electric power production to prewar average levels—improved from virtually nothing following major combat operations to 3,200 MW in July and 3,734 MW in August.

Water and sanitation—By July, much of Iraq at pre-war conditions; CPA has shifted focus to specific rehabilitation projects; Baghdad had first ever city-wide garbage clean up in August.

Restoration of the oil industry is helping to rehabilitate the economy:

- Iraqi/CPA oil management team is highly respected internationally.
- Crude oil production is averaging about 1.7mil barrels per day which is 160 percent higher than June average and 70 percent of prewar output.
- Oil exports are averaging 860k barrels per day which represents approximately \$21 million and is 165 percent higher than July average and 45 percent of pre-war level.
- Sabotage remains an issue.

##### *Plan for Requested Funds*

###### *Electrical Projects (\$5.675 billion)*

Electricity generation (\$2.9 billion):

- Rehabilitate existing power stations and spare parts.
- New gas turbine generation.
- New thermal power stations.

Repair, expansion, and rehabilitation of transmission (\$1.55 billion):

- Repair, expansion of 400 KV and 132 KV lines.
- Rehabilitation and construction of substations.

Rehabilitation and replacement of network infrastructure over several years (\$1 billion):

- 33 KV and 11 KV substation and network rehabilitation and development.
- Development of an automated monitoring and control system (\$150 million).
- Institutional strengthening (\$25 million).
- Security of stations and transmission lines (\$50 million).

###### *Oil Projects (\$2.1 billion)*

Investment in oil infrastructure (\$1.2 billion):

- Rapid repair caused by sabotage and looting.
- Convert to topping plants to reduce importation of refined petroleum.
- Establishment of transport redundancy due to sabotage.
- Development of oil infrastructure and personnel security.
- Increased efficiency of water plant for the Ramayllah reservoir.
- Other repairs to rehabilitate upstream and downstream sectors.

Importation of refined petroleum products to overcome shortfalls due to sabotage and looting (\$900 million).

###### *Public Works Projects (\$3.710 billion)*

Raising potable water access to 90 percent from 60 percent:

- Costs are estimated at \$500/km for 15,000 km of water main line (\$2.83 billion).
- Includes efforts to reduce water loss (\$30 million).
- Increasing sewerage service from 6 percent to 15 percent (\$697 million).
- Improving solid waste management (\$153 million).

*Water Resources Projects (\$875 million)*

Replace pumping station standby generators, pumps, electrical control devices (\$150 million).

Rehabilitation of irrigation and drainage systems (\$130 million).

10 major irrigation projects, reducing salinity loads to Tigris and Euphrates (\$130 million).

Dam repair, rehabilitation, and new construction (\$125 million).

Umm Qasr to Basra water pipeline and treatment plant (\$200 million).

Environmental restoration of Euphrates, Hawizeh Marsh, and Basra Channel Regulators to benefit millions of people (\$140 million).

*Transportation and Communications Projects (\$835 million)*

Airspace and airport opening in Baghdad and Basra, and 120 smaller airports (\$165 million):

—Repair infrastructure, purchase avionic equipment, training to meet ICAO standards.

Umm Qasr Port rehabilitation (\$45 million).

Railroad rehabilitation and restoration (\$303 million).

Restoration of Iraqi Telecom and Postal Corporation (\$124 million).

Iraqi Communications systems, including Iraqi media (\$109 million).

Iraqi communications operations (\$89 million).

*Housing and Construction Projects (\$470 million)*

Housing (\$100 million):

—Construction of 3,500 new housing units including 7 housing communities.

—Pilot program for Ministry of Housing and Construction, 1 million housing units needed.

Public buildings (\$130 million):

—1,325 basic repairs and 140 refurbishment projects.

—6 major reconstruction projects at \$7 million each.

Roads and bridges (\$240 million):

—2 percent of need for total road and bridge repair.

—Repair to Expressway 1.

*Health Projects (\$850 million)*

Major new children's hospital (\$150 million):

—41 percent of total population is under age 14.

—Demographics point to baby boom within next ten years.

Hospital refurbishment (\$393 million):

—Reduce infant and childhood deaths by 50 percent.

—Refurbish 1,200 primary care clinics and 5 regional maternal/pediatric referral centers.

—Construction cost in Iraq is one-tenth that of U.S.

Equipment replacement (\$300 million):

—Early studies estimate that 50 percent of all equipment needs replacement.

—Equipment and training of technicians.

Partner with American health care organizations, intern. donors, and schools (\$7 million).

*Private Sector Development Projects (\$353 million)*

An American-Iraqi Enterprise Fund (\$200 million):

—Promote private sector of Iraq.

—Independent fund would invest in private enterprises, and disseminate Western business know-how.

Expand network of Employment Centers (\$8 million).

On-the-job training (\$35 million).

Market-oriented specialized training (\$110 million).

## GOVERNANCE

*Objective*

Enable the transition to a legitimate constitutional government. Help Iraqis on the path to a democratic society and full sovereignty. Request—\$300 million.

*Accomplishments*

Iraqi Governing Council, comprised of 25 men and women representing Iraq's religious and ethnic diversity, was established on July 13th and has had several accomplishments:

—Welcomed by UN Security Council as step toward a sovereign, democratic Iraq.

- Appointed constitutional preparatory committee.
- Appointed 25 member Cabinet, responsible for the day to day management of Iraqi government ministries.
- Iraqi Foreign Minister has been seated by the League of Arab States in early September.
- Growing international recognition that GC is the political voice of Iraq.
- GC prepared to open embassies in U.S., U.K. and 5 Arab nations.
- 90 percent of the Iraqi people live under local representative governing councils. Iraq has 3 pillars required for achieving a democratic society: free press and speech, freedom of religion and an independent judiciary.

*Plan for Requested Funds*

*Refugees, Human Rights, and Civic Society (\$300 million)*

- Migration and Refugee Assistance (\$105 million).
- Local Governance & Municipalities (\$90 million).
- Property Claims Tribunal (\$30 million).
- Update antiquated banking system (\$30 million).
- Catch up business training (\$20 million).
- Human Rights (\$15 million).
- Civic Programs (\$10 million).

Chairman STEVENS. Thank you very much for your statement, Mr. Ambassador, and we thank you for bringing the Iraqi citizens with you. Perhaps we'll have a chance to visit with them later.

This supplemental will be the subject of hearings more than any supplemental I'm aware of. We've gone back and checked the history. In the past we've had supplemental requests for Operations Desert Shield and Storm. We had only one hearing. That was true for Bosnia and Kosovo, too. The House and the Senate will conduct, I'm told, seven hearings regarding this supplemental, where administration officials will appear before the Congress. Ambassador Bremer, I am informed that you will appear at six of those hearings. You're going to have a busy week.

Ambassador BREMER. Yes, sir.

Chairman STEVENS. I believe the supplemental is necessary to protect the lives of our people who are there now in Iraq. That includes our troops, as well as Americans who will be working there. We need to help rebuild their infrastructure, as you have said, and get the Iraqi people back to work. Mr. Ambassador, from my point of view, you will have my full support for this important task, and your colleagues in the Coalition Provisional Authority, known as CPA.

Liberation of the Iraqi people from the oppressive rule of Saddam Hussein is no small feat, nor is the task of helping the Iraqi people craft a nation rooted in freedom, free markets, and the rule of law. With our help, America's help and leadership, the Iraqi people should become a stable nation with a promising future.

SUPPLEMENTAL REQUEST

Last week, as you said, the administration sent us an \$87 billion supplemental request, of which \$71 billion is for Iraqi-related programs. Of that amount, \$20.3 billion is for activities under your jurisdiction. That includes \$5.1 billion for security-related programs, including costs necessary to stand up a new Iraqi army, \$5.7 billion for the electricity repair and reconstruction, and \$2.1 billion for repair of oil infrastructure and oil products. You expanded that in your statement. The nexus between support for our troops and ongoing reconstruction efforts in Iraq, for me, is undeniable. The

sooner a new Iraqi Government is formed and effectively functions, the quicker our soldiers, sailors, and all Americans can come home.

Throughout this week, staff on the Defense and Foreign Operations Subcommittees of this committee, will continue to meet with relevant administration officials, including members of your CPA, to better understand the details and assumptions of your supplemental request. I look forward to your further comments through this hearing today.

We are going to have a policy, if there's no objection, of recognizing each Member, one from each side of the aisle, as we go down the line, for not to exceed 8 minutes the first time around, and then we will continue along as long as we can continue the hearing.

Senator Byrd?

Senator BYRD. May I ask you a question, without its being taken from my time?

Chairman STEVENS. Yes, sir.

Senator BYRD. When you say 8 minutes, does that include our opening statements as well as our questions?

Chairman STEVENS. Yes, sir. Eight minutes, which each member can use as they wish as we go through the first round, and then we'll go through another round as long as we can.

Senator BYRD. Well, Mr. Chairman, it'll take me more than 8 minutes for my statement. Could the chairman and the ranking member have some time for a statement—at least those two members, to begin with, without its being taken out of the time which we need for questions?

Chairman STEVENS. Senator, I think—they tell me I used 4 minutes, so I'll let you have the rest of my statement, my time.

Senator BYRD. Well, now, Mr. Chairman, you say you'll "let me have." I'm here on behalf, as you are, of millions of Americans. This is a very serious matter that we are going to be studying. It seems to me that our time is going to be extremely limited if we proceed as I envision it under the chairman's proposal.

Chairman STEVENS. Senator, the—

Senator BYRD. I'm not trying to be argumentative. I have a statement which will require at least 8 minutes. I'll try to move through it. But if I'm only to be allowed 8 minutes, then I'll use the full 8 minutes on my statement without getting to the questions which I have.

Chairman STEVENS. Senator, there are 29 members of this committee. If we give each one of them 8 minutes, it will be almost 3 hours, a little over 3 hours, before we get back to me.

Senator BYRD. I understand. Now, how many sessions are we going to have in this committee?

Chairman STEVENS. We're going to have this hearing today. We're going to have another hearing on Wednesday, and maybe one on Thursday. We were considering having an additional meeting on the Afghanistan portion of this, but there are several portions of this supplemental. The Defense one, it's the largest one, it will be the subject of the Wednesday hearing, and hopefully we can go to other aspects. I've not discussed with members of the committee what other aspects might—we're thinking perhaps of having one portion of our hearing cover the question that's been raised by Ambassador Bremer, and that's the question of the contracts for recon-

struction, which, as he indicated, will be subject to competition. I think that's a matter that should be explored. But we're going to have as much time as we possibly can.

As I said, Ambassador Bremer is scheduled six separate hearings. And, as I understand, he is also returning to Iraq the last part of the week with the House Appropriations Committee. So we've got a lot to do in a short period of time.

But, Senator, I'm not trying to be arbitrary, either, but I do believe—I've told every member of the committee will be here today, and each one of them is entitled some time. So in order to be entitled to some time, we have to limit all of us, at least as we go through the rounds. But, Senator, I agree we will not take this time out of your statement. I'll be glad to recognize you, and I hope you'll make your statement as short as you can, and I certainly will allot you the balance of my time.

Senator BYRD. Well, Mr. Chairman, does the time used by the witnesses come out of the 8 minutes when we get to our questions?

Chairman STEVENS. Yes, it does, sir.

Senator BYRD. You see, that's not the way we ought to do things. And I'm not blaming you for that. That's the way we're doing things around here anymore. But it used to be that we opened a line of questions, and we were permitted to pursue that line for much more time than we now are allowed to do. And I'm not faulting you for that. We have the same situation in the Armed Services Committee.

Chairman STEVENS. Senator, I remember, when I first came here, new Senators were seen and not heard. We didn't get a chance to ask questions until the senior members had exhausted their questions. That policy changed about midway through my 35 years, and I think we're conducting this hearing in a manner that you conducted yours, sir, when you were chairman.

Senator BYRD. Well, I don't remember having any hearings on a matter of this kind. And we had 5 days of hearings when I conducted this—when I was chairman of this committee last—I believe it was at the beginning of last year. We had 5 days of hearings. You participated in those hearings. I'm simply saying that we're going to need more time than it appears is going to be provided.

Chairman STEVENS. The Senator is correct, we did have hearings on the subject of the new Department of Homeland Security. It was a brand new issue, and I did sit through all those hearings with you. There's no question about it.

This is on the question of a supplemental appropriations bill, which the President and Ambassador Bremer have said is absolutely necessary that we get this matter settled as quickly as possible. And there are other committees involved, both in the Senate and the House.

So all I can do is be as fair as I can, Senator.

Senator BYRD. Well, Mr. Chairman, you are always fair. There's no question about that. But this is a different matter from any that I have dealt with in quite awhile, and it takes more time. It really requires more time than it appears is going to be given. You and I can talk about this, to some extent, after the hearing. But I hope that we'll have more days of hearings, because it's obvious that,

with an \$87 billion request, that's \$1,000 for each Iraqi, man, woman, boy, and girl. That's a lot of money.

And I hear my friends on the other side of the aisle saying, "This is your money," to the people, you see, when we have these tax cuts, "It's your money." Well, here again, it's your money. And I'm just arguing that we really need more time, and I hope you'll think about it.

So I'll begin then.

Chairman STEVENS. Yes, sir.

Senator BYRD. Mr. Chairman, I thank Chairman Stevens for convening these hearings, and I thank Ambassador Bremer for his testimony today.

Ambassador Bremer, you have a tough job. You've been handed an extremely difficult job under critical and dangerous circumstances. And I've been following you in the press as best I could. I think that you're doing the best you can do with what you have, and you have a terrible situation on your hands. It means life and death every day for you and our soldiers. And so the questions I ask are not going to be intended to be personal or unfriendly.

But the chairman talks about his 35 years here. I've been in this Congress—this is my 51st year. And the people who are most affected can't be here today to ask questions. Our children, our grandchildren, they can't be here to ask questions. The American people out there, the voters, cannot be here today to ask questions. That's our responsibility.

We passed a supplemental earlier this year. We didn't have extensive hearings on that supplemental. We passed a bill providing for \$40 billion within 3 days after September 11, with no questions asked.

Now, this is a lot of money. I understand the need to expedite the action, but this does not shield us from the responsibility to ask questions. This administration, in my view, has not wanted to ask questions, not wanted to answer questions. This is a request in which I think we have to ask the questions.

I hope you'll accept my questions in the spirit in which I ask them. I don't mean to be contentious or combative, but the questions need to be asked.

I recognize your problems as best I can, as "looking through a glass, darkly." And I appreciate your coming here.

The President's request for an addition \$87 billion for the military and for the reconstruction of Iraq is eye-popping—e-y-e, eye-popping. This request comes at a time when the American people are expressing serious reservations about the President's go-it-alone occupation of Iraq. The American people are asking questions about the reconstruction plan. They are questioning the wisdom of a policy that has our soldiers serving as sitting ducks in an Iraqi shooting gallery.

The committee has before it the President's request for \$87 billion for Iraq. The request arrived late Wednesday without detailed justification or explanation. That's not your problem. That's not your fault. That explanation arrived over the weekend, and we are gathered here today, with the committee vote on the supplemental expected as early as September 30.



Is that what you're proposing, Mr. Chairman, a markup by September 30?

Chairman STEVENS. I would hope to have it passed before the recess, yes, sir.

Senator BYRD. I hope that we will not be in such a rush. This is a complicated, controversial, and incredibly costly request that has enormous long-range funding and policy implications. It is not something that this committee should rubberstamp. We ought to examine this request line by line and see if the high-minded rhetoric coming out of the White House matches its proposal.

I believe that 2 days or 3 days, or whatever the chairman has said, are not sufficient, and I hope that the committee will take more time to consider this request. We need expert witnesses, and we need independent analyses to advise us on these matters.

In his \$87 billion request, the President asks future generations of Americans to pay for his war in Iraq. By refusing to pay for this war today and, instead, exacerbating the largest deficit in the Nation's history, President Bush is forcing those young Americans, who are now in kindergarten, to pick up the tab for his war in Iraq.

If the President's \$87 billion request is approved, the deficit for fiscal year 2004 could reach \$535 billion. That assumes spending the \$164 billion Social Security surplus in the streets of Baghdad. Such a deficit totals nearly \$2,400 for every person in this country, almost \$10,000 for every family of four.

Just a few short years ago, we had eliminated annual deficits and were on a glide-path to wiping out the debt by 2008. But that financial security has been destroyed in this administration's fiscal shock-and-awe campaign.

The President's unsubstantiated justification for his war in Iraq has left the Nation questioning the White House's current efforts. The administration was wrong, it seems, on its claims of an Iraqi broad-scale advanced weapons-of-mass-destruction capability. And it's not your fault. The administration was wrong on its claims that American soldiers would be welcomed with open arms, as liberators. And the administration remains wrong in its refusal to share authority and responsibility for the restoration of Iraq with the rest of the world.

We obviously cannot accomplish this task alone. I think that's becoming more and more clear every day. And yet that is exactly what we continue to attempt. It is no wonder that the country is losing confidence and patience in the President's Iraqi program.

Many of us on this panel have seen what a loss of public confidence and trust can do to a war effort, to a government, and, indeed, to the fabric of the Nation. I saw it in Vietnam. Have we not learned the lessons of our own past?

Despite the best hopes for an Iraqi democracy, we have begun to realize the worst fears of occupation. Hit-and-run murders of American soldiers, guerrilla tactics, sabotage. We have forged a cauldron of contempt for America that may poison the efforts of peace throughout the Middle East and, indeed, the world. Winning the war has proved, by comparison, a far easier task than winning the peace. We had the weapons to win the war. But we have not shown the wisdom to win the peace.

What has become tragically clear is that the United States has no strong plan for reconstruction, and no clear concept for maintaining order. America is stumbling through the dark, hoping, by luck, to find the lighted path to peace and stability in Iraq.

The Bush administration's single-minded focus on Iraq has ignored, in large respect, the terrorist threat that produced the attack of September 11, 2001. The leader of that attack on our shores has not been found. Eyes have been trained solely on Iraq while we remain vulnerable here at home. Many of us on this committee have tried to better protect the American people from future terrorist attack. But time after time, the administration has actively opposed efforts to boost homeland security funds.

In this request, however, the Bush administration seems very willing to back Iraqi homeland security dollars. The administration fought against a \$200 million boost for America's police officers, firefighters, and paramedics. But Iraqi first-responders would get \$290 million through this supplemental.

Last Wednesday, I, along with Representatives David Obey and Martin Sabo, offered an amendment to the Homeland Security Appropriations Conference Report that would have provided \$125 million to hire 1,300 customs inspectors on America's borders. That amendment was rejected as too expensive. Yet on the exact same day, the President sent Congress this emergency request for \$150 million for 5,350 border inspections personnel, including 2,500 customs inspectors, in Iraq.

The cost of the President's war in Iraq grows by the day. And even when the supplemental requests stop and our soldiers do finally come home, the American people will continue to pay for this war for years to come. In essence, America faces two wars at once, the war brought against us with the attacks of September 11, 2001—that's one war—and the war that we brought to Iraq on March 19, 2003.

The Iraqi war was the wrong war for the wrong reasons against the wrong enemy. It is a tragedy of American foreign policy that the sympathy which most of the world had for the United States after 9/11 has been squandered by the Bush administration's headlong pursuit of an unnecessary preemptive war against a sovereign country, a country which posed no imminent and direct threat to our national security. I don't blame you for that.

#### IRAQI RECONSTRUCTION

Ambassador Bremer, you are the President's point man for Iraqi reconstruction. You have been placed in an almost untenable position by flawed policy and a nondescript plan that some have called "Compassionate Colonialism." I believe that the best approach for this administration is to garner more dollars, more men, and more expertise from the United Nations. It is painfully obvious that despite the best efforts of Ambassador Bremer and those in charge of the American occupation of Iraq, we cannot continue on this path alone. We ought to seek help before we completely alienate the international community and give Iraq a future of chaos instead of stability.

Five months ago, Congress provided more than \$70 billion in funds for military and reconstruction activities in Iraq and Afghan-

istan. Now we learn that the administration needs far more money for Iraq, far sooner than it either anticipated or admitted. When it came to the President's last supplemental bill for Iraq, Congress could not get straight answers from the administration on the expected costs or the expected duration of the Iraq operation. We cannot afford to settle for evasions this time around.

Again, Mr. Chairman, I thank you for calling these hearings, and I look forward to the testimony from the witnesses.

Chairman STEVENS. Thank you very much, Senator.

Senator DOMENICI?

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

First of all, the last I remember, the vote in the United States Senate for this war was 77 Senators aye, and 23 no. I would think that we could at least say that the Congress of the United States declared this war, and it's not the President's war, it's our war.

Now, I have so many things that I disagree with the distinguished Senator from West Virginia on, but I am going to—in fact, I might say I disagree with his entire statement, and let me leave it at that. I think it has things in it that aren't true, it has accusations in it that are invalid. But I had another reason for coming today, and I will not let the distinguished Senator Byrd distract me from what I wanted to establish here today with you.

First, let me say, your statement is a superb statement. As a matter of fact, the more I think about it, the more I perceive it to be a brilliant analysis of the current situation. Secondly, I believe it sets forth in great detail what you are going to use the money for. And, thirdly, I am pleased that you choose to mention a plan, the Marshall Plan. And I come here today because I want to ask you—and this is all asked in terms of trying to be positive, trying to be helpful, and trying to answer what my constituents want to know about Iraq. They're not so interested in many of Senator Byrd's attacks, but they would like to know if we have a plan. And I have to answer that more often than anything else, "Does the administration have a plan?"

Now, Mr. Ambassador, today in your statement you mentioned a great American achievement called the Marshall Plan. I read about it, only because of this. I am thoroughly amazed. I thought it must have been something huge, and it must have lasted forever. It was \$13 billion and lasted 4 years, and it is thought to be the reconstruction—that's somewhere around 150 today, Mr. Leader—and it is seen as the instrument for the revitalization of 21 countries who are our friends.

Now, you talked today about specifics, but I want to ask you, do you have a definite plan, with a timetable, with guideposts, for the rehabilitation of Iraq's economy, infrastructure, and the turning over to the country, with its full political strength? Do you have one that can be viewed by the American people, can be presented as a plan to the Congress, to the public, so that we will know what it is and how you are going to implement it? Can I stop there and ask you to please answer that question?

#### THE PLAN

Ambassador BREMER. Thank you, Senator. We do have a plan. The plan addresses four major areas—restoring security, restoring

essential services, giving Iraq a vibrant private economy, and transforming Iraq's political structure to provide for a sovereign democratic Iraq.

Each of those four areas is then enlightened by a series of particular steps. And, to answer your question, there are timelines and metrics on every single one of those steps.

The plan, which I released—the latest version was released here to Congress on July 23—the plan runs now to, I think, some 98 pages and has some 300 or 400 individual tasks, each of which has a metric to measure over the next year to see how we're doing. It's a very comprehensive plan.

Senator DOMENICI. Mr. Ambassador, is that plan a plan which is going to be followed and which—is it transparent? Can we see it? Can it be viewed and understood?

Ambassador BREMER. Yes. The answer is yes to all those questions, Senator. I think I have a copy of it with me here, and I'd be happy to provide copies again to the committee. It is an unclassified plan. It's available to anybody. It's available to anybody, on our Web site, and can be read and studied by people and used however they wish.

I will say this, that in the kind of circumstances we're in, which is obviously a rather fluid, complicated situation, we have to be flexible about the plan. We have—my motto is strategic clarity and tactical flexibility. We've got to be clear what we want to get in all four of those areas. We've got to be clear about the end state we want, and we have to be flexible how we get there. But that plan drives our work every day in Baghdad.

Senator DOMENICI. I'm not looking for a plan that cannot be changed.

Ambassador BREMER. Clearly.

Senator DOMENICI. I mean, obviously—

Ambassador BREMER. This is the plan, Senator. It's here.

Senator DOMENICI. That's it?

Ambassador BREMER. Yup.

Senator DOMENICI. I wonder if there's some way that you might, when you leave here, ask some of your experts to reduce that plan to some simple propositions that can be presented to a committee like ours, where you say that's four parts, here's the part on the political, and here's the start, and here's how it goes; here's the part on economic. Could you do that, do you think?

Ambassador BREMER. That's an excellent idea, Senator. We'll do that.

Senator DOMENICI. I think you should have it ready the next time you testify, and it should be put up there where people can ask you questions from it. That's too cumbersome and too difficult for us.

Now, it has been said that we intend to do this seeking help from no one. Is that true?

Ambassador BREMER. No, sir. This is already a rather broad international effort. Sixty-one countries have already pledged to the reconstruction of Iraq. The troops of 30 nations are already on the ground fighting alongside our soldiers. And I have, on my staff, representatives from 25 other nations. It's already an international operation.

Senator DOMENICI. Aren't we about to, or have we just completed a mechanism for an international bank that will handle the international banking transactions of Iraq? And did not somebody named Peter McPherson leave Michigan State University—or Michigan, and come to help you with that?

Ambassador BREMER. Yes. Mr. McPherson's been my top economic advisor the last 4 months. He's just finished his tour. He was instrumental in putting together the proposal for a trade bank to finance imports into Iraq, that you just mentioned.

Senator DOMENICI. And what would be the purpose of a trade bank?

Ambassador BREMER. The purpose of that bank is to provide finance for Iraqis who wish to import materials—it could be a General Electric or a Siemens engine of some kind—for which they need trade credit.

Senator DOMENICI. Now, most countries, immediately after a war, have trouble with banking. This country already has a banking system, does it not?

Ambassador BREMER. After a sort. It has two state-owned banks, which ran rather on Soviet style and, therefore, were not really banks as much as mechanisms to push money to favored people in the economy. We do have them reopened now. Most of their branches are open, so we do begin to get some activity. But, as I said in my statement, a more important element is that the Minister of Finance announced yesterday that we're going to allow international banks to come in and compete, and that will give us a real modern banking system.

Senator DOMENICI. But are you not going to have a central banking system with—

Ambassador BREMER. Yes, sir.

Senator DOMENICI [continuing]. Central monetary system?

Ambassador BREMER. Yes, sir. We established the Central Bank as the first independent central bank in Iraq's history, in July.

Senator DOMENICI. And that exists already.

Ambassador BREMER. That exists, yes, sir. That's up—

Senator DOMENICI. What is it—

Ambassador BREMER [continuing]. Up and running.

Senator DOMENICI [continuing]. Modeled after?

Ambassador BREMER. It's really modeled more or less after the Federal Reserve here.

Senator DOMENICI. My time is up, I'm sorry.

Mr. Chairman, my time is up.

Chairman STEVENS. Thank you very much, Senator.

Senator Inouye?

Senator INOUE. Thank you very much.

Thank you very much, Mr. Ambassador, for your statement.

#### COALITION FORCES

Listening to your statement, sir, you mentioned the words "Coalition forces" seven times. How many troops are in the Coalition forces?

Ambassador BREMER. I think as of today it's about 16,000.

Senator INOUE. Of that number, the United States is how many?

Ambassador BREMER. Oh, I'm sorry, I thought you were talking about the non-American. The total number is about 160,000, of which all but 16,000 are American. I may be off by a couple of thousand, because the numbers change from day to day and I've been away from Baghdad for 2 days.

Senator INOUE. And there are 31 non-American countries there.

Ambassador BREMER. That's right.

Senator INOUE. That includes the British?

Ambassador BREMER. That's right.

Senator INOUE. With how many?

Ambassador BREMER. The British have about 8,000, I think, Senator.

Senator INOUE. And the next-largest group?

Ambassador BREMER. Next-largest group would probably be the Poles, who are heading a multinational division based south of Baghdad. They have, I think, a reinforced brigade, probably 3,000 to 4,000.

Senator INOUE. All right. What about the others, the small ones? They must be small ones.

Ambassador BREMER. Well, the numbers depend. There is a Spanish-led brigade as part of the Polish division, which has battalion-level troops from countries like El Salvador, Honduras, and Nicaragua, but they're—I mean, I could submit, for the record, or I could have the Pentagon submit for the record, the full list, Senator. I just don't have it at the top of my head.

Senator INOUE. I would like to see that, because I've never seen this.

Ambassador BREMER. Okay.

[The information follows:]

[CLERK'S NOTE.—The information is classified and is being held in the committee files.]

Senator INOUE. When one speaks of the "Coalition forces," you get an impression of huge armies there. But I would gather from this that there are some countries that have provided, what, 100 troops?

Ambassador BREMER. Well, there would be some with a company level, that's right.

Senator INOUE. Now, you spoke of 60-plus countries that have provided aid for reconstruction?

Ambassador BREMER. Yes, sir.

Senator INOUE. What is the total amount that you're anticipating from all sources?

Ambassador BREMER. It's a bit hard to tell right now. Those 61 countries, according to our information, have pledged just under \$1.5 billion. As I mentioned in my statement, we are working with the World Bank and the United Nations for a donor's conference in Madrid at the end of next month, and I think that will be the point at which we hopefully will see some substantial contributions by other countries and by international financial institutions.

Senator INOUE. We will be providing, in this bill, roughly \$20 billion for reconstruction?

Ambassador BREMER. Yes, sir.

Senator INOUE. In this \$87 billion, do we anticipate assistance from other countries?

Ambassador BREMER. Yes.

Senator INOUE. Or is this all American?

Ambassador BREMER. Well, the \$87 billion, of course, is all American. The World Bank has just about completed an assessment of the needs of the Iraqi economy. They judge that the Iraqi economy needs something between \$60 and \$70 billion in the next 4 to 5 years. Our \$20 billion is part of that needed \$60 to \$70 billion.

Senator INOUE. So the heavy load, at this moment, in personnel and money is borne by the United States.

Ambassador BREMER. That's correct.

Senator INOUE. Now, I gather, from reading the press, that much work has been done. As you've pointed out, schools are open, hospitals are open, the water is running, we have electricity for 16 hours a day, et cetera, and oil seems to be pumping. Who has done that work?

Ambassador BREMER. Well, that work has been done by Iraqis, often financed—almost always financed by the Coalition Provisional Authority using, in some cases, appropriated funds that the Congress appropriated earlier this year, and, in other cases—in fact, now the majority of the funds come from Iraqi sources—Iraqi oil revenues, frozen assets, and so forth.

#### CONTRACTS

Senator INOUE. Do we have—this is a question that is asked of me quite often—do we have major American corporations involved in the reconstruction?

Ambassador BREMER. Yes. We've had a number of contracts. I think the total now is 92 contracts have been let. And under U.S. law, the contract, the prime contractor, in those cases must be an American corporation.

Senator INOUE. How much are the contracts worth?

Ambassador BREMER. I would have to get back to you, but they're certainly worth \$2.4 billion, because that's the amount that was appropriated. And then there will be other contracts that we have let using Iraqi funds that will have gone to American companies, also. But I would have to get back to you with a precise number, Senator. It's certainly at least \$2.4 billion.

[The information follows:]

Contracts awarded to American companies are worth \$3.319 billion (including U.S. appropriated and Iraqi funds). Of these, Bechtel's contract is worth \$1.03 billion and Halliburton's KBR oil contract is worth \$1.418 billion.

Senator INOUE. How are the contractors selected?

Ambassador BREMER. Contractors are selected on an open and fair bidding process consistent with U.S. law.

Senator INOUE. Were we prepared for the terrorism and guerilla activities that are now occurring? Did we anticipate that when the President announced that the fight was over?

Ambassador BREMER. I think we anticipated that there would be resistance by remnants of the former regime. The degree to which we are now threatened by terrorists, I think, has been an unwelcome surprise to some of us. You will recall that at the beginning of the war we attacked an Ansar al-Islam base in the north of Iraq. We killed quite a few of the terrorists, but a number of them escaped into Iran. Those terrorists have since infiltrated back into

Iraq, and now there are scores of them in Iraq, many of them in Baghdad, who pose a threat that I think is important to both the Coalition and to the Iraqi people, as we've seen in the terrorist attacks, including the one today.

Senator INOUE. Would this be unfair to say, that we should have learned something in Afghanistan, that there the war never ends?

Ambassador BREMER. Well, I'm not enough familiar with the precise circumstances in Afghanistan to make a comparison, Senator, but I think it is clear that we've got to now continue the process we've started of imposing a sense of security in Iraq, and that the key to that, as I've suggested, is to get Iraqis more involved in it. And I think we'll find more success as we get Iraqis more involved in it.

Senator INOUE. Some of my colleagues have been discussing the possibility of dividing this \$87 billion in two parts, military and reconstruction. What would be the effect or the impact if this Congress passed the military portion, the \$50-plus billion, and left the remaining \$20-plus billion for debate, awaiting the President's presentation of his case before the United Nations?

Ambassador BREMER. Well, Senator, as I suggested in my opening remarks, I think this \$87 billion is an integral part. We cannot secure security in Iraq in the long run, we cannot find a path to withdraw our troops there, unless we can provide Iraq and Iraqis with the essential economic infrastructure, which will give them a sense of security and let them move forward. And as was noted, \$5 billion of the \$20 billion is directly related to security—to the new Iraqi army, to the police, to the justice system. Those are inseparable, it seems to me, from the security of our forces and from providing security there.

So I think it would be—of course, the Senate should have whatever debate it needs to have on the supplemental, but I think it would be a mistake to separate parts of these out. This is extremely urgent. We need to get this \$20 billion going quickly.

Senator INOUE. I notice my time is up. I thank you, Mr. Ambassador.

Chairman STEVENS. Thank you very much, Senator.

Senator Bennett?

Senator BENNETT. Thank you, Mr. Chairman.

Ambassador Bremer, thank you for your appearance here and for the clarify of your statement.

Reference has been made to the Marshall Plan. I think that's an appropriate reference, and I would make this comment in response to earlier comments that were made in the committee. At the end of the Second World War, our national debt stood at 150 percent of the Gross Domestic Product (GDP). In other words, the national debt was half again larger than the total amount of goods and services produced in the United States. Today, the national debt owed to the public is 38 percent of GDP.

We are not endangering our children and our grandchildren financially with an \$87 billion supplemental. I know \$87 billion sounds huge, compared to \$15 billion or \$13 billion for the Marshall Plan, but I also remember when you could buy a decent lunch for 35 cents, and you can't do that today.



So in constant dollars, measured as a percentage of GDP, the point I would make is that this is not a terrifying amount of money that you have asked for.

Second, I would point out that the Marshall Plan began in 1948. The war ended in 1945. We cannot afford to wait 3 years to deal with the economic and infrastructure reconstruction of Iraq, as was done in Europe. So I applaud you on the speed with which you have moved to get this job done, much more rapidly than was done in a previous circumstance.

Senator Burns had to leave. He handed me a note as he left and asked me to raise this issue on his behalf, which I am happy to do.

#### TELECOMMUNICATIONS

Senator Burns, as you know, is very much concerned with telecommunications issues in the Senate Commerce Committee, and he believes strongly that the ability to communicate will be a cornerstone of the reconstruction. He has been trying to find a name of someone on your staff with whom he can communicate on this issue. And, on his behalf, I would ask you to provide that name to Senator Burns.

He points out there's \$322 million for telecom and postal corporation internal communication. He would like more information about how that \$322 million would be used and, again, a name of someone on your staff with whom we could talk. Could you respond to that?

Ambassador BREMER. Yes, I will get him a name this afternoon. [The information follows:]

The point of contact for telecommunications is the Senior Advisor to the Ministry of Communication in Baghdad is Mr. Gary Sudnick and at the Pentagon is Mr. Linton Wells.

Senator BENNETT. Do you agree that telecommunications and postal service is an essential part of this?

Ambassador BREMER. Absolutely. Iraq needs its economy brought quickly into the 21st century. And we are working already to restore the telecommunications system that existed before—the fiberoptics system—and we're trying to get a mobile cellular system up. But it's quite clear that if Iraq is going to have a modern business, and we hope it will, a vibrant sector, and we hope it will, we are going to have to spend several hundred million dollars on putting together a modern telecommunications system. It's a vital part, as you note, of this proposal.

Senator BENNETT. I applaud the four statements that you are—or the four areas that you are concentrating on, and I agree with the priority—security first and then essential services, working to get the economy under control, and then ultimately the political structure that will preserve these things.

One of the statements that have been made—one of the accusations that has been made with respect to this is that we are doing things in Iraq that need to be done in the United States, and why are we spending money to build schools and pave roads and do all of these wonderful things in Iraq when we need more schools and roads, et cetera, in the United States?

As I look through your presentation, there is none of that. You are not talking about building schools or providing anything that

might be considered above the very basic survival kinds of levels. We have just gone through the experience with the hurricane and 4 million people out of power, and we are focusing, in this committee, I'm sure, as emergency monies come through, and the speed with which we get back to a certain baseline. As I read your plan, you are talking about establishing a baseline. You are not talking about constructing anything on top of that that might be something that the Iraqis themselves could construct. Do I have it correct? Is my examination here—

#### ESSENTIAL SERVICES

Ambassador BREMER. Yes, Senator. The main thrust of what we're trying to do here is get the fundamental preconditions, the economic and essential service preconditions, that will allow Iraq to create a vibrant private sector which can then pay for itself. And I should say that if one looks forward in the budgeting process, our estimate is that by 2005, Iraq's oil revenues should be more than sufficient to pay for the Iraqi Government and provide an extra amount that can be used for capital investment in other areas, either more electricity or more schools. It's also the case that we think the donors conference will probably focus on some of the things you just mentioned—education, healthcare, and so forth. So we have tried to focus on the essential services.

Senator BENNETT. But we are not trying to do anything in Iraq other than provide simply the absolute baseline, plain-vanilla kinds of security and services that are necessary, and then we—

Ambassador BREMER. That's right.

Senator BENNETT [continuing]. Look to the Iraqis to build beyond that.

#### INTERNATIONAL COMMUNITY

Ambassador BREMER. The Iraqis and the international community.

Senator BENNETT. And the international community.

I held a hearing, as chairman of the Joint Economic Committee, on this issue of the cost of reconstruction of Iraq, and in that hearing discovered something that I had not known before. Iraq has fertile soil, and Iraq has water. And prior to Saddam Hussein's incredible mismanagement, Iraq was a net exporter of food in the region. I had not realized that.

Ambassador BREMER. Right.

Senator BENNETT. I'm concerned that a single-product economy is a shaky economy. As you look down the road, are you looking at things that can be done? And does your plan help provide a baseline for things that can be done by the Iraqis to build an economy based on something other than total reliance on oil? Specifically, agriculture. To have a net exporter of food in that region would be a very significant thing.

Ambassador BREMER. Yes, Senator, it's a good point. Many people, when they think about Iraq's wealth, think only about the oil. But the fact is, it has great water and very fertile soil when the water is put together with the soil. It was, after all, the "fertile crescent," and it was an exporter of agriculture, and there's no reason why it can't be. We're spending something like \$900 million

on—particularly on the irrigation, which is the main problem, so that we can put that agriculture back on its feet as an export-earner and as a new source of revenue.

I think there are other sources of revenue, which are obvious. They are taxation and, in the end, tourism. But the focus here is on agriculture, about \$900 million.

Senator BENNETT. Thank you very much.

One quick final comment, Mr. Chairman. I remember, in this Congress, when we approved an action in Haiti, went in to, as it now turns out, replace a brutal dictator, much beloved of American conservatives, with a brutal dictator much beloved of American liberals.

We turned the reconstruction responsibility over to the United Nations, and left. And the people of Haiti are now worse off economically and politically than before we went in. We do not want another Haiti in Iraq.

Chairman STEVENS. Senator Leahy?

Senator LEAHY. Well, thank you, Mr. Chairman, and I also welcome the Ambassador. After the President, he probably has the most difficult job these days in the Federal Government, and he's doing it under very dangerous and difficult conditions.

I want to thank you, Ambassador, for your office and the Office of Management and Budget (OMB) for the detailed materials you sent up with the supplemental request. You've mentioned your July 23 plan. I'd ask you to send a copy of that to the Congress so that we can see what it is, too, please. I'll assume that's a yes.

[The information follows:]

The July 23 edition of the Strategic Plan was re-submitted to Congress.

Senator LEAHY. And you may want to double-check your answer to Senator Inouye's question about the first \$2.4 billion being in open and competitive bids. I'm not sure that's accurate. But if you—

Ambassador BREMER. I'm sorry, no, I can correct—there was one bid that was not open—that is correct—before the war. That is correct. But I was answering—

Senator LEAHY. For how much—

Ambassador BREMER [continuing]. I thought, the question on the future of the \$20 billion.

Senator LEAHY. I'll let you look at the—

Ambassador BREMER. Yeah, I'll—

Senator LEAHY [continuing]. Question and—

Ambassador BREMER. I understand.

Senator LEAHY [continuing]. Clarify it, if you wish.

I do appreciate you telling me your answers to the letters I sent you—

Ambassador BREMER. Yeah.

Senator LEAHY [continuing]. Several months ago. You mentioned you didn't have a fax machine. I sent them to your office here in Washington. And I assume that every few months that they do find some way to correspond with you or at least with all the people we're sending back and forth over there.

Now, I don't know, the way this bill is written, whether I want to vote for or against the supplemental, but I want to take this time to make this point.

The President has gotten us into a costly and dangerous situation in Iraq. We're at a crucial juncture. American lives, our resources, and our credibility are on the line. I think the next 12 months are going to have consequences for decades to come, long after all of us are out of whatever offices we're holding now.

Since the fall of Baghdad, practically everything the White House and the Pentagon predicted about Iraq has turned out to be wrong. You wouldn't know it when you listen to some of the officials here in Washington who made overly optimistic assessments—or when people raise questions about whether they're wrong, instead of an answer, we're told that we're not true patriots. The patriotism is questioned even of people who have served with distinction in our military.

We get a different picture from those who are in Iraq in the field.

Vice President Cheney said Saddam Hussein had reconstituted nuclear weapons. No weapons of that nature or any weapons of mass destruction have yet been found. Last week, even though we were told by some in the administration there's a link between Saddam Hussein and 9/11, President Bush conceded there was none. The Vice President said our troops would be treated as liberators. I'm sure that most Iraqis are grateful that we removed Saddam Hussein. I'm grateful that he's gone. But it's clear the Iraqi people increasingly don't want us there. A New York Times article last week, entitled, "Iraqi's Bitterness is Called Bigger Threat Than Terror," described this problem.

Now, you may disagree with this, but it's hard to overlook such warnings when our soldiers, who have performed so bravely, so admirably, are ambushed and killed. There seems to be increasing jubilation in the streets, and not just by remnants of Saddam's regime.

And there is the issue of cost. Five months ago, we passed a war-time supplemental, I believe, Mr. Chairman, Senator Byrd, which provided \$2.5 billion for the reconstruction of Iraq. And we were told that's all the U.S. taxpayers would be asked for. Well, that was a gross miscalculation. Then former OMB Director Daniels said the total cost could be between \$50 and \$60 billion. The Deputy Defense Secretary said, "We're dealing with a country that can finance its own reconstruction." He said the oil revenues of that country would bring between \$50 and \$100 billion over the course of the next 2 to 3 years. Well, those were wildly off the mark.

I agree with Senator Byrd. When Americans saw the \$87 billion price tag it gave Americans sticker-shock-and-awe. It's had the same effect up here.

With this supplemental we'll spend more than \$100 billion in the first year to rebuild Iraq. And it's clear we're going to be back for a lot more.

We don't have this money in the bank. It is red ink. We are headed for a trillion dollar deficit that our children and grandchildren will pay off. I think of what this spending magnitude would bring to our national priorities—our schools, our healthcare, our ability to fix Medicare or Social Security.

Now, one of the reasons many of us disagreed with the administration's decision to attack Iraq without the support of the United Nations, is that it would be harder to rebuild Iraq on our own. As one Senator, I feel it would have been better if the administration had not alienated our allies through arrogance, or snubbed Mexico and Canada, among others, only to find ourselves needing their support today.

I haven't heard anything about how this supplemental is going to deal with the security situation in Iraq or bring our soldiers home. We are told the security problems will be solved by rebuilding the Iraqi army. That's going to take time, as we've seen in Afghanistan, another country where we're doing nation-building, where crime and violence today are on the rise. And I worry that our soldiers and relief workers will continue to die, attempts to rebuild will continue to be thwarted by saboteurs, and the Iraqi people's support will erode. It's a long road for the Iraqi Governing Council to a viable democracy. And even if that is possible, guess who's going to be there until the job is done? We are. Our soldiers, our aid workers, well-qualified and motivated diplomats, like yourself, and, of course, our money.

I want to know how much it's going to cost, when the Iraqis can take over. I don't think we can drift along, spending more than \$1 billion a week with no plan, no timetable, every week another four or five Americans killed and wounded, and the growing resentment of the Iraqi people. I think it's time to bend the same old go-it-alone strategy that has squandered the goodwill and support of the international community. I think we've got to get the international community behind us.

Ambassador Bremer, I hope you don't take these criticisms personally. You inherited a policy without a strategy. We want you to succeed.

Now, we were told the \$2.5 billion the President wanted for the Iraq Relief and Reconstruction Fund was all you'd need. That was back in April. Five months later, you're asking for another \$20 billion just for 2004. Do you believe you're going to need another \$25 to \$50 billion, or are we really going to see foreign donations? Because the amount of donations—we've talked about 30 countries. Some of them have got forces in there the size of some of the rural police forces in Vermont. I appreciate their support, but you can't really count that. I know we're going to get a request for more foreign aid than they donate. So are you going to be back here next year asking for another \$25 or \$50 billion?

Ambassador BREMER. Well, Senator, the amount we're asking for here represents what we think is urgently needed now for immediate needs, and we don't anticipate coming back for another supplemental of this magnitude. That's all I can say at the moment. I think we've found the reason that the \$2.4 billion initially was not sufficient was we found the infrastructure in the country was in a lot worse shape than we thought. And that's the problem we've got. We've got to redo that infrastructure. It's expensive.

Senator LEAHY. Mr. Chairman, I'll submit my other questions. I thank you.

Chairman STEVENS. Thank you.  
Senator Brownback?

Senator BROWNBACK. Thank you, Mr. Chairman.

Thank you, Ambassador Bremer, for being here today. I appreciate your testimony. I thought your statement was quite good and eloquent and very captivating on the current situation. It really describes something quite different than we read in the press, it seems like, on a daily basis, where most of the news seems to be pretty negative.

I think it's important to go back and look at this situation and some of the history of how we, as a body, got here, because, as Senator Domenici pointed out, I think there were 77 Senators, or somewhere around that, voted for the Iraqi war conflict. In the House, the vote was 296 to grant the administration the authority to go to war and move forward, versus 133 against. Strong, bipartisan, nearly 300 votes in the House, out of the 435, were there. So, I mean, strong bipartisan support.

And if you go back prior to September 11, it probably wouldn't have been there. But after September 11, we changed. And that same week of September 11, we appropriated nearly \$40 billion for reconstruction and war efforts and gave the President and the administration the authority to go to war in Afghanistan, with about an hour's debate, so moved was the country that we needed to do something about the terrorism threat. And then when that moved forward, and after that, there's a continuing threat in the war on terrorism that we're experiencing in the world today. The administration comes forward with a proposal on dealing with Iraq.

Now, I've been dealing with the issue of Iraq and the Iraqi opposition for some time. I've been on the Foreign Relations Committee since I've been in the U.S. Senate, in 1996. I've worked with Dr. Chalabi, that you work with now, for some period of time. We've had him up for a number of hearings—Iraqi opposition—and talking about the horrific situation that the Iraqi people were experiencing and also the three different areas of Iraq. In the North, it was basically governing itself separate from Saddam. In the South, Saddam was pillaging the countryside and draining the wetlands areas that I hope we're working on getting restored. And they came forward and put forward for us a bill, the Iraqi Liberation Act, that passed the Congress, was signed into law by President Clinton, and it called for regime change in Iraq, signed by President Clinton. This was passed probably in 1998, I'm thinking somewhere through that period of time. Allocated \$100 million, which I wish we had spent it at that period of time in working and building up the opposition.

The whole point that I'm putting forward here is that Saddam has been a problem for a long period of time, and any allegations or assertions that we're coming up—that the Bush administration came up with new claims about Saddam Hussein, I was getting the same intelligence reports under President Clinton as I was under President Bush about the Iraqi threat, the nature of the threat. And these were not—you can't know in intelligence reports for certain, because you're gathering information. Unless you've got somebody in the room, you're not certain what is taking place, but the best estimates. And we did know that he had used chemical weapons against his own people and against the Iranians. We knew that. And we knew he had terrorists operating on his soil. And so

you had that mixture of terrorists and the ability to constitute weapons of mass destruction. And then we were in dependency—in dependency on Saddam Hussein that he wouldn't mix the two and use them against us.

So when the vote comes up for the Congress, most of us said, "I'm not willing to depend on Saddam Hussein that he's not going to use—find some way to get chemical weapons, give a pickup truck full of them to terrorists, and find them here on our soil, as we did on September 11."

We moved forward on Iraq. The war moved, I think, much more quickly than most people thought it would, surprisingly so, and we were very happy about that. But now we're at a point in time, do you go ahead and move forward and conclude and deal with the situation that we're in, or do you pull out, like we did the prior time, in Afghanistan, in the 1980s? And I think everybody has concluded you can't pull out at this point in time. You have to work in reconstructing and building Iraq back up.

I do get two pointed questions often from my constituents on this, and they're this. Number one is, we hate the loss of any life, particularly an American life. And are there any other things that we can do to protect these American lives? Or how can we move forward with protection of those American lives? That's the thing that just strikes at the very nerve of Americans, is that issue.

And then the second one that I'd like for you to address is, a number of people question—Iraq has the second largest reserves of oil in the world. Can't they pay for this in the reconstruction effort? And you've addressed a portion of that, that by 2005 they'll be able to pay for their government and some capital investment. Project me on out a little bit further on that point, if you would.

Ambassador BREMER. Thank you, Senator.

Just before I answer your questions, two points. We have about \$100 million in this supplemental request to begin the reconstitution of the marshlands that Saddam Hussein drained.

And you mentioned the chemical attack. Secretary of State and I, a week ago today, visited the site of the chemical attack in 1988, in Halabjeh, up in the north. And it was a very moving thing to see this village where more than 5,000 people were killed by Saddam's chemical attack in 1988. I met a man there who was the only member of a 24-member family who survived the chemical attacks. It's quite a moving thing.

On the question about protecting lives, there basically are three things we're doing to try to deal better with security. Number one, we're trying to improve our collection of intelligence against the people who are attacking us, whether they're former regime loyalists or terrorists. We have a fusion cell that we've established in Baghdad under my direction, which is trying to focus our intelligence more closely.

Secondly, we are in the process of reconfiguring our forces to make them more mobile and lighter so that they can move around and respond more quickly to threats. And, thirdly, as I mentioned in my statement, and as is very prominent in the President's request, we need to get Iraqi forces more involved in their own security. That's why you have \$2 billion in here to speed up the training of an Iraqi professional police, and \$2 billion to train an Iraq

army. And contrary to one of the earlier comments, with the President's supplemental, we will be able to train a full three divisions by next summer, of the Iraqi army. That's a significant force for Iraq.

#### OIL RESERVES

On the question of the oil reserves, the problem is this. The oil infrastructure was severely run down over the last 20 years, partly because of sanctions over the last decade. Iraq has a theoretical production capability of about three billion barrels a day. We hope to get back to that level by the middle of next year, roughly, sometime in the late summer next year. Once Iraq reaches that level—that's its maximum production level—it should be able, assuming a price of about \$18 a barrel, to generate in the neighborhood of \$20 billion a year in oil revenues. To get substantially beyond that level means increasing their production, which means exploiting new fields, and that will involve a substantial investment, presumably from outside Iraq, into the development of new fields so their resources can be brought forward.

But even with just getting back to three million barrels a day, by the year 2005 they should be producing a surplus on their cash budget, which will allow the Iraqis to begin to pay for some of the less urgent things that we've got to pay for over the next 12 to 18 months.

Senator BROWNBACK. Thank you.

Thank you, Mr. Chairman.

Chairman STEVENS. Senator Dorgan?

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

Ambassador Bremer, thanks for being here.

There's no doubt that the money that you are requesting is needed, and let me describe my reaction this way. First of all, with respect to the military funding that you are requesting, I think that the Congress will move quickly. I don't think we will withhold one dollar that's needed to support the troops, who we have asked to fight for this country. And so I believe that is going to be appropriated fully by this Congress.

#### RECONSTRUCTION FUNDING

I want to go through with you, however, the issue of reconstruction funding. The campaign that was initiated in Iraq, called "shock and awe," exclusively and specifically did not target infrastructure. We didn't target their electric grid, we didn't target the dams and the basic infrastructure of Iraq. My colleague from Kansas made the point that Iraq has the second-largest oil reserves in the world, next to the Saudis. You made the point that by next summer Iraq will be able to produce three million barrels per day. And at that level of production, with about 80 percent available for export, the way I calculate it, using reasonably conservative prices, the Iraq oil fields will produce about \$16 billion a year of net revenue. That's \$160 billion in 10 years, or \$320 billion in 20 years.

When I take a look at what you want to do in Iraq, with respect to reconstruction—basic investment in water, sewer, irrigation, developing marshlands, improving power plants, developing communications plans, including WiFi, housing projects, 3,500 new hous-



ing units in seven communities, and so on. This occurs to me not a reconstruction based on damage done by the war, but reconstruction that you believe is necessary for the long-term welfare and economic health of the country of Iraq.

The question, for me, is, why would we not use the Iraq oil revenue to collateralize loans from the International Monetary Fund (IMF) or the World Bank to pay for the reconstruction of Iraq? \$320 billion over the next 20 years, seems to me collateralizing loans from the International Monetary Fund, which I read this weekend, just provided \$13 billion to Argentina, why is it that you have chosen to say that rather than moving in that direction, the American people should provide \$20-plus billion in grants for reconstruction?

Could you identify or at least address that piece? Because I think that no doubt the reconstruction is necessary, no doubt it is urgent, but there is also another way to pay for this, and I don't understand why you have chosen grants from the American taxpayers—and, incidentally, told us in your testimony, that the new tax rate in the country of Iraq will have a top rate, and you beamed, apparently, when you said 15 percent—so we will have taxpayers in this country paying a much higher tax rate on income taxes than you have, or the council has, created in Iraq, and then use the money to invest in exactly the sort of things we're debating about in this country—water, communications, transportation infrastructure. Might you address that, Mr. Ambassador?

Ambassador BREMER. Yes, thank you, Senator.

We, of course, considered the question of whether this supplemental should be done in the form of loans of some kind, which is effectively what you're mentioning, and as I said in my testimony, and I feel quite strongly about it, I believe it would be a mistake to lay any more debt onto the backs of the Iraqis. They are under a burden, an extraordinary burden, of about roughly \$100 to \$120 billion of debt entered into by Saddam's regime over the last 20 years or so, and another \$90 to \$100 billion in claimed reparations from countries because of Saddam's wars. That means that Iraq has something like \$200 billion in debt outstanding. There is no way the Iraq Government is going to be able to pay that. Even if you took all of the excess amounts projected—and I answered earlier, in answer to Senator Brownback's questions—the math is roughly as follows. Starting in 2005, the cost of running the Iraqi Government, with no major capital investments, is about \$15 billion a year. The revenues, as you rightly point out, we think they will come to roughly \$20 billion a year by then, because they will have some tax revenues, they will have some tariff revenues in addition to the oil revenues. So you have revenues of roughly \$20 billion, and expenses of roughly \$15 billion. You could—

Senator DORGAN. Well—

Ambassador BREMER. You could imagine roughly \$5 billion a year, in other words, available for capital.

If the debt is assumed to be \$200 billion, and if you assume, just for sake of math, an average interest rate of 6 percent a year, the debt service alone on that debt would come to \$12 billion a year just—

Senator DORGAN. But—

Ambassador BREMER [continuing]. Just for the debt that they have now. Therefore, it has been our view that we need to help carry them across the bridge of 2004, which is the year when they are going to not be generating enough excess income to pay any extra capital for themselves.

Senator DORGAN. Mr. Ambassador, I, frankly, don't understand that. You say that the country of Iraq has accrued a debt of \$200 billion, roughly. Did you, then, developing a new government in Iraq, inherit the responsibility for the debt created by Saddam Hussein? It's a rather peculiar thing to inherit, it seems to me, number one.

Number two, it seems to me the first obligation would be to begin seeking debt forgiveness. And I'd like to ask who is the largest holder of that debt?

Ambassador BREMER. Of course, we do inherit the debt. That's international law until something is done about that debt by a sovereign government, which will come into being after the elections.

Senator DORGAN. And who is the largest holder of that debt?

Ambassador BREMER. The largest holders—and there is some imprecision as to exact amounts—are France, Russia, Germany, and Japan.

Senator DORGAN. And we can talk about risk-free encumbrances at some point later. I have rather limited time. But I do want to make the point, if you're saying that you and the administration decided to seek grants for reconstruction in Iraq rather than collateralize their oil production—and I think we have a disagreement of about \$5 billion a year, and we'll go over that later, as well, in this calculation—but if you're saying you made that decision because of overhanging debt, it seems to me that if one works hard at debt forgiveness—and certainly one should. Saddam Hussein is gone.

Ambassador BREMER. Yes.

Senator DORGAN. Good riddance. Whatever debt burden the Iraqi people now have around their neck, it seems to me, ought to be forgiven. And especially those countries who did business with the country of Iraq during a time when there was an embargo. There ought not be any obligation for you or anybody else in the Governing Council to accept that debt. I understand international law, but—

Look, I really think—as this committee begins to strategize and think through what we do here, I think, first and foremost, we provide the money for the troops. It's essential. We do it quickly. Second, we think through a policy, a cogent policy, on behalf of this country. What should we do with respect to the reconstruction in Iraq? Not whether we do it, because we must, but who pays for it. Should that be the burden of the American people? And I don't—frankly, I don't think so, especially when you're dealing with a country that has the second-largest oil reserves in the world.

And I do want to make one additional point, and I'll pursue this at a later time. There was a newspaper story, a rather lengthy story, in the Washington Post about 2 days ago that gave me great pause. Ambassador Bremer, you talked about the opposition in Iraq being guerrillas and insurgents and the Fedayeen and so on. This was a story that I read, and I put the paper down and thought a

lot about it. It was about a family holding a picture of their son—wasn't part of Saddam's operation, wasn't part of the Fedayeen, wasn't part of anything. He was just a guy that became incensed and angry and part of the local group in his town, and decided to go out and kill some Americans.

And I don't know whether that's happening over there in large degree or not. I mean, you described the insurgent movement as guerrillas associated with Saddam's old regime, but some of what we're reading, Mr. Ambassador, suggests that it is more than that. And if it is more than that, we really need to address that, as well, in a very significant—

Ambassador BREMER. Well, let me—I know your—our time is up here, but let me just answer that question, Senator.

I saw the story, and there are, no doubt, isolated cases of people meeting that definition. This fellow went out and, fortunately, he was killed and did not kill any of our soldiers, so it had a happy ending, as far as I'm concerned.

There are, no doubt, isolated cases like that. But by far the majority—and we know this from our intelligence, we know it from the people we catch, we know it from the people we kill—the people who are attacking and killing our soldiers, our men and women, are Fedayeen Saddam, former regime loyalists, Ba'athists, members of the former intelligence community. That is a fact. Now, I don't say there aren't people like that story, but they are not what is driving the situation.

Senator DORGAN. Well, Mr. Ambassador, that is helpful. And might I ask, as you're here this week, if we could exchange some information about oil revenues, potential oil revenues, expenses, so that I can at least pursue the issue of whether we ought not collateralize the oil capability of that country—to invest only in that country, by the way.

Chairman STEVENS. Senator DeWine?

Senator DEWINE. Mr. Ambassador, thank you very much. This is a ton of money, but I don't think there is any doubt that it is necessary, and I don't think there's any doubt this Congress will approve it.

I thank you for your testimony. I thank you also for your service. We appreciate it very much.

You have outlined a plan, which, as you have testified, puts a great deal of emphasis on security and infrastructure, as is it the beginning of the prosperity and return of Iraq. And I think that is certainly understandable. I would like to talk about something that I think also is important to Iraq, and that is the confidence of the people that things are improving. And that's one area, and that is the healthcare for children.

#### HEALTHCARE FOR CHILDREN

Saddam Hussein's government spent virtually nothing on healthcare and nothing on—virtually on the health of its children. It ignored the children, with devastating results. The under-five mortality rate, we are told, has more than doubled in the last decade, with one in eight children now dying before their fifth birthday. Of those deaths, 70 percent are due to preventable illnesses such as common things such as diarrhea or respiratory infections.

We have seen presented to us, you have presented to us, the Coalition's Provisional Authority plans to rehabilitate the healthcare system, which does include a new children's hospital, which I applaud that. My question to you is whether or not, in this plan, there is sufficient money that's been allocated to meet the health needs of children in a timely manner. In other words, will we—is there enough in there for this, and are we going to see some results based on this plan? Because I do think it is important—you know, people need to see some results. It's important from a humanitarian point of view. What's happened to these kids is just absolutely atrocious in a country that should have been able to provide for their children. And I think if we want to let people see some results and some changes—which is what they want to see, people need to see some changes—that the healthcare of their own kids is a pretty good place for them to be able to see it.

Ambassador BREMER. Well, I agree, Senator. We do have something like \$850 million in here for health. I'll just give you two numbers that are worth thinking about.

In the last 6 months of 2002, Saddam Hussein spent \$13 million on healthcare for the entire country, a country of 27 million people. In the budget which I approved for these 6 months, the comparable 6 months of 2003, we're spending \$211 million. It is a 3,500 percent increase in healthcare, and we're going to continue—we have, in the budget for 2004, a comparable run rate on healthcare.

I have visited a lot of the hospitals in Iraq, and you will never find more dedicated doctors and nurses anywhere in the world, but the infrastructure is appallingly rundown. You have children in incubators that are 20 or 25 years old that have not been maintained. You have children in wards where there is no air conditioning, and the outside temperature is 127 degrees. You have hospitals where there are no generators, so that the operating rooms and the oxygen tents cannot operate when the power goes down.

We are placing a great emphasis on healthcare. We agree with you, it's important. It has to move quickly. The children's hospital will take longer, because—

Senator DEWINE. Right.

Ambassador BREMER [continuing]. We have to build it.

Senator DEWINE. It's an infrastructure issue, sure.

Ambassador BREMER. But there are actions in this program to move quickly, in this area and in others, to show that life is improving.

Senator DEWINE. What else—take a moment—I'm going take some of my time for you to explain to me, how do you start moving—I mean, what everyone has told me is there are doctors there. They have good doctors in Iraq.

Ambassador BREMER. Yes.

Senator DEWINE. And this is not the problem. But how do you begin to improve the infant mortality rate or the terrible rate that we see under the age of five, when you're losing kids to very, very common—what to us in our country is very common, very preventable diseases that should not be occurring in a country like Iraq.

Ambassador BREMER. One of the most important elements here is the \$400 million we're asking for hospital refurbishment. I mean, there are lots of hospitals. There are 240 hospitals. There actually

are more beds than they need. The problem is the infrastructure. So if you look at how that's going to be spent, it's going to move quickly on things like immunization, trying to get nutrition counseling going. Again, in visiting hospitals, particularly in the Shia South, which was crushed by Saddam, now nutrition is an extremely—particularly of the mothers—is an extremely important problem. And we need to get quickly at that, and we can get quickly at that with many of the proposals here to rehabilitate some 200 of the 240 hospitals.

We're going to try to get maternal and paternal referral centers and care centers up to do counseling, for mothers, in particular, to know better how to take care of their children. But there is a whole series of things here, Senator, that we think can be done quickly.

Senator DEWINE. Is the security situation good enough to be able to put some of those programs in place? Because this is—

Ambassador BREMER. Yes.

Senator DEWINE. It must not be just refurbishing and updating the hospitals. I mean, to get out and deal with nutrition issues and education issues, you obviously have to get beyond the hospital.

Ambassador BREMER. That's right. But it's an important point, Senator, which you bring out, and that is Iraq is not a country in chaos. Most of the country is at peace. The North is quiet. The South is quiet. We have problems in the Baghdad area and particularly in the area just north of Baghdad. But the area I was talking about, in the South, where I have visited often, and I visited a number of hospitals there, people are moving around, they're going about their business in a perfectly normal way. There's no reason why we can't carry the kind of healthcare message out into villages that we need to do.

Senator DEWINE. Is there a healthcare—is there a health structure there now to do that, or do you have to create one?

Ambassador BREMER. No, there is. There is a Ministry of Health, a very dedicated group of people. And the Ministry of Health has offices in each of the 18 provinces, that we can use.

Now, the civil service is not as creative as you might hope, because they've lived for 35 years under one-man rule, so people don't take enough initiative. But as we start to work with them, we find them enjoying their freedom and starting to think creatively.

Senator DEWINE. So you'll be using the current—

Ambassador BREMER. Yeah.

Senator DEWINE [continuing]. Health structure.

Ambassador BREMER. We will use the current health structure.

Senator DEWINE. Is that a governmental health structure?

Ambassador BREMER. Yes, it is. It's the Ministry of Health.

Senator DEWINE. All right. Well, this is something that I obviously have a great deal of interest in, and I would like to follow this up with you, if I could.

Ambassador BREMER. Sure.

Senator DEWINE. Thank you very much.

Thank you, Mr. Chairman.

Chairman STEVENS. Ambassador Bremer, I'm back to my time now.

## MILITARY MONEY

I do want you to know that, as chairman of this committee, I haven't had one single Senator tell me that he or she will oppose the military money in this bill. And I was pleased to hear Senator Dorgan make the comment he did.

Our hearing here today is about the \$20.3 billion that's in the structure for moving the Iraqi Government and people towards a point where they could be self-sufficient. A very important distinction. But the military money is absolutely necessary to assure that you can get on with the job. The other money is necessary so that you can help us get those men and women back here.

I do have a few questions of my own. Do you believe, with this money, that you can be successful in aiding the Iraqis in creating a self-sustaining police security force that can handle the problem of these terrorists that are still at loose in their society?

Ambassador BREMER. Yes, I do, Senator. I think if you cast your eyes forward to a day when Iraq has a sovereign government, the key question will be, do they have a competent, honest, police force? It's the same question that any country has to ask itself. It's the police who, in the end, are responsible for law and order. And they will. With this supplemental, we will create a police force of 75,000 to 80,000 trained police in the next 18 months.

The second question is, will they be able to defend themselves so that they can stay at peace with their neighbors? And the answer is, with this supplemental we will produce a new army, with 27 battalions, in about 1 year. That should give them enough, at least for now, while there are still Coalition forces on the ground, to be assured of staying in a secure environment.

So I believe that this money, spent now, is, indeed, not separable from the rest of the money. It is all part of the question of security for Iraq and for the American success so that we can bring our soldiers home once Iraq is stable, secure, and democratic.

Chairman STEVENS. Now, your CPA is going to have a lot to do. Do you have sufficient personnel now in your CPA organizations to oversee not only the reconstruction efforts, but these security efforts?

Ambassador BREMER. I believe we need a few more people, but we have largely got the people we need in the CPA structure now. We are going to—I am establishing a special office, a project management office, that will oversee the large-scale projects that are in the supplemental, the large-scale construction projects—electricity, hospitals, water projects—because these tend to cut across various ministries in Iraq, and they are not accustomed to working together because of the very rigid structure Saddam kept them under.

So we're going to have a project management office, which will work with standard Pentagon accounting and contracting procedures to be sure that we are consistent with American law and can move contracts quickly.

Chairman STEVENS. Now, those contracts, under our law, are let primarily—I think, exclusively—to American business, aren't they?

Ambassador BREMER. That's correct. The prime contractor, by law, must be American.

Chairman STEVENS. The CPA—have you put out a statement of goals or objectives for the CPA, itself?

Ambassador BREMER. Well, our goals and objectives are essentially what's in our plan. This is what my people work towards, which is our plan. That's our goals and objectives.

#### OIL ASSETS

Chairman STEVENS. Okay. What about these oil assets now that have been mentioned? I believe when I called you once over there, you told me that every time you get the pipeline repaired, the power plant goes down, or a power plant goes down. And by the time you repair the power plant, the pipeline goes down. And the money that's coming in now from the oil assets is primarily dedicated to the ongoing war to get the infrastructure reestablished. What's the situation over there now? I think that was several weeks ago we had that conversation.

Ambassador BREMER. Yes, sir, it was. Well, we do still find acts of political sabotage against both the pipelines and against the power structure, but we are gradually getting better.

Yesterday, we produced 1.9 million barrels of oil, which is the record since liberation. Yesterday, we produced about 3,700 megawatts of power, which is getting towards our goal of 4,400 megawatts of power.

But there will be bad days ahead. The saboteurs know that this is a very fragile infrastructure, both the oil and the electricity infrastructures, and they know how to attack it where it hurts, and they have done that in the past, and I have no doubt they will do it again.

We are trying to rebuild the police—the electricity police, and the oil police—to make it more difficult for them to attack the infrastructure, and we're making progress. And we will get back to our goal of pre-war power generation within the month, and we will get back to the goal of three million barrels a day within 1 year. But there will be ups and downs. I wouldn't want to mislead you.

Chairman STEVENS. Alaskans know a little bit about the oil business; not as much as we'd like to, but enough. My friends tell me that if they had anything to do with that series of oil fields you've got, they'd rebuild it from scratch, because what you inherited probably is harder to keep going than to build it all new. What really is the situation over there with regard to the status of the assets that are necessary to increase their production?

Ambassador BREMER. Well, Senator, I'm not an expert on the oil industry. The fields have been managed, according to our oil experts, reasonably well. But the fact of the matter is that if Iraq is really going to have a bright economic future, they're going to have to probably double their production rate, and that is going to require new fields coming on-stream. I mentioned earlier, in answer to a question, I think, from Senator Brownback, that is going to take a lot more investment in the future.

The Iraqis are known in the oil industry—

Chairman STEVENS. None of this money is for that stage yet, though, is it?

Ambassador BREMER. No. No, because—no. That will be something the sovereign government will have to decide, what they're—

because it will raise immediately the question of whether they're going to allow foreign investment in the oil field.

Chairman STEVENS. I see the yellow—let me ask one other thing. Is your CPA going to have anything to do with the donor conference in Madrid?

Ambassador BREMER. Yes, sir.

Chairman STEVENS. Will you have a role in it?

Ambassador BREMER. Yes, sir, I will. But, more importantly—

Chairman STEVENS. Should we be optimistic?

Ambassador BREMER. Yeah, I think so. I think the international community will realize they have an interest in our success in Iraq, in Iraq not becoming a hotbed for terror, in Iraq being a stabilizing force in the Middle East. And I think the donors will make, we hope, a substantial contribution.

Chairman STEVENS. What role will this \$20.3 billion play in trying to get those people to the table?

Ambassador BREMER. Oh, I think it's very important, Mr. Chairman, because it shows that the American people understand their obligation now to win the peace, just as we won the peace in Europe after the Second World War. It will show leadership, and that's what they need to see from us.

Chairman STEVENS. Thank you.

Senator Byrd?

Senator BYRD. You had a plan there. May we have a copy of the plan?

Ambassador BREMER. Yes, sir, of course.

Senator BYRD. Have we seen this plan before?

Ambassador BREMER. Yes, you have. This plan was presented to every Member of Congress on July 23, sir.

Senator BYRD. Have we seen that?

Ambassador BREMER. I'd be happy to submit it again.

Senator BYRD. I don't recall—

Ambassador BREMER. I'd be happy to submit it again.

Senator BYRD. I'd like to have it. I'd like to have that plan, for the first time.

Senator LEAHY. I've been watching very carefully. I haven't seen one.

Ambassador BREMER. Well, I don't know where 535 copies of it went on July 23. Maybe they were faxed to Baghdad.

Senator LEAHY. Maybe it was just the Republican side.

Ambassador BREMER. No, it was sent to everybody on the Hill, sir.

Senator BYRD. When was it sent?

Ambassador BREMER. July 23.

Senator BYRD. I'll be glad to have a copy.

Ambassador BREMER. I'll be happy to present it to you, sir.

[The information follows:]

The July 23 edition of the Strategic Plan was re-submitted to Congress.

Senator BYRD. I hope you'll present it today.

Ambassador BREMER. Sure.

Senator BYRD. Where does the administration plan to find the additional \$38 to \$55 billion that is estimated to be needed for rebuilding Iraq?



Ambassador BREMER. If one looks at the World Bank Needs Assessment, Senator, from which the numbers are derived, basically they're looking at a longer period than we are looking at. They are looking at a 4- to 5-year period. And we are trying to address the urgent needs over the next 12 to 18 months. We are hoping that the international community will come forward at the donor's conference once we set the example. We are hoping that the international financial institutions, like the World Bank and the IMF, will make substantial contributions. And we are hoping, as I have said earlier, that by 2005 the Iraqi Government and the Iraqi people, themselves, will be able to contribute substantially to closing that gap. Our goal is to try to close the gap of the urgent and essential things in the next 12 to 18 months.

Senator BYRD. In addition to U.S. taxpayer funds and oil revenues, the administration plans on paying for the rebuilding effort by using seized Iraqi bank accounts and the millions of dollars in cash that were discovered in Iraq during the war. How much money has been seized or discovered to date?

Ambassador BREMER. \$900 million.

Senator BYRD. How are those funds being used?

Ambassador BREMER. Those funds have been entirely spent, and they are now exhausted. They've been spent on paying the Iraqi Government salaries. Salaries for the Iraqi Government.

Senator BYRD. Are you keeping detailed records on the receipts and outlays of seized or discovered funds so that Congress may examine or audit the use of those funds?

Ambassador BREMER. We have detailed records of those funds, sir.

Senator BYRD. When you say "we," whom are you talking about?

Ambassador BREMER. The CPA.

Senator BYRD. The CPA?

Ambassador BREMER. Yeah.

Senator BYRD. Has detailed records?

Ambassador BREMER. Yes, sir.

Senator BYRD. On the receipts and the outlays.

Ambassador BREMER. Yes, sir.

Senator BYRD. Could you tell this committee today what the total amount is for the receipts and outlays of seized or discovered funds?

Ambassador BREMER. Well, the seized assets are in the neighborhood of \$900 million. That has been spent. The frozen assets, which were the assets that the President froze here at the outset of hostilities, totaled \$1.7 billion. Of that, all but \$63 million has been expended, also on the Iraqi salaries, on paying for the new currency, a variety of things. That is essentially exhausted. Those are the two funds I think you asked about. Those two are essentially now exhausted, with the exception of \$63 million.

Senator BYRD. Do you have records that can be audited by Congress?

Ambassador BREMER. We have records of all of the receipts and expenses.

Senator BYRD. Now, you spoke earlier of the salaries——

Ambassador BREMER. Yes, sir.

Senator BYRD [continuing]. That are being paid.

Ambassador BREMER. Yes.

Senator BYRD. How much are you—I don't mean this to be you, personally, of course—how much are you paying to, let's say, the police? What are the salaries for the policemen?

Ambassador BREMER. The salaries for a starting policeman now are \$60 a month, which is 10 times what they got under Saddam, and we hope we're getting better policemen.

Senator BYRD. What are you paying the people that are going into the army?

Ambassador BREMER. They're getting about—I think the privates get about \$110 a month. I may be off by \$10, but it's in that neighborhood.

Senator BYRD. You spoke of the number of men that other countries among the 30 are contributing. How many of those, of the 30, would you say contribute as many as 1,000 men?

Ambassador BREMER. Senator, I'd have to get you the answer to that. I just don't have all those numbers in my head, and it is more on the side of the military side of the house than on my side, but we can—

Senator BYRD. Yes.

Ambassador BREMER [continuing]. Certainly get you those figures.

Senator BYRD. That's probably a better question for Mr. Rumsfeld.

Ambassador BREMER. Yes, sir.

Senator BYRD. Thank you.

The coalition force composition is classified and will be submitted for record through a secure information channel.

Senator BYRD. The President plans to spend over \$20 billion in this bill on reconstruction in Iraq, but he is asking Congress to let him reallocate that entire \$20 billion after we approve it. This means he can tell us one thing today, but do something completely different in Iraq tomorrow. Do you expect to adhere closely to the spending plans outlined in this request?

Ambassador BREMER. Yes, sir.

Senator BYRD. If so, why do we need to authorize the reallocation of the entire \$20 billion?

Ambassador BREMER. Well, Senator, I am not an expert on these legislative matters, but I do work in a rather fluid environment, where we have plans, and we try to follow them, and we do our best, and I believe that we will spend this \$20 billion as we have suggested we will spend it, but I can't exclude that as events move forward, there might have to be some adjustments in that plan.

Senator BYRD. But do you anticipate that the President will delegate any of his proposed reallocation authority to you so that you can have the extra flexibility to divert from the administration's spending plans?

Ambassador BREMER. Well, Senator, that's a good question, and I don't have an answer to it for you today.

Senator BYRD. Well, that's a good question, and we need an answer. If the chairman decides to ask you to return to this committee, when do you think you might be able to do that? This is the chairman's responsibility, but I would like to know, on behalf of my side of the committee.

Ambassador BREMER. Well, I'm in the chairman's hands, Senator. And I can get you an answer to that once I discuss it with other officials in the administration. I just don't know the answer.

Senator BYRD. Yeah, well, I'm very concerned about this reallocation of authority. I believe strongly in the Constitution and in the power of the purse as being vested here. I don't believe that we should give too much authority to the executive branch—to the President or to you, with all due respect, or to anybody else—to reallocate monies that we appropriate. That is your monies—your monies, the people who are watching through those electronic lenses. It's their money. And so, I am anticipating that you would expect the President to delegate some of this proposed reallocation authority to you.

Is it fair to say, Ambassador Bremer, that for many of the spending decisions being made on the ground in Iraq, you have complete and final authority over those decisions?

Ambassador BREMER. No. I have an international staff. I have Iraqi ministers, who have actually been instrumental in drawing up the plans for the supplemental, because they are people who understand the needs on the part of the Iraqis. And I have a program review board, which makes recommendations, which has representatives from other Coalition countries, as well as the United States, which actually makes the recommendations to me.

Senator BYRD. Can you supply, for the record, the number of countries out of the 30 that provide at least 1,000 personnel, and can you supply the names of those countries?

Ambassador BREMER. Yes, sir.

[The information follows:]

The coalition force composition is classified and will be submitted for record through a secure information channel.

Senator BYRD. Would you say that 20 out of the 30—none of the 20 out of the 30—provide at least 1,000 persons?

Ambassador BREMER. I'll get you that answer, sir.

Senator BYRD. Yes, all right.

Perhaps the Secretary will be in a better position to provide that.

Ambassador BREMER. Yes.

Senator BYRD. Is my time up?

Chairman STEVENS. Yes, sir. Senator Domenici is in the rear. He'll be coming back in a minute. I was letting you go until he comes back.

Senator BYRD. Very well.

With respect to U.S. payments for oil infrastructure, the President is requesting \$2.1 billion for the cost of repairing Iraq's oil infrastructure. Should oil receipts be used for that purpose?

Ambassador BREMER. Well, Senator, I think the problem is that we don't—the oil receipts are simply not there. There are not going to be any excess oil receipts before 2005. So it simply is not an option.

Chairman STEVENS. Would the Senator yield for just a moment?

Senator BYRD. Yes.

Chairman STEVENS. Senator Byrd, Senator Domenici was called to our leader's office for a conference of chairmen pending bills coming up this week, and he will not be returning, soon, not before

the votes. May I yield time now to Senator Brownback? He is waiting, sir.

Senator BYRD. Can I follow on that just one brief moment?

Chairman STEVENS. Yes, sir.

Senator BYRD. In Secretary Rumsfeld's testimony before the Senate Appropriations Committee on March 27 of this year, he said, quote, "I do not believe that the United States has the responsibility for reconstruction. We want to participate in reconstruction. Other countries will want to participate in reconstruction. And the funds can come from frozen assets, oil revenues, and the Oil for Food Program."

Clearly, the Secretary misjudged the extent to which these other sources would produce revenue. Now, do you believe that the United States has the responsibility for reconstruction? Now, I'm using Secretary Rumsfeld's statement as the background, in which he said he didn't think it did, didn't think the United States had that responsibility.

Ambassador BREMER. I think that, as my testimony, my prepared statement, suggested, I believe that we have a responsibility to ourselves, to our service men and women, and to the American people, to win this war against terrorism where it's being fought, which today is in Iraq. And I believe that we will be able to speed the day when we win that war and bring home our troops, by providing the Iraqis with the wherewithal to win that fight. And that means approving the President's supplemental request.

Chairman STEVENS. Senator, I must interrupt now and let Senator Brownback, who's been waiting for time, to come in.

Senator BYRD. Okay.

Chairman STEVENS. I'm in.

Senator BYRD. Will we have another round?

Chairman STEVENS. Yes, sir.

Senator Brownback?

Senator BROWNBACK. Thank you very much, Mr. Chairman, appreciate that. And, Ambassador Bremer, thank you for hanging in there with us on a—going through more questioning rounds.

You mentioned earlier that a number of hostile forces that we're facing are leftover Saddam loyalists—

Ambassador BREMER. Yes, sir.

#### TERRORISTS

Senator BROWNBACK [continuing]. And then terrorists that are coming in. Do we know basically where these terrorists are coming in from, what border they're coming across, and what countries they're coming from?

Ambassador BREMER. Yes. We think they're coming mostly from Syria and, to some extent, from Iran. And they are from a variety of countries, judging from the ones we've captured or killed. They carry Syrian, Saudi, Yemeni, Sudanese passports or travel documents.

Senator BROWNBACK. Is there any dominance of those, that it's most Syrians that are coming or most Saudis or Yemenis?

Ambassador BREMER. We have, in detention, several hundred third-country nationals as detainees, who are people who have been fighting the Coalition. They may not all be terrorists in the sense

of being trained terrorists. The majority of those 278 detainees are Syrians.

Senator BROWNBACk. What's the next largest group?

Ambassador BREMER. The next largest group, I think, are Jordanians. I have it. I'll check while you're asking your next question.

Senator BROWNBACk. Yeah, if you could, because I find this an interesting point of where these terrorists are coming in from and where they're coming from in attacking our troops. If you could.

Ambassador BREMER. Yeah, the total is 278, of which 123 are from Syria. The next largest is actually Iran, 62, and Jordan, 38.

Senator BROWNBACk. How many from Saudi Arabia?

Ambassador BREMER. One.

Senator BROWNBACk. What's the—

Ambassador BREMER. Mind you, these are not necessarily terrorists.

Senator BROWNBACk. Yeah, these are detainees.

Ambassador BREMER. Simply detainees, some of whom may be terrorist, some of whom may have been simply fighting alongside Saddam's army. You'll recall that, at the outset of hostilities, a number of countries said they were sending volunteers to fight alongside Saddam. So some of these—I don't know when these were detained. Some of these may have been detained, actually, during the war.

Senator BROWNBACk. But these are hostile combatants when they were detained?

Ambassador BREMER. That's right.

Senator BROWNBACk. In hostile actions? What are the—what's the Syrian Government and the Iranian Government doing to help us or to, in the contrary, to hinder us in this by letting people flow in?

Ambassador BREMER. Well, we've had discussions with the Syrian Government. We believe there are—it's pretty well established that there are rat lines for people coming in across the Syrian/Iraqi border. Some of them are terrorists, some of them are foreign fighters, some of them are simply smugglers. We do not think the Syrians have done enough to control their border. The same can be said of the Iranian border.

We are asking, in this supplemental, among other things, for funds to try to reestablish some control, effective control, over Iraq's borders through standing up of border police and a border patrol. And that's an important element, obviously, in creating a secure environment inside of Iraq. It's one of the reasons, another reason, why this money needs to be approved quickly.

Senator BROWNBACk. What about the Iranian Government? What are they doing to either help or to hinder us in this effort?

Ambassador BREMER. Well, Senator, it's a difficult question to answer, because it's sometimes hard to tell who speaks for the Iranian Government. But my impression is that elements of the Iranian Government are causing mischief in Iraq interfering in affairs through their intelligence services and through the revolutionary guards. This is not helpful.

Senator BROWNBACk. It seems to me that the two countries that benefit the most from us having difficulty in Iraq today are either the Syrians, in some reassertion of a Ba'athist-type regime or area

of control for the Ba'athists, or the Iranians, with a theocracy-style government coming into place in Iraq. Are we seeing that communicated by those governments in allowing these—you called them “rat lines” to be established and people coming in?

Ambassador BREMER. Well, we have, as you know, diplomatic relations with the government in Damascus, so we are able at least to talk to them in a rather direct way. The same is not true in Tehran.

The good news on the Iranian question, Senator, is that as I go around and talk to Shia and other Iraqis—Sunnis, Kurds—Iraqis do not want their neighbors to interfere in their affairs, and they do not welcome Iran's interference. And, indeed, there was a poll recently that showed less than a third of the people in the entire country believe in any kind of a theocratic government coming from the constitution and the elections.

So I think the Iranian interference is not falling on fertile soil, and I'd hope that will continue to be the case.

Senator BROWNBACK. I want to ask one other line of questions. A gentleman in Kansas lost his—husband and wife in Kansas lost their son in the battle. Jacob Butler is a Kansan from Wellsville, Kansas. And his dad would like to go over to Iraq sometime soon, as part of the healing process, to see the area where the battle was that his son was involved with. Number one, are you seeing some requests like this come through? And are you able to assist and to work with some of these family members? Or is that something that just doesn't—you aren't available to do to date?

Ambassador BREMER. Well, we haven't seen it yet. And I think as the security situation gets better, we probably will see more people who want to do that. We just haven't seen it yet.

Senator BROWNBACK. Okay. Well, we will be making a request of your office, because his dad has made a direct request of me, and I told him, when I contacted the family members after the loss of their son, and said, “Is there anything I can do to help?” And this was the one thing that he had asked of me, is he wants to go to the site of the battle where his son was involved in. And I told him we will, at the appropriate time, try to help out as much—

Ambassador BREMER. Yeah.

Senator BROWNBACK [continuing]. As we can in that process. And I think you probably will be seeing a few more of those.

Thank you for your direct answers. I really appreciate those.

Thank you, Mr. Chairman.

Chairman STEVENS. Senator Leahy, do you have further questions?

Senator LEAHY. I do, Mr. Chairman.

Ambassador Bremer, I find so many things I agree with in your comments. I mean, obviously, having overthrown the Iraqi Government, we can't just walk away. But I worry that, to some extent, we've done that in Afghanistan, and we may pay a high price for it.

#### THE PLAN

The Iraqis need a chance to rebuild their country. I have not seen your plan, and I haven't found anybody on this side of the aisle, at least, that have. I'm not—I don't doubt your word that it

was sent out, and maybe it's in—like the proverbial check, it's in the mail and someday I'll see it.

But does the plan ask for more than just more money and more of the same?

Ambassador BREMER. Yeah. The plan was written, Senator, as I mentioned, in a—it was, sort of, under constant revision from the time I got there in May, and it continues to be under revision. It was not established as a document to request for money; it is established as a document to show the way forward in the four critical areas.

Senator LEAHY. Well, I think what we see here today—and I think there's a feeling of all Senators, both sides of the aisle, that we're going to be asked for more and more money. Each time we've been told, "This is the final amount," within months it's anted up considerably more. I remember the almost arrogant disregard of the former OMB Director, Mr. Daniels, when anybody even dared question that we'd be spending more than \$20 billion or so here. Of course, now we're talking about \$87 billion.

I also think we need to start mending our fences around the world so that we might get other countries to join us.

I think back to the terrible tragedy in Beirut when our marines were killed in a truck bombing in a country where suicide bombers are endemic. It turned out, subsequently, that the White House had not allowed them to put the normal tank traps, even though we had intelligence that said that they might get hit that way. It turned out the White House had not allowed them, the sentries, to be properly armed, even though they had asked to be. And it turned out the White House had ignored warnings when they put them all in the same place. But within a few days after that, we invaded Grenada, and the world's attention turned to that and proved that the U.S. military was able to take on the dozen or so, couple of dozen, Cubans in Grenada and free it for good, and they even had heads of state come to Washington to say that this was the greatest thing that ever happened. But even that was diminished when we found out later some of those heads of state were given cash by the U.S. Government prior to coming here.

My question is this. Are any of these countries that are providing support either been promised money up front or been promised reimbursement for whatever they did subsequently?

Ambassador BREMER. Senator, I really am reluctant to answer, not because I think the answer won't please you, but because I don't know the answer. These are really questions, I think, concerning the force disposition there, that belong more appropriately with the military side of the Pentagon. And I understand the committee will have the Secretary and General Abizaid up on Wednesday—

Senator LEAHY. But you're not aware—and maybe they'd be the ones to ask. But you're not aware of any country that was either given money or material prior to offering to support us in Iraq or promised money or material for their help?

Ambassador BREMER. I'm not aware.

Senator LEAHY. Thank you.

I don't think anybody doubted, whether they supported the war or opposed the war, that we would ultimately be victorious. After

all, we have the best armed forces in the world. That was never in doubt.

I still go back to the question about Afghanistan, which is not your portfolio, but I'm afraid that the administration and maybe the Congress is losing sight of Afghanistan, where we knew al Qaeda was. We also know that al Qaeda was very, very heavily entrenched—and still is—in Saudi Arabia, our close friends, and protected by some in the Saudi Government, even today. And in Pakistan, our other close ally, al Qaeda there. And some in the Pakistani Government turn a blind eye.

I worry that all the burden suddenly gets put on you to stop terrorism, when maybe we ought to look at some of our very, very, very close friends, like the Saudis. And I don't think that this—and not just this administration, but past administrations, have ever done that.

Now, you say that by next summer the Iraqi national army will be a significant fighting force. Will they be able to defend Iraq from threats posed by Iran? Iran has more than half a million troops, hundreds of aircraft. They have a budding nuclear capability. Would Iraq, by itself, next summer—if threatened by Iran, would they be able to defend themselves, or would they need the United States?

Ambassador BREMER. Well, I think the question of how long foreign forces will be needed in Iraq is one that eventually a sovereign Iraqi Government, like every government in the world, is going to have to make its own determination on whether they would, at that point, ask for a SOFA agreement for American or other forces is really a question for a sovereign government. On the face of it, the answer is no, the Iraqi army will only have about 35,000 members by next summer. And, as you point out, the Iranians have a much larger armed forces and probably more capable, and this army will not have, for example, combat air force. It will not have an offensive capability, will not have heavy equipment—

Senator LEAHY. Okay, let me ask a question about elections. The extremists, former Ba'athists, are some of the best organized elements in Iraq. The Iraqi Governing Council has varying degrees of popular support. Are we going to hold elections if it looks like the extremists are going to win?

Ambassador BREMER. One of the reasons why I emphasized, in my opening statement, the importance of following a steady path to elections, Senator, is because I think there is always a risk of early elections. And my view is that those elections—and it is the view of the President and our Government—those elections should only take place after the Iraqis have been through the discipline of writing a constitution, so that there is a framework, a political framework, for subsequent political action. And I think while it is perhaps frustrating to the Iraqis to have to wait that long, I think our experience shows the importance of getting a constitution and getting it right. It, after all, took us the better part of 12 years to figure this out, and we might as well learn from that lesson.

Senator LEAHY. We didn't have computers. No, many here would agree with you, Ambassador Bremer.

And I thank you, Mr. Chairman, for the extra time.

Chairman STEVENS. Thank you.



Let me state that I've been informed there will be two votes at 5:30 p.m., and also state that at 10 a.m. Wednesday, in the Russell Caucus Room, Room 325, Secretary Rumsfeld and Generals Myer and Abizaid will be there to answer questions and make statements concerning the military portions of this.

Senator LEAHY. Russell Caucus, Mr.——

Chairman STEVENS. Rumsfeld with be——

Senator LEAHY. The Russell Caucus?

Chairman STEVENS. The Russell Caucus Room, yes.

Senator LEAHY. Great.

Chairman STEVENS. Senator DeWine?

Senator DEWINE. Mr. Chairman, I just have one additional question.

Chairman STEVENS. Yes?

Senator DEWINE. Mr. Ambassador, there have been some published op-ed pieces and some articles by individuals who have been involved in the reconstruction. And they were expressing their frustration about their inability to operate in Iraq. And it was—if I can, sort of, paraphrase the articles, they were saying that it was a tough environment—understandably, I guess—it's a very tough environment to work in. You know, they would have to get permission from the military to move around. You know, just very, very, very difficult. These articles that I read were a couple of months old. Has that changed any in the last couple of months? Is that still a problem? Or how do you perceive the—maybe if you can just take a minute or two and tell us how is the environment to work in there today?

Ambassador BREMER. Well, thank you, Senator.

It is a lot better than it was a couple of months ago. The security situation, as I said earlier, in response to another question, is, by and large, good in most of the country, with the exception of the area north of Baghdad and, obviously, parts of Baghdad.

Senator DEWINE. Sure.

Ambassador BREMER. But even in Baghdad, things are getting better. I had a petition presented to me last week by a group of restaurateurs who said, "Business is so good now that we'd like you to extend the curfew from 11 o'clock to midnight or later, because we want to have more business. The people are out, they're enjoying themselves, and they want to stay later for dinner." This is a good sign, because it means the people are, in fact, moving around with more confidence in Baghdad.

But I would not hide from you the fact that it is a difficult environment. There are, after all, significant dangers. There are terrorists. There are quite a number of al Qaeda terrorists in the country, picking up on the point Senator Leahy just made. And it's a tough environment. But it is considerably better than it was a couple of months ago.

Senator DEWINE. All right. Thank you. Again, I thank you for your service.

Mr. Chairman, thank you very much.

Chairman STEVENS. Yes.

I would place in the record, without objection, the statement of Senator Mitch McConnell regarding this bill.

[The statement follows:]

## PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

Ambassador Bremer, thank you for appearing before the Committee today. It is my hope and expectation that the President's supplemental appropriations request we received last week can be considered and returned to the White House in a timely manner so that we can move forward with our important humanitarian, security and reconstruction work in Iraq.

You are tasked with one of the most important missions in the world today. The success of your efforts—namely, to help the Iraqi people establish a representative and functioning government—is directly linked to stability in the region and continued progress in America's global war on terrorism.

You must succeed, because failure is not an option. But you alone do not have an obligation to succeed. Congress must not fail to provide you with the tools and resources necessary to help the Iraqis build for themselves a stable economy and functioning democratic government.

You have my full support, including for the President's \$20.3 billion request for the reconstruction of Iraq.

Not surprisingly, some are trying to stack the deck against you. Remnants of Saddam Hussein's toppled regime and foreign jihadis on a daily basis seek to sabotage and undermine any progress in Iraq. Just this weekend, terrorists tried to assassinate Akila Hashemi, one of only three women on the new Iraqi Governing Council, and only this morning another car bomb exploded by the U.N. headquarters.

The \$5.1 billion for security programs requested by the President, including support for the establishment of a New Iraqi Army, is clearly in the security interests of both Iraq and the United States; so too is the \$3.7 billion for public works and \$470 million for infrastructure projects. In Iraq, both the devil and terrorists are eager to find work for idle hands.

Here at home, there are some who view the request for the reconstruction of Iraq as fodder for political campaigns. This is as reckless as it is irresponsible. Quick to cast themselves as patriots, these individuals profess unwavering support for American troops in Iraq—and then disparage the costs of rebuilding that country. The fact is you can't have it both ways.

One hundred percent support for our troops in Iraq means support for their military needs (\$51 billion, or 72 percent of the total cost requested for Iraq in the supplemental) and support for short term reconstruction costs (\$20.3 billion, or 28 percent).

America can bring its soldiers home only after a functioning Iraqi government—with effective security forces—is in place. The longer that takes, the longer our troops will remain in-country.

Let me close by recommending we keep our eyes on the prize. Winston Churchill once counseled that in quarreling "between the past and present, we shall find that we have lost the future." The President deserves our continued support as he tirelessly works to protect and defend the security of America.

Chairman STEVENS. Senator Murray?

Senator MURRAY. Thank you, Mr. Chairman. And thank you, Ambassador, for being here today. And I apologize for being late. I will keep my questions short, Mr. Chairman. I just flew in.

And I have to say that many of my constituents at home in Washington State had a little bit of sticker shock over \$87 billion. It's a lot of money at a time when our economy here is struggling, and I heard that comment over and over to me in the past week since we heard that figure. I'm sure you've heard it, as well. And I think part of it is that no one was expecting the price tag to be that high, and now you've come forward, and I think we're all trying to work our way through it to see what it is. I think a general sense, in my State, at least, that we understand that Iraq needs to rebuild their economy and their infrastructure and their government, but what our responsibility is, getting other countries to help, is critically important.

## OIL REVENUES

But one of the things that I heard over and over again was, weren't the oil revenues from Iraq supposed to finance much of this reconstruction? And what happened? I know there's a story behind that. I'd like to hear a little bit about that from you, what happened.

But also, specifically, I've seen your proposal, that you have \$1.2 billion to invest in the infrastructure in your testimony, is that investment alone enough to get the Iraqi oil revenues to cover any reconstruction costs beyond what you have presented to us in this proposal, or are we going to be seeing that that's not enough and we're going to have to look again at future proposals?

Ambassador BREMER. Thank you, Senator.

The problem with the oil revenues is basically twofold. Number one, that the previous regime, as was the case throughout the economy, did not invest in infrastructure. The oil industry, as I said in my testimony, was basically starved of investment for a period of almost 20 years. The Iraqi oil engineers, who are very competent, labored heroically and were able to get production at various times up to the maximum, which is about three million barrels a day. And our objective is to try to get the industry back to that level.

But with the damage that was done by under-investment in infrastructure and with the repeated damage that is done now by political sabotage, and if you add into that the looting that took place in the immediate post-war period, we are in a situation where it is going to take this \$1.2 billion to assure that the Iraqis get back to that three million barrels a day that they had, pre-war. And what that means, in terms of revenues, is that next year they will still not generate a surplus in revenues. It will cost them as much to run the government as they can get from revenues.

In 2005, assuming we can get the oil production to three million barrels a day, they should be generating excess cash for capital investments on the order of \$4 to \$5 billion a year.

Senator MURRAY. You do believe that the \$1.2 billion is enough to get that reconstruction—

Ambassador BREMER. Yes.

Senator MURRAY [continuing]. To where we are seeing that?

Ambassador BREMER. Yes. In fact, in general, the answer to your question about, you know, "Are we coming back for more," is that what we've done here is put together the amount that believe represents what's urgently needed now to get the—to address Iraq's immediate needs, and we don't anticipate coming back with another major supplemental like this this year. This—

Senator MURRAY. This year?

Ambassador BREMER [continuing]. This is our best—now, well, we hope that in other years, we—any needs for Iraq are handled in a more normal way through the regular budgetary process. But I answered, I think, a question from another Senator before, Senator, you know, this is the best estimate that I can give you on what is needed. I do not believe we will need major additional amounts of money.

Senator MURRAY. And do you think the oil production that we'll be able to generate is enough revenue to eliminate our continuing investment post-2005?

Ambassador BREMER. Certainly on anything like this scale, yes.

Senator MURRAY. Okay. Let me ask you a more specific questions about Um Qasr. I know that rehabilitation of that port was essential to getting food and other supplies into Iraq shortly after—

Ambassador BREMER. Done by the Stevedores Association of Seattle.

Senator MURRAY. Correct. And I know that there has been a lot of problems with sabotage and looting. I note in here that you have \$45 million for the rehab of the port there. And I'm—do you think that's enough to cover the costs, now that we've seen some of what the infrastructure there is like and some of the costs of security that weren't anticipated?

Ambassador BREMER. Yes. Although the fact that I think it's enough is less important than that my experts think it's enough. The people we worked with in the Ministry of Transportation, and our own experts, believe that this should be enough to put the port, which is a very important port—it is our only port—

Senator MURRAY. Right.

Ambassador BREMER [continuing]. So it's very important, particularly for the import of food products, and now for the import of fuel oils that we're importing.

Senator MURRAY. And it is open and operational—

Ambassador BREMER. Yes it is.

Senator MURRAY [continuing]. At this point?

Ambassador BREMER. It's been open since June 16.

Senator MURRAY. Okay. And is the \$45 million enough to cover security for the people running the port?

Ambassador BREMER. Yes. The security—of course, the security part of this supplemental comes more in the front part of it, where we talk about the roughly \$5 billion for an Iraqi police force, for the facilities protective service, which is more likely to take on fixed-site security on places like ports. It's more likely to come through a different part of the supplemental, but we believe the amount that's in here for security should be enough.

Senator MURRAY. Okay. Because I was noting that railroad rehab was \$303 million. That's a lot more than \$45 million for the port. Is that—am I—

Ambassador BREMER. Well, it's—

Senator MURRAY [continuing]. Just looking at that—

Ambassador BREMER [continuing]. An extremely—it's the region's largest rail system. It's a very extensive rail system—again, drastically under-invested in over the years, with an outmoded rail—the actual physical rails are not adequate and need to be replaced. It's a very big capital project.

Senator MURRAY. All right. Thank you very much, Ambassador.

Ambassador BREMER. Yes.

Chairman STEVENS. Thank you.

Senator Domenici?

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

Mr. Ambassador, I'm sorry that I wasn't here for all the rest of all the testimony, but I was here for a part of it, and I'm very pleased to return for a couple of questions.

First, about 10 days ago, 12 days ago, I got on the telephone and called five Senators. Don't ask me why. I just decided five names. I trusted them, and I'm pretty good friends. And I asked them if they'd like to work on thinking about, talking about, learning about reconstruction of Iraq. Most interesting, everyone said yes. None of them are on the Foreign Relations Committee, but four are on Appropriations, this Committee.

We have since had a number of meetings. We met with Condoleezza Rice. We met with the Secretary of Defense. What we're really trying to find out is everything we can about what is the reconstruction contract, the reconstruction agreement, for Iraq. And a lot of good ideas have come out. And I want to share one with you. And I really believe you ought to seriously consider it.

First, if you make the plan, if you put it on four stools—and I think that's what I heard you say—and you abbreviate them where they're on placards instead of in a packet, I would submit to you that the American people ought to hear you regularly explain the plan, versus what you've accomplished. It's simple, but it would be a press conference which you would pledge as part of making sure that the public has full understanding and that it is totally visible to the public of America. And so you hold a press conference, and you say, "The plan was. And it is 1 month since the last meeting. And here's what we have done," or, "Here's what we have had to change."

Ambassador BREMER. Right.

Senator DOMENICI. Now, I really believe, Ambassador Bremer, that you should do that, and you should do it in a way that is factual, forthright, the whole goal being to make this whole reconstruction totally transparent to the American people who are interested.

Do you have a thought on that?

Ambassador BREMER. No, I think that's a very good suggestion, Senator. I already made a note earlier, your idea of getting a simplified explanation—

Senator DOMENICI. Right.

Ambassador BREMER [continuing]. Of the plan, and we'll follow that up.

Senator DOMENICI. Now, the Senator—new Senator from Tennessee, former Governor and Secretary, he's the one in our meetings that came up with, "Why don't we tell America about it?" And I'm passing that on to you. Okay?

Ambassador BREMER. Thank you.

Senator DOMENICI. Now, there are some who continue to act as if the American people are against the war in Iraq. Some are trying to make sure they turn out against the war by suggesting they should be against the war.

I submit it's your responsibility and the President's, if you want to win, to make sure the American people understand, from you all, that we're winning this. Now, by that I mean that you tell them in detail that the plan is being implemented and we are succeeding. Because I believe there is still a very large percentage of

Americans who think we should have gone into this war, who support it, but who are fragile because they don't understand the plan. That's why I think that plan of yours is good for you and for a bunch of people who are helping you, but it isn't very much good for the American people, because they're not going to read it, and that press crowd's not going to read it, and that TV outfit's not going to report it. So I would hope that you would make it so.

My last observation is, the American people would be thrilled if you could come close, at some point, to telling them that we don't need any more capital after this \$20 billion. Now, why do I say that? I say that because it's obvious to me that, contrary to those who are attacking you and the President and the plan, that you're trying to make this a reconstruction plan that has borrowing capacity, that goes out into the donors market to see what you can get others to give and purchase and loan. And I submit to you that all of that sounds like you're trying to make this \$20 billion leverage so that you can get this done. Am I right?

Ambassador BREMER. Yes, that's right. I think I said, in response to an earlier point, that I think it's very important in the runup to the donors conference that it is clear that the American people are stepping up and doing our part, and it's important for us to have that \$20 billion on the table.

#### IRAQI OIL

Senator DOMENICI. Now, I want to talk about oil, but very quickly. I thought it too easy that you could just look at Iraqi oil as a great big asset and that you could say, "Eventually, Iraq should have a valuable flow of money that should help defray some of these expenses." Now, I want to submit to you that I understand everything is going to be privatized and internationalized except oil, and I understand that. Almost every country that has oil, except us, has done that. In Mexico, they call it their "patrimony."

Ambassador BREMER. Yeah.

Senator DOMENICI. In Spanish, "el patrimonio," which really means the fatherland is equated with their oil.

Well, I submit, nonetheless, that even though it's heavily in debt, Iraq, and it'll be awhile before you get oil, that you clearly ought to start talking early about the possibility that in a few years some portion of that oil revenue might come back to either pay donors or pay America back.

Now, I'm not suggesting that we tell the Iraqis we don't want them to grow and prosper, but I just think, as a financier, what would be wrong with a pledge of \$1 a barrel or \$2 a barrel, starting 5 years from now? No, it probably wouldn't have an impact at all, but it would be a lot of money, and it would surely add credence to a donors conference, in terms of how people might want to bid to do things in Iraq.

I offer the concept of oil as an asset in the outer years as something that I really think you should consider early with the Iraqis so they wouldn't think that you come along with it later and want to take something away.

Thank you, Mr. Chairman.

Thank you very much, Mr. Ambassador.

Ambassador BREMER. Thank you.

Chairman STEVENS. Thank you, Senator.  
Senator Harkin?

Senator HARKIN. Thank you, Mr. Chairman. Mr. Ambassador.

Again, I want to add my name to Senator Byrd's request for the plan. We've asked around, and no one's—I haven't seen it, and I've asked my staff for it on July 23, and no one can seem to find it. So hopefully it'll surface sometime soon and we'll see that.

Chairman STEVENS. Well, Senator, it came to my office, and I've sent to get it and get the letter that it was transmitted. I understand it was transmitted to all Members of Congress.

Ambassador BREMER. Right.

Chairman STEVENS. It's just a book, but he's got a copy of it right there.

Senator HARKIN. Well, I just asked my staff, and they've asked around, and no one seems to have seen it. So I don't know where it is, but maybe it's around here someplace, one of those things that came and just was chucked or something like that. But I'd like to see it.

Mr. Ambassador, the \$21 billion that we're looking at for public works, water, housing, health, and other things, on a per-capita basis in Iraq that's more than we're spending here at home on some of those things. And I've been told that that's about half the GDP of Iraq. That would translate into about \$5 trillion of that kind of spending here in the United States in 1 year. That's awesome.

Chairman STEVENS. What figure—

Senator HARKIN. That's awesome. Half of the GDP of Iraq.

Chairman STEVENS. What figure did you use, Senator?

Senator HARKIN. I don't know if that's true or not. Someone told me it was \$40 billion.

Chairman STEVENS. We're dealing with \$20.3 billion, Ambassador Bremer is testifying concerning \$20.3 billion.

Senator HARKIN. That's right. I don't know. What's the GDP of Iraq right now?

Ambassador BREMER. Well, \$40 billion is as good a guess as any.

Senator HARKIN. Well, that's what I'm saying.

Ambassador BREMER. We just don't have—we don't know.

Senator HARKIN. Well, okay.

Ambassador BREMER. But call it \$40 billion.

Senator HARKIN. Okay. So this is half the GDP. I'm just saying, if you were spending that much on reconstruction in the United States, half the GDP, it would be \$5 trillion in 1 year in the United States. So that's awesome.

The other thing that came to my mind is, is the amount you're asking here consistent with other nation-building efforts in the past, on a per-capita basis—Kosovo, Bosnia, East Timor, among others? How does this compare, on a per-capita basis, to those other countries? I don't expect you to know that answer, but I think it's something that we ought to find out, in terms of what the per-capita basis is.

Now, again, I'd also like to know how the \$20 billion will be spent. I think Senator Byrd's touched on that. What process will you use? Federal Acquisition Regulation (FAR) rules or some other approach? Who signs the checks? Will they all be competitive bids?

In your statement, you said they would be competitive bids. But competitive bids by whom? By other countries? German companies? And France, French companies? Iraqi companies? Who can competitively bid for these contracts? Is it open to anyone, globally?

Ambassador BREMER. Let me answer both of those questions, if I can.

On a per-capita basis, there is a study by the RAND think-tank that looked at the general question of spending and made the point that successful transitions tend to be characterized by large amounts spent early. And to answer your question, because it just happens to stick in my mind, the per-capita spending in Kosovo was about the same as what we're planning to spend here. It's about \$800 per capita.

On the process for bidding, it will be done under our American regulations; and appropriated funds, by law, will have to go—the prime contractor will have to be an American firm.

Senator HARKIN. Will have to be an American firm.

Ambassador BREMER. That's the law.

Senator HARKIN. But they could subcontract—

Ambassador BREMER. That's right.

Senator HARKIN [continuing]. To anybody else they want.

Ambassador BREMER. That's right.

Senator HARKIN. And will you know that before the contract is approved, who they're—

Ambassador BREMER. No.

Senator HARKIN [continuing]. Subcontracting to?

Ambassador BREMER. Normally not, but the guidance that—the contractors we have now follow, my guidance is to place as much of the subcontract as possible in the hands of Iraqi companies so that we create jobs.

Senator HARKIN. There's an article this morning, ran in the New York Times—I don't know if it was brought up earlier; I apologize if it was, I was on a plane just coming back, but reading the New York Times in the plane coming here—said that the Iraqi leaders are going to come here to Congress next week. And I'll just read you this paragraph. It said, "In interviews, the Iraqi leaders said they plan to tell Congress about how the staff of L. Paul Bremer III, the American occupation administrator, sends its laundry to Kuwait, how it costs \$20,000 a day to feed the Americans at the Al Rashid Hotel in Baghdad, how American contractors charge large premiums for working in Iraq, and how across the board the overhead from supporting and protecting the large American and British presence here is less efficient than granting direct aid to Iraqi ministries that operate at a fraction of the cost."

It says they're coming here. It said that, "In a 6,000 mile end-run around American and British occupation authorities, leaders from the Iraqi Governing Council say they will go to Congress this week to argue that American taxpayers could save billions of dollars by granting sovereignty more rapidly to the Council and doing this."

Do you have any comment about that, Ambassador Bremer?

Ambassador BREMER. Well, let me make a few. First of all, we don't send out laundry to Kuwait. But we did—

Senator HARKIN. You did.



Ambassador BREMER [continuing]. We did when we first got there. We had no electricity. We had no running water. And so, for the first 6 weeks, the only place anybody could get any laundry was in Kuwait. We don't do that anymore, because the hotel is open.

We spend \$17,500 a day on food. We serve 3,000 meals. It works out to about \$5 a meal, which, incidently, is \$3 less than it costs for a meal, ready to eat (MRE).

On the question of overhead, there is no doubt it is more expensive to have Americans than Iraqis, but the fact is we are needed there for all the reasons that have been laid out in the supplemental. And we are convinced that this \$20 billion can be spent in accordance with our regulations, can be spent quickly, and can help give the Iraqis the necessary economic infrastructure so that they can have a viable economy, and that, in turn, will provide for a secure environment, which allows us to withdraw our troops.

Senator HARKIN. The rest of the article went on to say that, "In the spirit of demonstrating such savings, the Governing Council this month cancelled the \$5,000-a-day contract that Ambassador Bremer had arranged to feed the 25-member body, and its staff found a cheaper supplier." That's \$200 a day for the 25-member Council.

Ambassador BREMER. Yeah, that, unfortunately, is factually incorrect. The Governing Council arranged that themselves. They were charged on a per-capita basis. And instead of feeding 25 people a day, they were feeding about 100 a day, because they were having their staff and bodyguards eat there.

They're on their own budget now, Senator, and it's up to them to figure out how much they're going to pay for meals. It's not my responsibility.

Senator HARKIN. So when they say that the Governing Council cancelled the \$5,000-a-day contract that you signed—

Ambassador BREMER. That's incorrect.

Senator HARKIN. That's incorrect. That you had arranged, that's incorrect.

Ambassador BREMER. That's incorrect. They have—

Senator HARKIN. Well, I just—

Ambassador BREMER. They have, I understand it, decided that they were spending a bit too much on food, which I entirely agree with. They were.

Senator HARKIN. Well, I'm glad we cleared that up, because obviously this is misinformation that's getting out, right?

Ambassador BREMER. Shocking.

Senator HARKIN. Shocking, isn't it? Shocking. Shocking.

The other thing I wanted to clear up was that on the amount that you're asking for here, in April we were told that the \$2.5 billion the President wanted for the Iraq Relief and Reconstruction Fund was all you would need from American taxpayers. Five months later, you're asking for another \$20 billion, just for this year. Am I right to believe that you will need more like \$75 billion, and that the balance of the \$55 billion will be paid for with Iraqi oil exports and donations from other countries? Is that what we're looking at?

Ambassador BREMER. Well, the \$60 to \$75 billion—probably more like \$60 to \$65 billion—overall need is the assessment of the World Bank of what is needed in the Iraqi economy over the next 4 to 5 years. It involves things like water and power and schools and healthcare and all of the basics.

What we have done is said, what is the most urgent and essential stuff that we need for our strategy and for our plan? And we decided it is security and basic infrastructure. And then we asked ourselves, and what needs to be done now, in the next 12 to 18 months? And that's how we arrived at the plan that you have before you for the supplemental. That's the \$20 billion. The rest of the money will come over a period of years. We hope it will come from the donors conference, which we are going to attend, that the World Bank is calling, in Madrid on October 23. We hope that by the year 2005, Iraqi oil revenues will be more than sufficient to pay for the running costs of the government, and they will have probably \$4 to \$5 billion a year in excess revenues spun off by the oil revenue that they can then invest. And that's how you will fill in this gap.

Senator HARKIN. Mr. Ambassador—

Chairman STEVENS. The time's expired.

Senator Bennett's time will be the last before the votes. The votes will start in 2 minutes. There are two votes that start at 5:30 p.m. We'll return here after that time, Ambassador Bremer, if you continue to be available.

Ambassador BREMER. Sure.

Chairman STEVENS. Senator Bennett?

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

A wild question, off-the-wall, but do you have any idea what the GDP of Japan was at the end of the Second World War?

Ambassador BREMER. No, I don't.

Senator BENNETT. Neither do I.

Ambassador BREMER. I'm sorry.

Senator BENNETT. I don't know what percentage of our—what our contribution to Japan would have been, measured as a percentage of Japanese GDP.

Ambassador BREMER. Don't know.

Senator BENNETT. But I think it would probably have been more than 50 percent of the GDP at that point, because Japan was absolutely prostrate. I used to own a business in Japan. I remember driving through the streets of Tokyo and said to the manager of the business there as I looked at the various buildings, some of which were traditional architecture, and some of which were new—I said to her, "How many of these buildings survived the war? How many of them are pre-war?" And she said, "None." I said, "None?" She said, "There were only two buildings in Tokyo at the end of the war—the Imperial Palace and the Daiichi Insurance Building," which was built out of solid concrete, seven stories—three stories above ground and four stories below. I may have those numbers wrong. She said, "MacArthur took that as his headquarters." I don't think we measure reconstruction money as a percentage of GDP of a country that has been destroyed.

Chairman STEVENS. Will the Senator yield just for a moment there?

Senator BENNETT. Sure.

Chairman STEVENS. I think this President's the first President that's asked for money in advance for a military operation such as this. The money for Kosovo, for Bosnia, even for Tokyo, for occupation in Europe, came out of the operation and maintenance accounts of the Department of Defense. The President was asked, the last time we had this bill up, why we didn't budget in advance, and so this time he gave us the budget in advance for the military costs of this operation needed now for the future supplemental for 2004. And I commend him for doing it.

It was really—past Presidents have taken the money out of money we appropriated to the Department of Defense under the Food and Forage Act, and spent the money for the occupation forces, and Congress replaced it in the Defense budget. This is the first time we've had a stand-up amount—it's an enormous amount—in advance for the costs of an operation like this, a military operation, to support what you're doing in terms of your program for reconstruction.

Thank you.

Senator BENNETT. If I can go back to the hearing that I held in the Joint Economic Committee, I remember being struck by the testimony of the final witness that we had. And, by coincidence—or happenstance, rather—it happened to be the witness that the Democratic members of the committee had called. The Republicans called some of the witnesses, the Democrats called some of the witnesses. And she said to us, "I wish to make four points about Iraq." I'm not sure I have them in the right order. She said, "Number one, Iraq will be very, very difficult. Number two, Iraq will be very, very expensive. Number three, Iraq will take a very long time. And, number four, in the end Iraq will be very much worth it."

And I think that's the point you're trying to make. It will be expensive, it will take time, but, in the end, it will be very much worth it.

We have a poll in front of us. I'm mistrustful of polls, but it's the only public-opinion poll that's been taken in Iraq done by the Zogby organization in connection with the American Enterprise Institute. Seventy percent of the Iraqis said they expect their lives to be better in the next 5 years. And 32 percent, or roughly half of that, said they expect their lives to be very much better, which shows a great sense of optimism among the Iraqis, which is not what you hear from the American press.

Now, what is your perception of how much of Iraq is in an optimistic mood and how much is in a funk, let us say, or a great concern? I understand that it changes geographically. Can you give us a sense of where in the country there is a sense of support and excitement and optimism about the future, gratitude for the Americans for being there, and what portions of the country are they saying, kind of, they wish they'd get us out? Because we keep hearing, from the American press, as if there is only one position in Iraq, and it's they hate us. And now I think a country that size, clearly there's going to be divisions, just as there are divisions in this country. Can you give us your sense, from the ground, as to who is optimistic, who is not, who feels good about our being there and

who does not, how many on each side, and where are they geographically?

Ambassador BREMER. Well, Senator, thank you for that comment.

I've seen the poll, also, and, as you say, one doesn't know about polls. But certainly my, sort of, empirical experience traveling around, and I do travel a lot, suggests that something like 70 or 75 percent of the people in the country are optimistic—I'm very optimistic about Iraq's future—that a similar percent of people are delighted, even more delighted, with liberation. And I think the exception tends to be in those areas where we are being regularly attacked. About 80 to 85 percent of the attacks against American forces are from a very small area, north of Baghdad, between Baghdad and Tikrit. And there are historical reasons for that, and that's the thing we have to keep working on. But if you go anywhere in the north—from Mosul, north—if you go anywhere from Baghdad, south, you will, first of all, find a country that is basically going about its business. Kids are going to school, kids are playing soccer on the soccer fields, people are driving their cars, they're going out to restaurants. And this is the story that you don't hear as much as one should in the American press.

Senator BENNETT. Give us a sense of how long you think it will take in those—well, no, let me go another place, because my time is going.

There are some who say that we cannot ever expect Iraq to function, because it's an artificial country created by Winston Churchill, et cetera, when the British drew the lines, and they drew them in arbitrary ways, and so on. As you move around the country, do you get a sense that there is an Iraqi identity that would override the Sunni, the Shia, the Kurd, and the other subdivisions of those divisions that we hear about, and that, in fact, Iraq has a national identity that can be tapped to create a viable country?

Ambassador BREMER. I think so. I find the Iraqis very proud of their history and of their country, and they do have a great history that goes back 6,000 years, after all. And I find that it does cross the lines. This is not to minimize the problems. There are ethnic and sectarian tensions in Iraq that have to be dealt with, and it's one of the reasons we have to insist on following a careful process as we move on the political front. We cannot rush it, because to rush it is to court real trouble, as I said in my opening statement.

But I think the Iraqis do have a sense of identity. In some degree, it's defined as an identity which is contrast to several of their neighbors. They spent 1,200 years under the Persians, so they have a view towards Iran. They spent 400 years under the Turks, so they have a particular view towards the Turks. So they have managed to pull together something of a national identity, which takes pride in going all the way back basically to the Mesopotamian period 3,000 years before Christ. It is, nonetheless, going to be a challenge to get across all of these lines and put together a government that is unified, but it is our main job.

Senator BENNETT. Just very quickly, with my time gone, how long have you been at this?

Ambassador BREMER. Since May.

Senator BENNETT. MacArthur took 7 years in Japan.

Ambassador BREMER. I hope you're not going to tell me I'm going to take 7 years, Senator.

Senator BENNETT. No. The Marshall Plan, as I said earlier, came after 3 years—

Ambassador BREMER. That's right.

Senator BENNETT [continuing]. Of occupation in Germany, et cetera. I think, by historic standards, you are proceeding at breathtaking speed. And I'm sorry the New York Times is impatient, but I am not.

I agree with the witness, Iraq will be very expensive, Iraq will be very difficult, Iraq will take a very long time, but, in the long run, Iraq will be worth it, and we will reap a dividend from what you are doing in Iraq just as Americans have reaped an enormous dividend for what was done in Germany and Japan at the end of the Second World War.

Economically, we have been paid 1,000 times over for the money and effort that we put into creating those economies on a stable basis and those islands of political stability in areas that had been historically explosive. If we can duplicate that in Iraq, and I think you're on a very fast track towards doing it, our children and our grandchildren will thank us enormously for leaving them that heritage of stability and strength.

Thank you, Mr. Chairman.

Chairman STEVENS. Thank you very much, Senator.

We're 8 minutes into the first vote, gentlemen. I'd suggest we'll come back after the second vote.

Senator BYRD. What time would you say we would come back?

Chairman STEVENS. I'd say that would be 5:15 p.m., 5:20 p.m.—or 6:15 p.m. or 6:20 p.m., pardon me. 6:15 p.m.. I'm seeing the clock wrong. 6:15 p.m., sir.

Senator BYRD. 6:15 p.m., okay.

Chairman STEVENS. Yes, sir.

Gentlemen, if we may, we'll resume the hearing.

Ambassador Bremer, I know you said that your home was dark. Mine is dark. I would hope that I get home before it's not too dark. But I know Senator Byrd has some additional questions.

One of the Senators said to me, Mr. Ambassador, as we went to those votes, why did I believe that this Defense money, that amount of Defense money, was needed? The Defense money was the biggest, largest part of this request. And I told him I remembered too well being overseas in China on World War II. I think one of the desires of any American when he's overseas, particularly in uniform in wartime is to come home. I think that what you're doing is essential, in seeing to it that that wish of our people that are over there can be fulfilled. So I do hope we can get early action by the Congress on this request, and I do hope that you're successful in achieving the Coalition vision that's outlined in your working document of July 21.

Senator Byrd, do you have questions?

Senator BYRD. Well, Mr. Chairman, I've got a few questions, yes.

Do we plan to have any further hearings with Ambassador Bremer?

Chairman STEVENS. Ambassador Bremer will not be asked to come back. I have seen his schedule. He's before the Armed Serv-

ices Committee, and he's scheduled to be before the Senate Foreign Relations Committee, the House Appropriations Committee, both Foreign Operations and Defense Subcommittee—they're not having theirs at full committee, as we decided to do—he'll be before the Senate Armed Services Committee and also before the House Armed Services Committee and/or the House Intelligence Committee in the time that he has left before he returns to Iraq.

We do have scheduled, as I indicated, Secretary Rumsfeld, 10 a.m. on Wednesday morning with Generals Myer and Abizaid. And we are trying to establish a connection with the commander in Afghanistan to see if we could have a televised appearance of the General before us this week. And we are also exploring the other issues that might be brought up. But we have told—Ambassador Bremer has told us the balance of his week here is filled now with other committees that he's been requested to appear before.

Senator BYRD. Well, Mr. Chairman, how about next week?

Chairman STEVENS. Senator, I hope to go to markup 1 week from tomorrow.

Senator BYRD. Well, I'll tell you, Mr. Chairman, I think you've been very kind to have these hearings, and I personally appreciate them, but I don't think we've had enough hearings. I don't think we will have had enough hearings. It may be an imposition on Ambassador Bremer to come back, but he's asking for \$20 billion here. I think that if he expects to get \$20 billion, he ought to make himself available. That's the way I feel about it.

And we have a supplemental here, and we're talking about developing a democracy in Iraq, and we're talking about how we're going to build an army there, and how we're going to build a police force.

This is the first supplemental in which we've really asked questions about the situation in Iraq. The American people have never had any debate with respect to what we have to do, as has been outlined here, with respect to reconstruction in Iraq. When we went into Iraq, the American people weren't told that we were going to reconstruct Iraq, or that we were going to try to build a democracy there. They weren't told that. And now here we are with a bill, and we're going to ram this bill through.

Ambassador Bremer is the administration's key man. He's the point man for reconstruction in Iraq. It seems to me that the American people are entitled to know more about this reconstruction effort and what the plans are, and so are the Members of Congress.

I hope that you won't think I'm being personal, Senator Stevens. I'm dumbfounded by the size of this request and also by the shortness, the brevity, of time which is going to be spent by this committee on this request. Once we latch onto this reconstruction effort and say that we're going to establish a democracy in Iraq, we're going to be there for quite a long time, in all likelihood. I think the American people are entitled to hear a debate and to have questions answered with regard to this reconstruction effort. We've got a lot of reconstructing to do here in our own country, and yet we're putting Iraq ahead of that.

Now, much has been said about this plan. I'm telling you, this is the plan, and this day is the first day that I ever heard of such a plan. This afternoon is the first time that I've seen this so-called plan. That's not your fault, Ambassador Bremer, that we didn't see

it. Here we are, this is on a Monday. Everybody who's familiar with the operations of the Senate and the way we do things around here anymore knows that some Senators are not here on Mondays. So, we have set up one of the most important hearings that we'll have this year with one of the most important witnesses that we'll hear, and yet we've had the hearing on Monday.

I thank you, Mr. Chairman, I thank you, Mr. Ambassador, for re-adjusting the hearings to the point that we could begin them in the afternoon. That was necessary, because I had two doctor's appointments set up for my wife, and it's pretty hard to arrange doctor's appointments. I have a duty to my wife, and I'm going to stand by that duty, and you've allowed me to do that.

But still, we are disadvantaging the American people when it comes to handling their money by ramming this huge bill through with only one day of hearings.

Now, let's take a look at this plan. I'm looking on page—I'm not too familiar with this plan—I'm looking on—it says "Security 1" at the bottom of the page. The heading on the page is as follows, "Achieve a Secure and Stable Environment and Transition Responsibility for Maintaining it to Iraqi Security Forces." One, "Defeat Internal Armed Threats by October 3." That's the way I read it. The plan was to defeat internal armed threats by October 3. Is that correct, Mr. Ambassador?

Ambassador BREMER. Well, that's one of the dates. That's a continuing obligation. If you continue out to the right there, Senator, you'll see that that particular obligation carries all the way through to the far right-hand column. And where it says "Continue," that means continue the effort to defeat internal threats and gradually transfer responsibility—

Senator BYRD. No, no, no. That says "Continue Transfer Responsibility."

Ambassador BREMER. No, there's a period after the word "Continue," sir.

Senator BYRD. "Continue."

Ambassador BREMER. Continue—

Senator BYRD. "Transfer Responsibility."

Ambassador BREMER. Yeah.

Senator BYRD. Yeah. Continue what?

Ambassador BREMER. Continue to defeat internal armed threats. That obligation carries all the way through to the right-hand column. In my view, that obligation will continue for at least the next 6 to 9 months. And as we do that, as this top line says, we're going to start transferring responsibility. Presuming we get the supplemental from Congress, we will accelerate the transfer of responsibility to Iraqi police, Iraqi border police, the facilities protective service, and the Iraqi army.

Senator BYRD. Well, this certainly needs some fleshing out. That's all the more reason why we ought to have more hearings. This says, as I read it, "Defeat Internal Armed Threat." And they're going on. In some ways, they seem to be increasing in number. It doesn't say that we're—the American people haven't been told that we were going to be in there another 8 to 10, 12 months, or 12 or 14 or 16. We're going to rebuild an army? We're going to build an Iraqi army? The American people have never been told

this, and yet we are going to appropriate money to do it. And once we start down that road, we're committed.

With respect to the reconstruction process, how much money have other countries contributed, as of now, to the reconstruction efforts?

Ambassador BREMER. Senator—

Senator BYRD. In March, Secretary Rumsfeld testified that he thought that over 60 countries would contribute to the reconstruction effort. The President is asking Congress to appropriate \$20 billion. To date, how much have we received in donations from the 60 countries for reconstruction efforts?

Ambassador BREMER. Senator, 61 countries have pledged \$1.46 billion.

Senator BYRD. Pledged. But how much have we received?

Ambassador BREMER. Well, I don't know what the—the receipt number, I'm not sure, but that's pledged and given.

Senator BYRD. Well, surely you know how much we've received.

Ambassador BREMER. Well, I'd have to go through each country, Senator, to know which has been delivered. It's like our appropriations process. In many countries, they have to appropriate the funds after they pledge them, and then the funds actually have to flow.

Senator BYRD. Well—

Ambassador BREMER. There's a gap in time. But we have about a billion and a half from 61 other countries, to answer your question.

Senator BYRD. Sixty-one countries have pledged about \$1.5 billion?

Ambassador BREMER. That's right.

Senator BYRD. Now, with respect to the contributions in personnel, I've heard this said time and time again, to the effect that there are 30 countries involved here, and it makes it sound like there may be 30 countries contributing what we're contributing. But when one takes a careful look at it, one will find that probably as many as 20 of these countries don't appropriate more than 1,000 men each, and possibly 20 of them contribute 100, 200, 300, or certainly less than 1,000. So why don't we just make it clear to the American people that of these 30 countries—there are about 4 or 5 that contribute—Britain, I believe you said 8,000 or 10,000, something like that; then Poland, how many, 2,500?

Ambassador BREMER. I think Poland has a reinforced brigade. But, again, Senator, I really think that you'll get more accurate information from your witnesses Wednesday on these figures. This is really more something that General Abizaid can answer with much more precision than I can.

Senator BYRD. Well, I'll hope that I can be there Wednesday and ask questions.

Now, with respect to Iraqi's new army, the New York Times of yesterday, Sunday, September 21, has this headline, front page, above the fold, "Iraqi's New Army Gets Slow Start. Effort to Train Force is Small and Plagued with Delays." I suppose you're familiar with this.

Ambassador BREMER. Yes, I saw the story.



Senator BYRD. The story. It says, "Within a few minutes, under the watchful eye of private trainers paid by the United States, a platoon of recruits overruns the enemy position. This is a mock attack, complete with whistles and so on. Like the rest of their battalion, these young men are only weeks from becoming full-fledged soldiers. When they are ready, their new army will have 735 men." That doesn't sound like a very big army, does it?

Ambassador BREMER. Senator, that story refers to the first battalion of the new Iraqi army, which I mentioned in my opening statement will graduate not late, as that article's headline suggests, but on time on October 4.

Senator BYRD. It says, "Whether the Americans simply underestimated Iraqi resistance or whether the United States wanted Iraq to depend on America for security, as some Iraqis contend, the delay has fueled the Iraqi's distrust of Washington's intentions and placed a heavy burden on American troops." It goes on. I see a line that jumps out at me. It says, "These troops will not be available until next summer."

And then I excerpt another paragraph, "The occupying forces want to train an additional 35,000 Iraqi police officers in Hungary over the next 2 years. None are now being trained, though training is expected to begin this fall. Even if the plan to have former Iraqi officers recruit a new army works, the only new troops in the next 10 months will come from the training at the base here, which is expected to produce about 6,700 by next September."

Well, Mr. Ambassador, we're going to be a long time in building an army at this rate. We're going to be a long time in building an adequate, efficient, well-trained police force at this pace.

So I think we're being given—with all due respect, Mr. Chairman, I think we're being given a kind of a snow job by the administration. The American people haven't been told. They weren't told when we went into Iraq.

Chairman STEVENS. Senator, I've got to tell you, I've got a family at home. We're here to have you ask questions of Ambassador Bremer. If you want to ask him questions, do it. I'm not here to debate with you, and I'm not here for you to read me the New York Times. I read it yesterday.

Now, I have to go home, sir. Do you have any more questions for Ambassador Bremer?

Senator BYRD. Well, you're not going to rush this Senator.

Chairman STEVENS. Well, I'm—

Senator BYRD. I'll tell you this. We're going—

Chairman STEVENS [continuing]. With all due respect—

Senator BYRD [continuing]. We're going to have a debate on this. We're not being treated fairly. Here this is a Monday. Some Senators aren't here on Mondays. I'm sorry about that. I'm here. Senator Stevens is here, and a few other Senators. But normally the Senate is not in session on Mondays, and yet we're hearing one of the key witnesses in this whole thing.

We're talking about an \$87 billion Defense bill, \$20 billion of which is going to be under the direction of the witness who is testifying now. I said at the beginning, I think that he's doing a good job with what he has. But we have a responsibility. Senator, I can't

help when you have to go home. I have to go home, too. I have responsibilities at home, but I also have responsibilities here.

Now, if you can tell me, Mr. Chairman, that we will be back and that Ambassador Bremer will be back, I'll be very happy to close here in another 5 minutes.

Chairman STEVENS. Senator, we're going to close here at 7:15 p.m. We're going to close this hearing at 7:15 p.m.

Senator BYRD. 7:15 p.m.

Chairman STEVENS. Yes, sir.

Senator BYRD. Well, in other words, these empty chairs here represent Senators who could not be here, and those Senators are not going to have an opportunity to hear Ambassador Bremer, or to ask him questions. Is that right?

Chairman STEVENS. Every Member of the Senate—this Appropriations Committee that I could find on the floor to ask did anyone else have any questions, not one did, from your side or from mine.

Senator BYRD. That doesn't prove anything. These Senators have a responsibility to hear Ambassador Bremer and a right to hear him. They represent millions of people, collectively. And I think that, if we're going to make a considered judgment on spending this much money in a reconstruction effort which has never been debated in the Senate and concerning which the American people have never been informed about, we're not fulfilling our obligation to the American people and to these Senators. Now, they're not here, and perhaps they were told. I don't know. But, in any event, who else is going to appear before this committee and tell us about reconstruction? May I ask that question? What other witnesses are going to be before this committee and answer questions about the reconstruction effort? Is this the short and the long of it, as Shakespeare said?

Chairman STEVENS. Ambassador Bremer is the witness in support of this portion of the supplemental.

Senator BYRD. Well, I'm requesting, Mr. Chairman, that we have Ambassador Bremer come back on another date so that these Senators who have not been here today will have an opportunity, another opportunity, to hear him and to go over his answers in today's hearing and to study the plan. This so-called plan was sprung on us, as far as I'm concerned. I'm not making any accusations, but in my conversations with other Senators on my side of the aisle, they never knew about this plan until today.

Now, as the ranking member, I'm making that request, that we have Ambassador Bremer come back.

Chairman STEVENS. I'm sorry, sir, we've examined Ambassador Bremer's schedule. As I've told you, he's scheduled to return to Iraq with the House Armed Services Committee, as I understand it, at the end of the week, and he will not be back.

Senator BYRD. Well, Mr. Chairman, if I were chairman, I wouldn't treat you like that—you, as the ranking member. If you asked for another hearing, I would arrange for you to have another hearing.

The administration wants \$20 billion over which it will have oversight. The Congress has a responsibility to oversee this money.

Chairman STEVENS. Senator, three committees in this Senate are having hearings, besides this one. Some of these Members are on those committees. Three committees in the House are having hearings. This is going to be thoroughly explored by at least six committees. We are exploring this \$20 billion now. We're going to explore the Defense matter on Wednesday. And we may go into another issue on Thursday with regard to Afghanistan. I have before me the hearings history on supplementals. There has never been more than one meeting on a supplemental before this committee.

Senator BYRD. No.

Chairman STEVENS. Never once—

Senator BYRD. I don't know whether that's true or not.

Chairman STEVENS [continuing]. Before. Well that's the record.

Senator BYRD. I'm not challenging what you're saying.

Chairman STEVENS. I didn't make it up. That's the record.

Senator BYRD. What difference does that make? This is the first time that we've heard anything, the first witnesses that we've heard, about any reconstruction effort in Iraq, and this so-called plan has just come to light today, as far as I'm concerned. I think some of it is laughable. It's absolutely impossible to make a judgment based on a short examination of this plan, which came into my possession just 2 or 3 hours ago.

And I'm asking you, as chairman, to work out a plan whereby Ambassador Bremer can come back. The American people are entitled to this. That's not asking very much. It's only asking what is right.

Chairman STEVENS. Senator, I'm sure the Ambassador will respond to any questions you want to submit for the record, and the record will be open until next Tuesday.

Senator BYRD. Well, submitting questions for the record, Mr. Chairman—I've been around here a long time; I know what that means. You can't ask the Ambassador any follow-up questions about his responses. There are no follow-on questions. He can submit answers for the record. That's not like having the Ambassador here. He wants \$20 billion.

I'm not trying to provoke you, Mr. Chairman. I just am asking for what I think we should have. We should have another hearing. Look at the empty chairs.

Chairman STEVENS. Senator, as a member of the Armed Services Committee, he'll be before the Armed Services Committee.

Senator BYRD. I understand that. I've been attending the Armed Services Committee as well as I can. But I'm sorry that the chairman is apparently just going to flatly turn me down on this request.

Well, let me say, Mr. Chairman, that I don't mean to be discourteous, but if you're not going to have another hearing with Ambassador Bremer, I don't know why you would not want to do that.

Ambassador Bremer, could you appear again before this committee, in the interest of this \$20 billion bill?

Ambassador BREMER. The chairman has already addressed that question, sir.

Senator BYRD. Well, I'm asking you if you could appear, if the chairman were to ask you to come back?

Ambassador BREMER. I don't have time, sir. I have—I'm completely booked, and I have to get back to Baghdad to my duties at the end of the week.

Senator BYRD. You don't have time, and yet you want \$20 billion? You don't have time to make yourself available? Is that what you're saying?

Ambassador BREMER. Senator, I'm prepared to stay here as long as you want tonight and answer any questions you've got, and I'm prepared to answer any questions you submit for the record we don't get to tonight.

Senator BYRD. Well, are you prepared to come back if—

Ambassador BREMER. Sir, I do not have the time, but I'm prepared to stay here as long as the chairman wants to keep in session.

Senator BYRD. Well, look at the empty chairs. I'm sure that the American people are represented by more than one Senator, the Senator from West Virginia.

I take it that we're not going to get you back and that you're going to take the position that you will just stay here as long tonight as I might want to stay. Where's the audience? You're asking for \$20 billion.

Well, Mr. Chairman, let me say this. I don't think that I've ever been treated with such discourtesy as I have on this occasion. I'm surprised, Mr. Chairman, that you would treat your old friend like that. I say most respectfully to you, that if the tables were turned, I would immediately do that for you and your colleagues representing a large minority here.

You're going to close the committee at 7:15 p.m.?

Chairman STEVENS. Senator, I have the greatest respect for you, and I've tried to show it in this hearing today. I think the record will show that you've used half the time today. The rest of the members had 8 minutes apiece.

Senator BYRD. What difference does—

Chairman STEVENS. I have done my best to meet—I agreed to hold the hearings that you requested. I agreed to get Ambassador Bremer here, and he came, as requested. I have agreed to get Secretary Rumsfeld here, and he will come on Wednesday, as requested. We're trying to work out a hearing, a televised hearing, about Afghanistan. I think I've gone much further than any chairman in my history has gone to meet the request for hearings on a supplemental. Most supplementals don't have any hearings at all.

Senator BYRD. That doesn't make any difference what most supplementals do.

Chairman STEVENS. I understand that. This is an exception, and we've made an exception, sir.

Senator BYRD. But I'm not going—

Chairman STEVENS. If I have offended you, I apologize. I've not intended to offend you, but I've intended to try to work this hearing in with my family responsibilities and other things that I must do.

Senator BYRD. Senator, you haven't offended me. And what difference does that make? That's of no interest in the long run of history. I'm just trying to do my duty. I don't believe that adequate explanation has been made for this \$20 billion on the part of Ambassador Bremer. He has been very good to make himself available

this afternoon. But I can see the handwriting on the wall. There's not going to be any further hearing in this committee on this request insofar as Ambassador Bremer is concerned.

And let me, then, close out my part, since you're going to close it at 7:15 p.m.

I was one of the 23 who voted against giving the President the power, which the Constitution doesn't give him, the power to declare war. I was against giving him that power then, and I'm against it now. I think that it was the wrong decision on the part of the Senate to do what it did, and I think that Members will come to regret it, and many already have.

I don't think that this \$20 billion, insofar as Ambassador Bremer, has been justified. I don't think the American people had an understanding when we went into this war that we were going to create a democracy there, that we were going to spend billions of dollars for reconstruction. The American people weren't told about that.

Now, I see two wars here, the war in Afghanistan, which began with the terrorist attack on the Twin Towers on September 11, 2001. This country was attacked, and I am for doing whatever needs to be done in that regard. In the war in Iraq, we attacked a sovereign country by the order of the Commander in Chief. That country did not attack this country. That country did not represent an imminent threat to this country. But we deliberately attacked that country in furtherance of the doctrine of preemption. I don't subscribe to that doctrine. And so, we are in two wars. One I fully support. The other I have grave questions about.

And that's why I've referred to it as "Mr. Bush's war." He, as Commander in Chief, declared war, in essence, on Iraq, and Congress made a decision, which I did not share; namely, it shifted to the President the responsibilities for our making the declaration.

And so, one can see why I think, and great numbers of the American people think, that we are in a war which we should not have fought. I feel a responsibility to the American people and to the people of West Virginia to do what I can to have Congress examine the request for \$20 billion. That's the taxpayers' money. And that's not the end of it.

We gave the United Nations the back of our hand when it came to going into Iraq. We should have taken a little longer there. The inspectors were on the ground. They were going wherever they wanted to go. They were making progress. They were destroying caches of weapons. I think we could have avoided this war by continuing with those inspectors, and by taking more time. Hans Blix said that it would take months, not years, to do the job there. We should have done that.

I say, to the credit of the President, that he was instrumental in forcing the Iraqis to open their doors, so to speak, to the inspections. The inspections were going forward. But the President was apparently bent up going to war in Iraq.

I recall Karl Rove, the President's political guru, who addressed the Republican Committee Members in January of last year, I believe it was, in California, saying, in essence, that we should make this war on terrorism our strategic centerpiece, or words to that effect, for the political campaign. Now, I haven't forgotten that, and

that makes me dubious of the correctness or incorrectness of what we did, of our attacking another country that didn't present an imminent threat to us and had not attacked us. It was something that I think we already knew, many of the American people. I certainly knew it. But that is a kind of background. And so one cannot help but be somewhat suspicious of the motives of the administration in pushing us into that war.

So having said that, that will probably explain why I say that there are two wars. I've explained why. Two wars. And the second one, I have designated that, in my own public statements and in my own mind, as "Mr. Bush's war." He took us to war. There was no good reason to go. And here we are now, we're going down another long road, and that is that we're going to reconstruct Iraq. And, here again, we haven't asked the United Nations to help us. I understand that the President will go tomorrow, and I hope he will ask the United Nations to help. I can understand the reluctance on the part of some of the other countries to join with us in that. They weren't with us on the takeoff, and we didn't want them with us, we didn't wait, and now they won't be with us on the landing.

But I say all that, Mr. Chairman, to explain why I, personally, feel that we're doing the wrong thing by our country in taking the actions that we've taken, and Congress stepping aside and giving to the Commander in Chief the authority that he doesn't have, the authority to declare war, and our stepping aside, relegating ourselves to the sidelines. And now we find that we're going to be taken down another long road.

I thank you, Ambassador Bremer, for what you're doing. I think that you, personally, are trying hard. I think that you're loyal to those who have placed this responsibility in your hands. I think that you've done the best you could. I don't envy your task. It's a tough one. Much of what I have said certainly is not directed at you. I probably wouldn't have said it here tonight had it not been for the fact that, apparently, as the head of the Democratic Members here, I'm going to be denied on the basis, on my side, of a further opportunity to ask questions.

This is an extraordinary time that we're in, I must say, and I am very sorry that this committee is not going to have another opportunity to ask questions of the key man in Iraq. I think it's bad.

I, personally, thank you for what you're doing, and I certainly thank our troops for what they are doing. I think that we ought to do whatever we can even if it means our eating a little crow, I think we ought to be willing to eat some crow—to get the United Nations with us and give them a share in the control of the civilian side, and not be so bent over in opposition and in reluctance to share some of this with our erstwhile friends and allies.

Mr. Chairman, I thank you for having this hearing. I thank you for having it in the afternoon so as to accommodate me, as I asked you to do. I have no more to say at this point.

Chairman STEVENS. Well, Mr. Chairman, Ambassador Bremer, I was sitting here thinking about a conversation I had once with a Secretary of Navy who was called by President Roosevelt to his office and told that he wanted to give Britain some of our naval equipment. He said he thought we ought to develop a program

where we could loan them or lease them these pieces of equipment. The Secretary told me that he had gone back to his Department, and he asked his general counsel if the President had the authority to do this, and the counsel said no, he didn't have authority to do that. So the Secretary said he went back to the President and said he was sorry, he couldn't do what the President asked him to do because he didn't have authority to do it. And President Roosevelt, according to this gentlemen who told me the story, and he was the one that was there supposedly, said to him, "Well, I want you to go back to your Department and go through your legal department, and the first lawyer that agrees with me, he's your new general counsel."

I say that, Senator, because in my lifetime and yours we've seen Presidents act in a lot of ways. I remember when Harry Truman went to Korea, and I remember when Lyndon Johnson went really deeply into Vietnam. And this President came to us for authority. He got the authority from Congress—77 to 23 in our Senate, almost two thirds in the House, voted to give the President this extraordinary authority to go to war, because he thought it was right, just as President Roosevelt thought was right to go into lend-lease, just as Harry Truman thought it was right to go into Korea, and just as Lyndon Johnson thought it was right to go into Vietnam.

Now, you have your vision, and I have mine. Mine is that, Mr. Ambassador, I hope you go back there and do everything you have to do to assist this government to come to where the world wants it to be, to a stable government and to bring those young men and women home. I hope it happens during my watch. But if it doesn't happen during my watch, as long as I'm here I'll support you in what you're doing and do everything I can to get you the money, the taxpayers' money, to do what we have to do.

Basically, this money, over \$60 billion of it, is for Defense, to protect and give our people the ability to defend themselves and to defend the people we've chosen to defend, those who wanted freedom in Iraq.

So I respect you, Senator, I respect your right to ask questions and to have a hearing, but I think my job is to respond to the President's request, an emergency request. This is an emergency bill. I don't know that we've ever had a hearing on an emergency bill before. We're going to have three hearings, at least, on this one. And that was at your request, Senator. So I have deep respect for you.

I've got to say, Ambassador, God be with you, and I hope you do well in the other hearings, and I look forward to hearing what you and—again, you have my phone number, sir. I don't give it to many people, Senator, but I gave it to Ambassador Bremer. You call me if I can ever help you do the job, this incredible job—I think that's one thing, Senator Byrd and I both agree on—you have the most incredible job in the world right now. It's a tough one, and I wish you well.

Senator BYRD. Mr. Chairman, may I say one thing in closing?

Chairman STEVENS. Yes, sir.

Senator BYRD. Mr. Chairman, to me, the Constitution is far above any President of the United States. And I'm standing by what I think. I'm standing by the Constitution. This country in-

vaded another country without provocation, and I think that has to be taken into consideration. American lives are being taken, and American treasures are being taken to fight a war under a new doctrine, the preemptive strike doctrine. I think if that matter were to be put before the American people, they'd vote it down overwhelmingly. The doctrine of preemption, that's what we're doing. And never, no matter what President there may be, Republican or Democrat, would I put that President ahead of the Constitution and ahead of this institution. I have to say that I don't think we're doing the right thing tonight.

Thank you very much.

COMMITTEE RECESS

Chairman STEVENS. Well, thank you, Senator. I always wanted to be a marine. From the Halls of Montezuma to the Shores of Tripoli, neither one of those actions was authorized by Congress.

Do your best, Mr. Ambassador.

Ambassador BREMER. Thank you, Mr. Chairman.

[Whereupon, at 7:14 p.m., Monday, September 22, the committee was recessed, to reconvene subject to the call of the Chair.]



**FISCAL YEAR 2004 SUPPLEMENTAL REQUEST  
FOR RECONSTRUCTION OF IRAQ AND AF-  
GHANISTAN**

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**WEDNESDAY, SEPTEMBER 24, 2003**

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

The committee met at 10:05 a.m., in room SD-106, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Specter, Domenici, Bond, Burns, Shelby, Bennett, Campbell, Craig, Hutchison, Brownback, Byrd, Inouye, Hollings, Leahy, Harkin, Mikulski, Reid, Kohl, Murray, Dorgan, Feinstein, Durbin, and Johnson.

OPENING STATEMENT OF CHAIRMAN TED STEVENS

Chairman STEVENS. Good morning, Mr. Secretary, General Myers, General Abizaid, and I note that Dr. Zakheim is with us. Thank you for coming.

We're here to discuss the administration's request for the fiscal year 2004 supplemental, and it would be my wish that we'd hear from the Secretary first, and then proceed with our questions or statements.

Mr. Secretary?

**STATEMENT OF HON. DONALD H. RUMSFELD, SECRETARY, DEPARTMENT OF DEFENSE**

**ACCOMPANIED BY:**

**GENERAL RICHARD MYERS, CHAIRMAN, JOINT CHIEFS OF STAFF  
GENERAL JOHN P. ABIZAID, COMMANDER, CENTCOM  
DR. DOV ZAKHEIM, UNDER SECRETARY OF DEFENSE (CONTROLLER)**

Secretary RUMSFELD. Mr. Chairman, thank you, and members of the committee. We've been requested to have our statements submitted for the record, and that only I make a brief opening statement, which I will do.

Chairman STEVENS. I'm pleased you've complied with that request. All of your statements will appear in the record as though read.

Secretary RUMSFELD. Earlier this month, the American people marked the anniversary of September 11, and thanks to the courage of the men and women in uniform, two brutal regimes have been removed from power, two nations have been rescued from tyranny. And thanks to those who fight the battles, thousands of ter-

rorists have been captured or killed, including nearly two-thirds of known senior al-Qaeda operatives, and most of those responsible for the September 11 attacks.

With the support of some 90 nations, a number of planned attacks have been stopped, terrorist assets seized. But perhaps the greatest blessing is the fine men and women who wear the uniform. Each volunteered for service, and, in the course of the war, many have given their lives. Still others have suffered serious wounds. As many of you, we visit them in Bethesda, Walter Reed, and other hospitals around the country. Our hearts go out to their families and to all those who have been injured or killed in this war, both United States and Coalition, alike. We're grateful also for the brave soldiers and the fine civilian staffs from the Coalition countries that now serve in Iraq, Afghanistan, and elsewhere in the global war on terror.

Together, we've accomplished a great deal, but a good deal remains. Notwithstanding the successes, dangers persist. Many terrorists are behind bars, but those that remain at large are planning future attacks.

#### FISCAL YEAR 2004 SUPPLEMENTAL REQUEST

As a sign of his conviction, the President has proposed, requested, \$87 billion in emergency funds to fight the war on terror. The vast majority of the funds that the President has requested will go the troops who are risking their lives in this struggle. Of the \$87 billion, \$66 billion is to support ongoing military operations, money for military pay, fuel, transportation, maintenance, weapons, equipment, lifesaving body armor, ammunition, and other military needs. He requested \$51 billion for military operations in Iraq, \$11 billion for military operations in Afghanistan, the Horn of Africa, and other Operation Enduring Freedom missions; \$2.2 billion for defending the U.S. homeland; \$1.4 billion to support Coalition partners, many of whom are stepping forward with troops willing to risk their lives in this effort, but whose governments lack the resources to support those deployments. So \$66 billion, or 75 percent of the request, is for the troops. They need it, and they will need it soon.

The remaining \$21 billion is to help Afghanistan and Iraq secure their nations for freedom so that they can get on a path to stability, self-government, and self-reliance.

For the Afghanistan request, it's for \$300 million for roads, schools, clinics, \$400 million to train and support the Afghan National Army and highway patrol, border patrol, and national police, \$120 million to train demobilized militia and help them find jobs, and support other private-sector initiatives, and nearly \$300 million to support the rule of law, elections, and other critical support for the Afghan National Government. This support is in addition to the \$1.8 billion previously appropriated and the \$5 billion that has been pledged thus far by the international community.

#### IMPORTANCE OF FUNDING FOR RECOVERY

Since Ambassador Bremer was here before this committee on Monday, I will not address the request for the \$20 billion for the Coalition Provisional Authority (CPA) in Iraq, except to say that a

major portion is to help the Iraqis assume responsibility for the security of their country, including the training of Iraqi police, border guards, facility-protection services, a new Iraqi army, and a new Iraqi civil defense corps, and for the Iraqi justice system.

The funds for the Department of Defense and the \$20 billion for the Coalition Provisional Authority are linked inextricably. Both are needed. All of the CPA request investments are critical for the efforts that General Abizaid and General Sanchez and their troops are engaged in.

Helping Iraqis provide for their own security is critical. The investments the President is requesting are, in a very real sense, a critical element of the Coalition's exit strategy. The sooner Iraq can defend its own people, the sooner the United States and the Coalition forces can turn over the security responsibility to the Iraqis. But reaching our goal requires some investments now to restore critical infrastructure and basic services necessary to jumpstart the economy. Iraq cannot make those improvements today without assistance from the United States and the international community. But the purpose of this assistance is to help the Iraqis get on a path where they can rebuild their own country.

The President has requested a \$20 billion investment in the future of Iraq. To put that in context, the Marshall Plan, after World War II, cost roughly \$90 billion in today's dollars. Those investments helped transform a region that had been a source of violent war and instability for centuries and turn it into a place of peace, prosperity, and mutually beneficial trade.

#### PROGRESS IN AFGHANISTAN

I recently returned from Iraq and Afghanistan, as did Secretary Powell, and I know a number of you have been there very recently, as well. I am convinced that progress is being achieved in both countries. Afghanistan is on the road to a more stable democratic self-government. After 2 years of training, the Afghan National Army has recently been fighting side by side with Coalition forces in our most recent anti-terrorist campaigns, Operations Mountain Viper and Warrior Sweep. The central government is working to extend authority to these provinces. Together with the Afghan authorities, the Coalition deployed what we called Provincial Reconstruction Teams, or PRTs, to four provinces, with four more on the way.

Afghanistan faces challenges, to be sure, but the progress has been measurable. The terrorist training camps are gone, al-Qaeda is on the run, the Afghan people are liberated, and the country is on a path to democracy.

#### PROGRESS IN IRAQ

In Iraq, the Coalition forces also face difficulties and dangers, let there be no doubt, including the threat from regime remnants, criminals, and foreign fighters who have come into the country to oppose the Coalition forces. What's remarkable is that despite the significant dangers they face, the Coalition civil and military staff in Iraq has, in less than 5 months, racked up a series of achievements in both security and civil reconstruction that may very well be without precedent.

Consider a few of their accomplishments. In less than 5 months, virtually all major Iraqi hospitals and universities have been reopened. Hundreds of secondary schools—until a few months ago, those schools were used often as weapon caches for the Ba’ath Party—they have been rebuilt and they were ready for the start of the fall semester. Fifty-six thousand Iraqis have been armed and trained in just a few months, and they are contributing to the security and defense of their country. Another 14,000 are currently—have been recruited and are currently in training, for a total of 70,000. Today, a new Iraqi army is being trained, and more than 40,000 Iraqi police are conducting joint patrols with Coalition forces. By contrast, it took 14 months to establish a police force in postwar Germany, and 10 years to begin training a new German army.

As security improves, so does commerce, and some 5,000 Iraqi small businesses opened since liberation on May 1. The independent Central Bank of Iraq was established and a new currency announced in just 2 months, accomplishments that took 3 years in postwar Germany. The Iraqi Governing Council has appointed an Iraqi Cabinet of Ministers, something that took 14 months in Germany. And all of this is in less than 5 months.

In all major cities and most towns and villages, Iraqi municipal councils have been formed, something that took 8 months in Germany. To date, the Coalition has completed some 8,000 civil-affairs projects, with many more underway. All of this has taken place in less than 5 months.

The speed and breadth of what Ambassador Bremer, General Abizaid, General Sanchez, and the Coalition military and civilian teams has accomplished is impressive. It may, in fact, be without parallel, whether compared to postwar Japan, postwar Germany, or postwar Bosnia or Kosovo.

#### FOREIGN CONTRIBUTIONS

I keep hearing that the United States should not go it alone. Well, the United States is not going it alone. There are, at this moment, some 17 nations represented in Ambassador Bremer’s Coalition Provisional Authority. They are participating in that authority. Moreover, there are currently 32 countries with troops in Iraq today. They include Albania, Azerbaijan, Bulgaria, the Czech Republic, Denmark, Dominican Republic, El Salvador, Estonia, Georgia, Honduras, Hungary, Italy, Kazakhstan, Korea, Latvia, Lithuania, Macedonia, Moldova, Mongolia, The Netherlands, New Zealand, Nicaragua, Norway, the Philippines, Poland, Romania, Slovakia, Spain, Thailand, Ukraine, and the United Kingdom. Portugal is, at this moment, preparing to deploy forces in Iraq, as well.

Of the 19 North Atlantic Treaty Organization (NATO) nations, 11 have already committed troops to Iraq. We’re currently in discussions with 14 other countries.

Now, do they equal our forces, or do their financial contributions equal ours? No, they don’t. But do they represent a significant military commitment, and do they represent a significant political commitment of those nations? Yes, they do. And we are, and we should be, deeply grateful for their contributions, for their political cour-

age, as well as for their friendship. A great many of the forces of those countries, I should add, are also volunteers, as are all of ours.

In Afghanistan, NATO has just taken over command of the International Security Assistance Force (ISAF), the Alliance's first mission outside of Europe in its entire history. I met with the new German Commander of ISAF forces in Kabul. What they are doing is important for Afghanistan and for the NATO Alliance, as well.

So between Iraq and Afghanistan, there are now 49 countries with forces on the ground, with many others making important contributions in other ways. So this business that America is going it alone, it seems to me, is not factual at all.

#### AFFORDABILITY

Let me conclude by recalling why we're spending this money, why we are proposing it, why the President is requesting it.

The Wall Street Journal recently tallied the cost to our country and the economy after the September 11 attacks: \$7.8 billion in lost income for the families of more than 3,000 victims; \$21 billion sent to New York City for direct-damage costs; \$4 billion for the victims fund; \$18 billion to clean up the World Trade Center site; \$700 million to repair the Pentagon; \$6.4 billion in reduced or lost wages or salaries for workers in New York industries; \$1.3 billion net job loss nationwide; \$50 billion in costs to the insurance industry; \$11 billion in lost business to the airline industry; the bankruptcy of two airlines, even after a \$15 billion Federal bailout; \$38 billion in costs for new border security, protection against biological threats and emergency preparedness; \$1.3 billion in costs to State governments for homeland security; \$33 billion in spending by the private sector for new protective services.

So even assuming some overlap, which there undoubtedly is, the 9/11 attack very likely cost the American people hundreds of billions of dollars. And that's not counting the price paid in lives and the immense suffering of their families and their loved ones.

I believe our Nation can afford whatever it needs to defend our people, to defend our way of life, and to defend our vital interests. At the height of the cold war in the Eisenhower and Kennedy years, we spent roughly 10 percent of Gross Domestic Product (GDP) on defense. The last time I was Secretary of Defense, in the 1970s, we spent something in the neighborhood of 5 percent. Today, we spend a little over 3 percent. It's a great deal of money, let there be no doubt, but it's a modest fraction of our Nation's wealth.

To defend freedom in the 21st century, we need to root out terrorists. We need to take the battle to the terrorists. And we need to help the now-free people in Iraq and Afghanistan rebuild from the rubble of tyranny and claim their places as responsible members of the community of nations. A British author wrote, quote, "If a nation values anything more than freedom, it will lose its freedom. And the irony is that if it is comfort or money that it values more, it will lose that, too."

Is \$87 billion a great deal of money? Answer is yes. Can our country afford it? The answer is also yes. We believe it is necessary for the security of our country and the stability of the world, and that the price of sending terrorists a message that we're not willing

to spend what it takes to do or what it takes, that we value comfort or money more than freedom, would be far greater.

Thank you, Mr. Chairman.

[The statements follow:]

PREPARED STATEMENT OF DONALD H. RUMSFELD

Mr. Chairman, thank you for this opportunity to testify on the President's emergency supplemental request.

Earlier this month, the American people marked the anniversary of the September 11th attacks—and took stock of all that had been accomplished in the two years since this war on terror was visited upon us two years ago.

Thanks to the courage of our men and women in uniform, two brutal regimes have been removed from power, two nations rescued from tyranny. Thanks to those who fight the battles, seen and unseen, in the war on terror, thousands of terrorists have been captured or killed—including nearly two-thirds of known senior al-Qaeda operatives, and most of those responsible for the 9/11 attacks. With the support of dozens of nations, a number of planned attacks have been stopped, terrorist assets seized, and thousands of lives saved.

We have much to be grateful for. But perhaps our greatest blessing is the fine men and women who wear our nation's uniform. Each of them volunteered for service—and in the course of this war, many have given their lives. They are heroes—they will not be forgotten. Still others have suffered serious wounds. I've visited with many of them, at Bethesda and Walter Reed, and Brooke Army Medical Center—to thank them for their service and sacrifice.

Our hearts go out to the families of all those who have been injured and killed in this war—U.S. and Coalition forces alike. And we are grateful also for the brave soldiers and fine civilian staffs from Coalition countries now serving in Iraq and Afghanistan.

Together, we have accomplished a great deal. But much work still remains. Notwithstanding our successes, dangers persist. Many terrorists are behind bars—but those that remain at large are planning future attacks. Standing between our people and the gathering dangers is the courage of our men and women in uniform—and the determination of our country to see this war through.

As a sign of his conviction that we must prosecute this war, and defeat those who threaten us, the President has requested \$87 billion in emergency funds to fight the war on terror.

The vast majority of the funds the President has requested will go to the troops who are risking their lives in this struggle. Of the \$87 billion in the President's request, \$66 billion is to support ongoing military operations—money for military pay, fuel, transportation, maintenance, weapons, equipment, life-saving body armor, ammunition and other critical military needs.

The President has requested:

- \$51 billion for military operations in Iraq,
- \$11 billion for military operations in Afghanistan, the Horn of Africa and other missions related to Operation Enduring Freedom,
- \$2.2 billion for defending the U.S. homeland, and
- \$1.4 billion to support coalition partners, many of whom are stepping forward with troops willing to risk their lives in this effort—but whose governments lack the resources to support those deployments.

So \$66 billion—or 75 percent of this request—is for troops. They need it—and they need it soon.

The remaining \$21 billion is to help the people of Afghanistan and Iraq secure their nations for freedom—so that they can get on a path to stability, self-government and self-reliance.

For Afghanistan, the President will reallocate nearly \$400 million in funds from existing accounts, and has requested an additional \$800 million to accelerate reconstruction efforts now underway.

This includes:

- \$300 million for roads, schools, clinics;
- \$400 million to train and support the Afghan National Army and the national police, border patrol and highway patrol;
- \$120 million to train demobilized militia and help them find jobs, and to support other private sector initiatives; and
- Nearly \$300 million to support rule of law, elections and other critical support for the Afghan government.

This support is in addition to the \$1.8 billion previously appropriated, and the \$5 billion that has been pledged thus far by the international community.

As discussed by Ambassador Bremer before this Committee on Monday, the President has also requested \$20 billion for the U.S. contribution to support the Coalition Provisional Authority in Iraq—including \$15 billion to speed repairs to Iraq's starved and dilapidated infrastructure, and \$5 billion to help Iraqis assume increasing responsibility for the security of their country—including training of Iraqi police, border guards, facilities protection services, a new Iraqi Army and a new Iraqi Civil Defense Corps, and for the Iraqi justice system. The \$20 billion the President has requested does not cover all of Iraq's needs, which are vastly greater than this—nor is it intended to.

We expect that the international community to step up with additional contributions as well. Already, some 60 nations have made pledges or contributions of \$1.5 billion—and there are discussions with others, who have expressed an interest in contributing as well. A free and stable Iraq is in the world's interest.

The hope and intention is that over the coming years the bulk of the funds for Iraq's reconstruction will come from the Iraqis themselves—from oil revenues, recovered assets, international trade, and foreign direct investment. The funds the President has requested are designed to help Iraqis so they can generate the income, and security, necessary to rebuild their own country.

Our goal is to help the Iraqi people get on a path to self-reliance. The investments proposed are intended to help them do that.

Today, Iraq is not yet producing enough income to pay for essential services. The \$15 billion the President has requested to pay for urgent repairs to Iraq's infrastructure will, along with international contributions and Iraqi funds, help Iraqis begin generating the income necessary to eventually pay their own way.

Take oil, for example. Ambassador Bremer testified that Iraq will earn about \$2.5 billion in oil revenue in 2003—a substantial sum considering the dilapidated conditions of its oil infrastructure. With improvements to that infrastructure, Ambassador Bremer estimates that Iraq's oil revenue should grow to about \$12 billion next year, and should reach roughly \$20 billion by 2005.

Investments are needed in water, sewage, power and other essential services that were allowed to degenerate over three decades—starved of investment as Saddam Hussein built his palaces and weapons. These are critical not only to the lives of Iraqis, but also to Iraq's ability to attract foreign investors.

Iraq's interim leaders are already taking steps to make Iraq hospitable to trade and foreign investment. Last weekend, Iraq's finance minister announced sweeping reforms of Iraq's tax and foreign investment laws. The Iraqi economy will be open to foreign capital and investment, with 100 percent foreign ownership permitted in all sectors except natural resources. Tariffs on imports will be 5 percent across the board, except for necessities like food, medicine and clothing—which will be tariff-free.

It is safe to say that, with the implementation of these provisions, Iraq will have some of the most enlightened—and inviting—tax and investment laws in the free world.

But to attract foreign investment, Iraq must have more than just attractive tax and investment laws; it must also have a reasonable security environment.

This is why the President has requested \$5 billion to train Iraqis to help defend their country. This includes \$2 billion for public safety, including the training of an additional 40,000 police in the next 18 months; \$2 billion to train a new three-division Iraqi Army and an Iraqi Civil Defense Corps; and almost \$1 billion for the Iraqi justice system. All of these investments are critical to the efforts of General Abizaid, General Sanchez and their troops' efforts. Helping Iraqis provide for their own security is critical. The investments the President is requesting are, in a real sense, a critical element of the Coalition's exit strategy. The sooner Iraq can generate income and defend its own people, the sooner U.S. and Coalition forces can come home.

As foreign investment begins to flow, Iraq's leaders can invest in reconstruction and other efforts to bolster the economy and create growth and prosperity—so that the Iraqi people can achieve self-reliance.

That is the goal. But reaching that goal requires investments now to restore critical infrastructure and basic services necessary to jump-start their economy. Iraq cannot make those improvements today without assistance from the U.S. and the international community. But the purpose of this assistance is to help Iraqis get on a path where they can rebuild their own country—so that they do not become permanent wards of the international community.

This is why the President has requested that the \$20 billion be granted, and not loaned. Iraq is a nation with considerable potential—water, oil, vast wheat and bar-

ley fields, biblical sites and great potential for tourism, and an educated population. But it also owes almost \$200 billion in debts and reparations.

Iraq is in no position to pay its current debt service, let alone take on more additional debt. If we want to encourage Iraqi self-reliance, so that Iraqis can fund their reconstruction and so that American troops can come home, it would not be helpful to saddle Iraq with more debt it could not reasonably be expected to repay.

What the President has requested is a \$20 billion investment in the future of Iraq. To put that in context, the Marshall plan after World War II cost roughly \$90 billion in today's dollars. Those investments helped transform a region that been a source of violent war and instability for centuries, and turn it into a place of peace, prosperity and mutually beneficial trade.

Today, in Iraq and Afghanistan, we have a similar opportunity to help nations that were sources of terror and war get on a path to becoming sources of freedom and moderation in a turbulent region. If we have the vision to do so, the people of the world will reap the benefits of that investment for generations to come.

Still, \$87 billion is a lot of money. And the American taxpayers deserve to know that it is being spent wisely. So let me say several things:

I recently returned from Iraq and Afghanistan, as did Secretary Powell. He will tell you, as I will, that progress is being achieved in both countries.

Afghanistan is on the road to stability, democracy and self-government. After two years of training, the Afghan National Army has been fighting side-by-side with Coalition forces in our most recent anti-terrorist campaigns—Operations Mountain Viper and Warrior Sweep.

The central government is working to extend authority to the provinces. Together with Afghan authorities, the Coalition has deployed Provincial Reconstruction Teams (or PRTs) to four provinces, with four more on the way. Afghanistan faces challenges to be sure, but the progress has been measurable. The terrorist training camps are gone. Al-Qaeda is on the run. The Afghan people are liberated and the country is on the path to democracy.

In Iraq the Coalition forces also face real difficulties and danger—including the threat from regime remnants, and foreign fighters who are coming into the country to oppose the Coalition. What is remarkable is that, despite the significant dangers they face, the Coalition civil and military staff in Iraq has—in less than five months—racked up a series of achievements, in both security and civil reconstruction, that may be without precedent.

Consider a few of their accomplishments:

- In less than five months, virtually all major Iraqi hospitals and universities have been re-opened, and hundreds of secondary schools—until a few months ago most often used as weapons caches—have been rebuilt and were ready for the start of the fall semester.
- 70,000 Iraqis have been armed and trained in just a few months, and are contributing to the security and defense of their country. Today, a new Iraqi Army is being trained and more than 40,000 Iraqi police are conducting joint patrols with Coalition forces. By contrast, it took 14 months to establish a police force in post-war Germany—and 10 years to begin training a new German Army.
- As security improves, so does commerce. Some 5,000 Iraqi small businesses opened since liberation on May 1st. The independent Iraqi Central Bank was established and a new currency announced in just two months—accomplishments that took three years in post-war Germany.
- The Iraqi Governing Council has appointed an Iraqi cabinet of ministers—something that took 14 months in Germany.
- In all major cities and most towns and villages, Iraqi municipal councils have been formed—something that took 8 months in Germany.
- To date, the Coalition has completed some 8,000 civil affairs projects—with many more underway.

All this, and more, has taken place in less than five months. The speed and breadth of what Ambassador Bremer, General Tom Franks, General John Abizaid, General Rick Sanchez, and the Coalition military and civilian teams have accomplished is impressive—it may be without historical parallel, whether compared to post-war Japan, Germany, Bosnia, or Kosovo.

These successes would not be possible without many months of preparation—planning that began before Operation Iraqi Freedom was launched. And they would not be possible without substantial international support and cooperation.

I keep hearing that the United States should not “go it alone.” Well, the United States is not going it alone. There are, at this moment, some 25 nations in the Coalition Provisional Authority—it is a genuinely international operation. Moreover, there are currently 32 countries with troops in Iraq today.



These include: Albania, Azerbaijan, Bulgaria, the Czech Republic, Denmark, the Dominican Republic, El Salvador, Estonia, Georgia, Honduras, Hungary, Italy, Kazakhstan, Korea, Latvia, Lithuania, Macedonia, Moldova, Mongolia, the Netherlands, New Zealand, Nicaragua, Norway, the Philippines, Poland, Romania, Slovakia, Spain, Thailand, Ukraine, and the UK.

Portugal is at this moment preparing to deploy forces to Iraq. Of the 19 NATO nations, 11 have already committed troops to Iraq. We are currently in discussions with 14 other countries that have expressed possible interest in sending forces.

Do they equal our forces or financial contributions? No they do not. But do they represent a significant military commitment and a political commitment for those nations? Yes, they do. And we are, as we should be, deeply grateful for their contributions, their political courage, and their friendship.

The international forces in Iraq are extraordinary. Earlier this month, I met many of them when I visited the Polish Multinational Division in Babylon, which had just taken over from the Marines in the South-Central sector of Iraq. That division alone includes troops from 17 nations, with four more nations providing civil support—for a total of 21 countries.

Many were from nations that had only recently recovered their own freedom and independence—and were proud to be helping the Iraqi people recover theirs. It was an honor to meet them, and see their enthusiasm and their commitment.

In Afghanistan, NATO has just taken over command of ISAF—the Alliance’s first mission outside of Europe in its history. I met with the new German commander of ISAF forces in Kabul. What they are doing is important for Afghanistan, and for the NATO alliance.

Between Iraq and Afghanistan, there are 49 countries with forces on the ground—with many others making important contributions in other ways. So this business that America is “going it alone” is not factual, plain and simple—it is false.

Finally, let me conclude by recalling why we are spending that money.

The Wall Street Journal recently tallied the costs to our country and economy, of the September 11th attacks.

They include:

- \$7.8 billion in lost income for the families of the more than 3,000 victims—money that would have gone to pay for braces and summer camps, schools and colleges.
- \$21 billion sent to New York City for direct damage costs.
- \$4 billion for the victims fund.
- \$18 billion to clean up the World Trade Center site.
- \$700 million to repair the Pentagon.
- As much as \$6.4 billion in reduced or lost wages and salaries for workers in New York industries.
- 1.3 million net jobs lost nationwide.
- \$150 billion in reduced GDP.
- \$50 billion in costs to the insurance industry.
- \$11 billion in lost business to the airline industry.
- The bankruptcy of two airlines, even after a \$15 billion federal bailout.
- \$38 billion in costs for new border security, protection against biological threats, and emergency preparedness.
- \$1.3 billion in costs to state governments for homeland security, and
- \$33 billion in spending by the private sector for new protective services.

Even assuming for some overlap, the 9/11 attack alone cost the American people literally hundreds of billions of dollars—and that is not counting the enormous price paid in lives, and the immense suffering of their families and loved ones—men and women from all walks of life, of all races and religions, and from most countries of the world.

If September 11th cost more than three thousand lives and hundreds of billions of dollars, it makes \$87 billion pale by comparison.

Our nation can afford whatever it needs to defend our people, our way of life and our vital interests. At the height of the Cold War, in the Eisenhower and Kennedy years, we spent roughly 10 percent of GDP. The last time I was Secretary of Defense, in the 1970s, we spent roughly 5 percent of GDP on defense. Today, we spend a little over 3 percent—a great deal of money, to be sure, but a modest fraction of our nation’s wealth.

Our job is to work to prevent another attack like the one we experienced on September 11th—before it happens. There is only one way to do so—by taking the battle to the terrorists, and those who give them support and sanctuary.

As President Bush told the United Nations yesterday, “events during the past two years have set before us the clearest of divides: between those who seek order, and those who spread chaos . . . between those who honor the rights of man, and those

who deliberately take the lives of men and women and children without mercy or shame. Between these alternatives there is no neutral ground . . . Because a coalition of nations acted . . . Iraq is free . . . [and] people are safer because an unstable aggressor has been removed from power.”

To defend freedom in the 21st century, we need to root out the terrorists. We need to make clear to the world’s terrorist states that defying 17 U.N. resolutions, filing false declarations with the United Nations, refusing to cooperate with U.N. inspectors, and refusing to disarm and prove to the world you have done so, has consequences. We need to help the now free people in Iraq and Afghanistan rebuild from the rubble of tyranny, and claim their places as responsible members of the community of nations.

A British author once declared: “If a nation values anything more than freedom, it will lose its freedom; and the irony is that if it is comfort or money that it values more, it will lose that too.”

Is \$87 billion a great deal of money? Yes. But can we afford it? Without question. Because it is necessary for the security of our nation and the stability of the world—and because the price of sending terrorist a message that we are not willing to spend what it takes or do what it takes—that we value comfort or money more than freedom—would be far greater.

Thank you, Mr. Chairman.

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PREPARED STATEMENT OF GENERAL JOHN F. ABIZAID

It is an honor to report to this committee on the situation and our actions in the CENTCOM Area of Responsibility. As you know, our command is focused on three main priorities: defeating transnational terrorism and creating safe and secure environments in Iraq and Afghanistan. CENTCOM operates within the geographic and ideological heart of the Global War on Terror. It is a war without borders that spans all twenty-five countries in the region. There is no doubt that The War on Terror is connected to our efforts in Afghanistan and Iraq. Success in Afghanistan and Iraq will result in stable States that do not harbor terrorists and provide a visible alternative to the terrorist vision of hatred and conflict.

The over 195,000 U.S. soldiers, sailors, airmen, and Marines now serving in the CENTCOM Area of Responsibility are engaged in a wide range of activities, each of them critical to maintaining our national security. These include counter-insurgency, counter-terrorist, stability, and civil-affairs operations. Over twenty ships and 200 aircraft are sustaining our land forces and providing a potent deterrent to our adversaries. Our servicemen and women are also occupied with training exercises designed to increase our ability to operate with regional partners as well as enhance their military effectiveness. I visit our troops and their commanders frequently and they remain confident that we are winning the war on terrorism and winning the peace in Iraq and Afghanistan. They are also realistic and understand that success will not come without cost or without the cooperation of local populations. Those of you who have visited the region understand the great strides our servicemen and women have made toward accomplishing our objectives. We all recognize, however, that there are no easy answers to the problems we face in the region. At CENTCOM we also know that, while we are the military centerpiece of our national security efforts in the region, none of the problems with which we are engaged will succumb to military force alone. Integrating our efforts with those of other agencies and ensuring that our operations advance our political objectives are essential to our success.

WAR ON TERRORISM

We have had good effect against terrorists throughout the Central Command Area of Responsibility. Our success has not been due to military actions alone. The United States Government, in cooperation with our regional partners, has killed and captured terrorists and attacked their infrastructure. CENTCOM is proud to have played a role in an effort marked by unprecedented cooperation between various agencies, regional partners, and members of the largest international coalition in history.

Despite remarkable victories, the fight against terrorism is far from over. The enemy’s ideological base, financial networks and information networks remain strong. Indeed, the demographic and economic conditions that breed terrorists may be worsening and those conditions are heightening the ideological fervor associated with radical Islamist extremism. It is clear that we must continually reassess our efforts and improve our effectiveness.

We at Central Command, partnered as we are with many Islamic nations, recognize that the War on Terrorism is not a war against Islam; it is a war against the enemies of Islam. It is not a war against religion; it is a war against irreligious murderers. Securing all of our futures depends mainly on collective action and international cooperation. Each of the three main Combined Joint Task Forces in our Area of Responsibility has an important role to play in the greater regional effort against terrorists. Through these task forces and Component Commands, we synergize theater cooperation efforts with other nations and build indigenous capabilities to combat terrorism and control borders. Central Command, our regional partners, and the seventy-one members of the Operation Enduring Freedom Coalition will remain on the offensive until terrorists no longer pose a threat.

#### IRAQ

In Iraq, our forces are working alongside the Coalition Provisional Authority to provide military capacity in our interagency and international efforts toward building a unified and stable country. The CPA's endstate for Iraq calls for a democratic and sovereign nation, underpinned by new and protected freedoms and a growing market economy, and made secure through the efforts of Iraqis—able to defend itself, but posing no threat to its neighbors or the international community.<sup>1</sup>

Coalition servicemen and women, alongside many Iraqi partners, are fighting our enemies and making progress toward a return of Iraq to the Iraqi people. While Iraqi police capacity still remains below requirements, joint Coalition and Iraqi police operations are bringing to justice criminal gangs that have been preying on the Iraqi people. Neighborhood watch programs are springing up throughout towns and villages. Although large reconstruction projects will require considerable time and resources, military commanders are working with local townspeople to prioritize small reconstruction projects; thousands of these have been completed. Town and city councils are in place throughout the country. The first battalion of the New Iraqi Army will graduate on 4 October and the second battalion begins training the next day; these soldiers are proud to be part of the New Iraq. The first two thousand men and women of the Iraqi Civil Defense Corps are assuming security responsibilities alongside Coalition soldiers. All this and more has been achieved in just over four months, despite the utter collapse of virtually every Iraqi institution. Our achievements, however, have not come without sacrifice and there is more fighting ahead.

Iraq has tremendous potential, but the Coalition and our Iraqi partners must defeat our enemies and overcome considerable obstacles before the future of Iraq is secure. While all but a very few Iraqis recognize the promise of freedoms they are enjoying for the first time—freedom to express their personal views, freedom to practice their religion, freedom from fear, freedom to determine their own destiny—there are those who would deny the Iraqi people the peace and prosperity they so richly deserve. We continue to experience attacks on Coalition forces, our Iraqi partners, and infrastructure punctuated by larger high-visibility attacks to discredit the Coalition, disrupt reconstruction, and cause unrest. While former regime loyalists remain the focus of our operations, extremists, foreign fighters and terrorist groups are emerging as a major threat to Iraqis, the Coalition, and the international community. Criminal activity continues to frustrate reconstruction efforts and is the major source of instability in some regions. While our enemies are too weak to challenge us militarily, they believe that we do not possess the will to persevere in Iraq. They are wrong.

We are taking the fight to the enemy in Iraq. Attacks against our forces are localized in the Sunni areas and the city of Baghdad. Over seventy-five percent of violent incidents and sabotage have occurred in only four of the eighteen provinces. The preponderance of the country, including Baghdad, has achieved a very high degree of security and stability. Iraqis are providing intelligence that permits us to kill or capture the enemy and preempt attacks.

We are focusing our efforts in five areas: improving intelligence, developing Iraqi security forces, internationalizing our security effort, protecting the infrastructure, and helping to communicate our aims, plans, and successes to the Iraqi people. We have also repositioned forces to concentrate our efforts in problem areas and establish a higher degree of control over Iraq's borders. In areas in which we achieve stability, we will disengage our forces and turn over security responsibilities to Iraqis

<sup>1</sup> This more closely follows Amb. Bremer's testimony yesterday. It reads: "President Bush's vision, in contrast, provides for an Iraq made secure through the efforts of Iraqis. In addition to a more secure environment, the President's plan provides for an Iraqi economy based on sound economic principles bolstered by a modern, reliable infrastructure. And finally, the President's plan provides for a democratic and sovereign Iraq at the earliest reasonable date."

while maintaining the capability to anticipate and respond rapidly to any changes in the situation. Later, as the New Iraq expands its security capacity, we intend to move our forces to less visible locations from which we can react to external threats and prepare to relinquish national defense responsibilities to the New Iraqi Army.

Violence, of course, is not the only obstacle to progress in Iraq. As you know, we must maintain the consent of the Iraqi people. Popular disaffection sets conditions for instability. Disaffection stems from many sources including high expectations, high unemployment, a lack of essential services, suspicion of Coalition motivations for liberating Iraq, residual fear of the Baath Party, and the sudden end to the former regime's patronage system. Our efforts to rebuild Iraq are connected to the security situation because general disaffection among the populace provides available manpower to those who are inciting (and paying for) attacks against Iraqis, the infrastructure and Coalition forces.

We recognize that economic development, political development, and security are interdependent. COMBINED JOINT TASK FORCE-7 and CENTCOM are supporting fully the Coalition Provisional Authority's efforts in all areas. In addition to securing critical infrastructure alongside our Iraqi partners, two U.S. Army task forces, Task Force Restore Iraqi Oil and Task Force Restore Iraqi Electricity are accelerating progress in restoring Iraq's failed oil economy—the financial engine to move Iraq forward—and providing the key enabler for all economic functions and public needs—electricity. Brigade commanders have partnered with Iraqis to complete over eight thousand reconstruction projects. Also, our commanders and civil affairs personnel worked with Iraqis to establish local and provincial councils as a foundation for regional and national governance.

Over the past four months, we have improved our understanding of the situation and identified what more needs to be done. We know what is working well and what areas require additional attention and resources. CENTCOM, COMBINED JOINT TASK FORCE-7, CPA, and our Coalition partners are working together in accordance with our plans. We must remember, however, that the situation in Iraq is complex and dynamic; we are certain to encounter unforeseen difficulties and opportunities and we must remember that the future course of events depends not only on what we plan to do, but on enemy reactions and initiatives that are difficult to predict. We are resolved to reassess continually the situation, refine our plans, be prepared for contingencies, and refocus our efforts whenever necessary.

Our commanders and troops are optimistic and feel that we now have before us an opportunity to gain tremendous momentum. In the short term, we believe that if we and our partners commit resources to accomplish three things—restore basic services (especially power), build Iraqi security capacity, and improve our ability to communicate our plans and successes to the Iraqi people—we will accelerate progress in the next months.

#### AFGHANISTAN

The next year in Afghanistan, with the constitutional Loya Jirga in December and elections scheduled for June 2004, will prove critical to achieving peace and stability there. We have achieved much in Afghanistan, but there is much work that we, the Coalition, and the Afghans have yet to accomplish. As in Iraq, there is no purely military solution to the problems we face there. We must simultaneously defeat our enemies, support the effort to establish representative government and set conditions for economic growth and long-term stability.

The enemy adjusted after the devastating losses inflicted on them since the initiation of Operation Enduring Freedom (OEF). Al Qaeda, Gulbiddin Hekmatyar's Hizb-e-Islami (HIG) and Taliban forces are conducting low-level guerrilla and terrorist attacks. Their attacks aim to obstruct reconstruction efforts and incite chaos. Al Qaeda and HIG terrorist activity pose the greatest threat in the Northeast while Taliban remnants have shown signs of reorganization and continue anti-Coalition/anti-Afghan operations in the Southeast.

We continue to seek out and defeat Taliban and Al Qaeda forces. Cooperation with the Pakistanis will disrupt further the enemy's ability to reorganize and conduct operations. The formation of the Afghan National Army (ANA) continues to be a success story as units demonstrate their professionalism and gain operational experience. Our conventional force in Afghanistan is small in comparison to the force in Iraq, but it is very effective due to its ability to conduct joint and combined operations. During a recent mission, COMBINED JOINT TASK FORCE-180 successfully brought together U.S. conventional, Special Operations Forces, air, Afghan National Army and Afghan Militia Forces against a long-known Taliban operational base.

Because political and economic initiatives will prove most important in maintaining stability in Afghanistan, we must ensure that our operations support those ini-

tiatives. The expansion of Provincial Reconstruction Teams from four to eight and the possibility that NATO might expand its security efforts beyond Kabul are particularly promising.

The most important person in Central Command is the young soldier, Marine, sailor, or airman performing his or her mission on the frontline of freedom in the middle of the night. It goes without saying that our successes will continue to depend on the bright, talented, and courageous servicemen and women who are taking risks and making sacrifices to preserve liberty and protect our nation. Our missions in Afghanistan, Iraq, and in the Global War on Terror are bound to entail additional risks and sacrifices. However, our airmen, sailors, Marines, and soldiers understand, as we all do, that a lack of perseverance in any of our vital missions would lead to even greater risk and loss. When I talk with them they invariably express to me their belief that we “will either have to fight terrorists over here or fight them at home.” I want to thank this committee for your support to our men and women and for your oversight of the vital operations we are undertaking in Central Command.

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

This hearing is particularly related to the \$66 billion that is requested for the defense activities. The full amount of the \$87 billion, of course, is subject to questions from members of this committee. It would be my intention to yield time to every member of the committee at 8 minutes each in the first round, and then we'll see how many people are here for the second round and see how much time we have.

On Monday, Mr. Secretary, Ambassador Bremer, as you indicated, testified before the committee on reconstruction efforts in Iraq. His perspectives, to me, were invaluable in helping the committee better understand the importance and the critical need for the supplemental funding as a whole. During his testimony, as a World War II veteran, I was struck by the strong parallel between what occurred at the end of the Second World War and what's going on in Iraq now.

As we all know, the Marshall Plan, in 1948, was—that's 3 years after the war was over—was created to address the dire economic circumstances in Europe following that war. The plan ran for a period of 4 years and cost approximately \$88 billion, in 1997—he used current dollars, at \$90 billion. Of that amount, West Germany was provided approximately \$9.2 billion to assist in their recovery efforts. The population of West Germany at that time was between 15 and 18 million. Iraq's population today is estimated to be between 24 and 27 million.

At the end of World War II, the United States was one of the major war powers to occupy Germany. By the end of 1945, after a massive demobilization, we still had over 402,000 soldiers in Germany, alone. Over a 4-year period, the number of soldiers dropped from 162,000 to 82,000. And we currently, now, as I am informed, have about 128,000 soldiers in Iraq.

The Army estimates that they spent about \$10 to \$40 billion in Germany, alone, for occupation costs, in 2002 dollars. And the 2004 supplemental request before the committee, for \$66 billion to support ongoing operation in Iraq and Afghanistan, and continue the war on terrorism, I think has to be taken in perspective.

The key difference is that in 1945 we had a conscript army. For the most part, they were not married, nor did they have families. They were young men who were drafted, primarily. In contrast, today we have an all-volunteer force that costs a great deal more

to recruit and train. Approximately 70 percent of the force is married and has a family.

The scope of the occupation duties in Germany would be very similar to what's happening in Iraq; however, the degree of difficulty is very different. Our U.S. service personnel face difficult challenges in Iraq. The security situation is fluid, and their ability to protect both themselves and the Iraqi people while carrying out their missions is a daunting one, to me.

After World War II, the United States showed we had learned that military victory must be followed by a program to secure peace. Democracy could not flourish unless Europe's devastated economies were rebuilt. The United States assisted our allies in their reconstruction efforts. The Iraqi people are our allies now. We need to offer them the same assistance we offered to the Europeans after World War II.

Iraq offers us a unique challenge. Iraq is not a highly industrialized nation, nor does it have an underpinning of democracy in its history. And, more importantly, it has suffered for years under a brutal dictator, who conducted war against his neighbors and against his own people.

We cannot afford to fail the people of Iraq. We must complete our mission, our twofold mission. To provide stability in Iraq to let democracy take hold, and to give this new democracy the economic assistance it needs to succeed, is an absolute requirement, in my judgment.

I believe your supplemental will address the needs of our soldiers, sailors, airmen, marines to fulfill these critical tasks. In order for them to do the job, we need to do ours and approve this as soon as possible.

I'll retain the balance of my time, but I yield to Senator Byrd.

Senator BYRD. How much time do I have?

Chairman STEVENS. Eight minutes, sir.

Senator BYRD. Eight minutes. How many rounds will we go?

Chairman STEVENS. As many as needed. I have no idea, Senator.

Senator BYRD. We now have 18 members here—

Chairman STEVENS. We have 19 members here. At 8 minutes apiece, that's a long time just for one round. I don't know how long we'll go.

Senator BYRD. Thank you for your illuminating answer. Are you going to have any outside witnesses? Why not have some outside witnesses?

Chairman STEVENS. I cannot remember an outside witness at an emergency supplemental hearing.

Senator BYRD. Well, you can't remember an emergency supplemental like this one, either. And I urge you to make provision to call outside witnesses so that the committee will have more than just the administration line.

Chairman STEVENS. Senator, it would be my intention to call witnesses to justify the request of the President of the United States, and no one else.

Senator BYRD. Which would not include outside witnesses?

Chairman STEVENS. That's correct, sir.

Senator BYRD. Well, I hope you'll think that over, take it under consideration. Don't rule it out.

Now, Mr. Chairman, thank you for calling this very important hearing on the President's \$87 billion supplemental budget request for Iraq, Afghanistan, and the war on terrorism. The American people deserve to know more about what the administration has planned. But rather than explanations of the administration's long-term plan for Iraq, the American people only get comparisons to the Marshall Plan.

I can understand the administration's desire to equate, in the minds of the American public, Saddam Hussein's Iraq to Nazi Germany or Imperial Japan. World War II evokes images of the "greatest generation," of which I am one, but not of the greatest generation. I am one of the so-called "greatest generation," and it was a great one, as designated by Tom Brokaw, but there was a greater generation, that generation which founded this Republic and wrote the Constitution. That was the greatest generation. The entire country united to defeat the brutally aggressive Axis powers, and then, after victory, staying behind to rebuild the cities of their conquered foes.

But with World War II, Japan had attacked us. The Axis powers had declared war on us. The U.S. occupation of Germany and Japan took place in the wake of a widely supported defensive war—and there is a difference—with a commitment to internationalism and multilateralism.

We're seeing none of this in Iraq. The war in Iraq was not a defensive war. It was a preemptive attack. We have alienated most of the international community in fighting this preemptive war. The Germans and the Japanese did not resist the U.S. occupation after World War II. They did not commit sabotage, assassinations, and guerrilla warfare. The Marshall Plan was not presented to Congress for its rubberstamp approval.

Now, if we want to talk a lot about the Marshall Plan and attempt to equate it with the same situation here, let's talk about these things. The Marshall Plan was not presented to Congress for its rubberstamp approval. It was a comprehensive bipartisan strategy developed after extensive cooperation with Congress to provide \$13.3 billion to 16 countries over 4 years to aid in reconstruction. When the Congress considered the Marshall Plan to rebuild Europe, the Foreign Relations Committee held 5 weeks of hearings—5 weeks—with the chairman calling 90 witnesses to testify. Think about that.

After the Foreign Relations Committee reported legislation, the Senate further debated it for an additional 2 weeks. We see nothing like that in this Senate. Senator Arthur Vandenberg, the Republican chairman of the Foreign Relations Committee, called the aid plan, quote, "the final product of 8 months." Now, if you want to talk about World War II, if you want to equate it with this, let's bring in these matters, which I'm discussing. I quote Arthur Vandenberg, "the final product of 8 months of more intensive study by more devoted minds than I have ever known to concentrate upon any one objective in all my 20 years in Congress." That was Arthur Vandenberg.

If this administration today truly believed in the Marshall Plan and what it stood for, it would be more open to working with Con-

gress before committing vast sums for foreign aid, as was done half a century ago.

The reconstruction of Europe was undertaken in the context of the spirit of internationalism, multilateralism, and collective security that led to the formation of the United Nations, NATO, the World Bank, and the International Monetary Fund. The same can hardly be said today.

Yet today, we're asked to appropriate \$20.3 billion for the reconstruction of Iraq for the next year alone. The President's \$87 billion request is larger than the economies of 166 countries. These funds are not just for rebuilding bridges. It's an attempt to transform a political culture that is very different from our own into a democracy, a form of government never before seen in those ancient lands. It is the beginning of an enormous commitment to Iraq. Let me say that again. It is the beginning of an enormous commitment to Iraq. We have a duty to understand the enormity of the potential consequences and to insist on an explanation of those consequences for the American people before we act.

Now, it would be a huge task to attempt to build a republic in Iraq. The American people, from whom the power of our government originates, have never been asked for their mandate for democratizing Iraq or for making an even greater generational commitment to democratizing the Middle East.

Secretary Rumsfeld, where is the mandate from the American people to carry out the reconstruction of Iraq? Who has set the parameters for how extensive this nation-building effort should be? And when did the American people give their assent, Mr. Secretary?

And thank you for coming before the committee again. Thank you.

#### MANDATE FROM AMERICAN PEOPLE

Secretary RUMSFELD. Thank you, Senator.

Senator BYRD. I always enjoy having you before the committee. I wish we could have you more.

Secretary RUMSFELD. Thank you, Senator Byrd.

The answer to your question is that in our constitutional process the President came to the Congress, as we all know, sought a resolution, received a resolution. He recognizes that under Article I of the Constitution, the Congress controls the purse strings, and, therefore, he has made this request to the Congress. And certainly the deliberations that we're currently engaged in and the seven or eight or nine hearings that'll take place, previously and in the coming days, on these subjects will reflect the role of the Congress. And certainly the Congress represents the American people.

Senator BYRD. But, now, Mr. Secretary, if I may keep to the question, you mentioned the resolution that was passed by the Congress on October 14, I believe it was, of last year, but where is the mandate from the American people to carry out the reconstruction of Iraq and to democratize that government?

Secretary RUMSFELD. It certainly is correct, as you say and suggest, that there is a need to transform a country that does not have experience with democracy, that is correct. The way I would respond to your question, Senator Byrd, is this. We have 130,000



troops there. Our friends and allies have still additional troops. The Iraqis now are up to close to 70,000 people providing security. The goal for the United States is not to stay there, or for the Coalition. It's to turn that country back over to the Iraqi people, which is, as Ambassador Bremer pointed out, a seven-point plan to do that through a constitution and elections and then passing of sovereignty at a pace as rapidly as is reasonable.

Senator BYRD. But, Mr. Secretary—my time is very limited—I'm trying to get at the bottom of the idea that the American people are supposed to carry out the reconstruction of Iraq and that we're to build a democracy there and to democratize the Middle East. Where is the mandate for that? The American people have never been told that.

Secretary RUMSFELD. Well, the last thought I could suggest is this, that the task we're engaged in—the bulk of the funds here are for the purpose of providing security and to enable the political process to move forward so that sovereignty can be transferred to the Iraqi people. The way that we can leave that country better than we found it, a lot better—no more mass graves, no more prisons filled with people—we could—

Senator BYRD. We know all about that.

Secretary RUMSFELD [continuing]. We could leave it by investing in the kinds of security that we're talking about here. And that is what this request is overwhelmingly about. Admittedly, there has to be some funds for the political side and some for the economic side, as well as the security side, because all three of those things have to go forward together.

Senator BYRD. But still, I haven't had an answer to my question as to where the mandate comes from the American people. The American people have never been told that we're going into that country to build a new nation, to build a new government, to democratize the country, and to democratize the Middle East.

Secretary RUMSFELD. Well, Senator—

Senator BYRD. The people haven't been told that. They were told that we were going in there because of weapons of mass destruction.

Secretary RUMSFELD. The American people were told by the President of the United States, at the United Nations and here in the United States, the reasons for going in. Once having gone in, the last thing we need to do is to turn that country over to another dictator like Saddam Hussein.

Senator BYRD. Nobody's suggesting that.

#### OVERSIGHT OF POLITICAL INITIATIVES

Secretary RUMSFELD. Well, the least we can do is to attempt to put in place a process, a political process, where they can migrate towards something that will not be a threat to their neighbors, that will not repress their people. It will be representative and reflective of the people in that country.

Senator BYRD. If I may just pursue this for a brief moment. If I could follow this question. What will the United States do if the so-called democracy that we're building in Iraq takes a wrong turn? Will the United States override an Iraqi constitution if we don't think it is a good basis for a republic?

Secretary RUMSFELD. I think that the answer to that question is very clear, the President's made it very clear, that there are certain redlines, in answer to your question, and the redlines are that the country be a country that does not have weapons of mass destruction, a country that is at peace with its neighbors, and a country that is not repressing its people and is reasonably represented and respectful of the various diverse ethnic and religious elements in the country. Beyond that, the Iraqi people are going to have to fashion that constitution, and they're going to have to rebuild their own country.

Chairman STEVENS. Senator, we must move on. I'm using some of my own time again, I would respectfully point out to you that the last "whereas" clause of the resolution that was adopted by the Senate, 77 to 23, reads as follows: "Whereas it is in the national security interest of the United States to restore international peace and security to the Persian Gulf region." That was what we stated as the ultimate goal of the activities that we authorized the President to undertake.

Senator Cochran, you're——

Senator BYRD. Mr. Chairman?

Chairman STEVENS. Senator Cochran is recognized for 8 minutes, Senator.

Senator BYRD. Might I respond to that?

Chairman STEVENS. Senator, I was talking on my own time. You'll have time later.

Senator Cochran?

Senator BYRD. All right, thank you. Thank you for your courtesy.

Senator COCHRAN. Mr. Chairman——

Chairman STEVENS. Senator, I was courteous to you, you went 7 minutes over your time.

Senator BYRD. Seven minutes. Think of that. On an \$87 billion request. \$87 billion. Here I am the ranking member of the committee. I have seniority over all Democrats over here. As a matter of fact, I have seniority over all Republicans, really. I've been around here a long time. And I have 7 minutes.

Go ahead, Mr. Chairman. You're in charge.

Chairman STEVENS. Is the Senator finished?

Senator BYRD. Go ahead, Mr. Chairman. You're in charge.

Chairman STEVENS. Thank you very much.

Mr. Cochran?

Senator COCHRAN. Mr. Chairman.

Mr. Secretary, thank you very much for the outstanding leadership you're providing to the Department of Defense in our efforts in Iraq and Afghanistan and around the world to protect our security interests and the freedom of the American people.

Secretary RUMSFELD. Thank you.

#### STATUS OF INTERNATIONAL SUPPORT

Senator COCHRAN. I think the address to the United Nations by President Bush yesterday set the right tone for the world community, in terms of the fact that this is a challenge in Iraq, this is a challenge to the will of mankind, and the United Nations in particular.

Do you have any early reaction from your friends or contacts in the United Nations about the willingness of the United Nations to act in a favorable way to the call that President Bush made yesterday for more involvement, more support, by countries from around the world, and in the United Nations, in particular, to help us in our goal in Iraq?

Secretary RUMSFELD. Senator, I don't. Unfortunately, I have not had a chance to talk to either the President or Secretary Powell since their time in New York, where each of them have been engaged in a series of bilateral discussions, as well as the more public activities that they've been engaged in. I'm sure we'll know more in the next day or two.

#### OTHER COMPONENTS OF THE REQUEST

Senator COCHRAN. Are there funds in this supplemental request that will help us defray some of the expenses of countries that might be willing to participate but don't have the financial resources to commit troops or to pay for training and equipping them?

Secretary RUMSFELD. I'll come right back to that, if I may, I do want to finish answering the other question that—I neglected to say that any thought that we have a modest Coalition already—there may very well be additional countries from the United Nations as a result of events in recent days, but the United States already has a coalition of 32 nations in the country, and 90 nations in the global war on terror.

With respect to your question, the answer is yes, there are some funds. My recollection is, it's about \$1.4 billion, and there are some countries that stepped forward, offered troops and assistance, but did not have sufficient funds to pay for some aspects of their transportation or equipment or intelligence and that type of thing. So there are instances where the United States is assisting them, just as we're assisting in developing the Afghan National Army and the Iraqi National Army and the Iraqi police forces. Because the more we can get other countries providing that kind of security—in the case of Iraq, particularly Iraqis—that means there's less of a burden on General Abizaid and his troops.

Senator COCHRAN. I noticed that part of this request is for funding that would actually go to the Department of Homeland Security, \$2.2 billion for homeland security activities. Is that going to the Department, or is that for the Department of Defense to use to assist in homeland security?

Secretary RUMSFELD. The latter. I think it involves Noble Eagle and the air caps and a variety of other things that the Department of Defense (DOD) does to support homeland—the security of the United States.

#### COAST GUARD FUNDING

Senator COCHRAN. One item, as I understand it, is a reimbursement to the Coast Guard for activities that they have engaged in in support of the Iraqi war. It's \$80 million, I think. And there's a question that has come to my attention about the sufficiency of that and whether or not the Coast Guard would actually have to use fiscal year 2004 funds that we have just appropriated in a bill

passed by the House and Senate and is now in a conference report. It probably will be before the Senate this week. I would hate to see the Coast Guard have to use fiscal year 2004 monies if we can provide those funds that are allocatable to the Iraqi operation.

Secretary RUMSFELD. I don't know the answer. We'd have to supply an answer for the record.

[The information follows:]

The Coast Guard is providing in theater operational support consisting of four 110 foot Patrol Boats and the crews, two full-time deployed Port Security Units within the U.S. Central Command area of operation, one Port Security Unit detachment deployed to Guantanamo Bay, Cuba for terrorism security, and Coast Guard Reserve support for strategic ports of embarkation and strategic ports of debarkation.

No other funds were requested by the Department of Defense in the fiscal year 2004 President's budget for these activities. The fiscal year 2004 Supplemental request for \$80.0 million to be appropriated through the Navy's Operation and Maintenance appropriation finances the incremental cost of the increased Coast Guard operations as a result of the global war on terrorism and Operation Iraqi Freedom.

Secretary RUMSFELD. There are some instances where the Coast Guard provides some critical assistance to the Department of Defense. And, in this case, I know for a fact they did, with respect to Iraq. And I'm told that the money for the Coast Guard is in the CENTCOM piece of the budget, so that shouldn't be a problem.

Senator COCHRAN. Okay. Well, we'd appreciate your reviewing that and giving us some assurance that it is sufficient to meet the needs of the Coast Guard.

Secretary RUMSFELD. We'll do that.

Senator COCHRAN. Thank you.

#### PARTICIPATION OF RESERVE COMPONENTS

General Myers, I have a question about the National Guard and Reserve forces. I wonder if there are sufficient funds in this supplemental request that will help ensure that those forces have the training and the equipment they need to protect themselves, as well as to carry out their missions in Iraq.

#### NATIONAL GUARD/RESERVE TROOPS SUPPLEMENTAL FUNDS

General MYERS. Sir, that's accounted for in this supplemental. Your supposition there is exactly right.

Senator COCHRAN. Well, how many National Guard and Reserve troops do we have in the theater at this time? Do you have that figure—

General MYERS. Yes, sir—

Senator COCHRAN [continuing]. For us?

General MYERS [continuing]. I do. Currently, we have approximately 170,000 reservists called up—and I'd say "reserve component," both National Guard and Reserves—in all the services. That's down from a high of 223,000 during major combat operations in Iraq. Before major combat operations started in Iraq, our baseline after the attacks of September 11, 2001, was about 50,000. That was what we had protecting the skies over the United States and helping with events in Afghanistan and other places in the world. So, steady-state, war on terrorism would be somewhere between 45,000 and 50,000. So the difference between that and the 170,000 that we have today is focused pretty much for the contingency in Iraq. And I think, you know, as you look forward, you

could probably expect that number to come down a little bit. But those are the numbers.

#### ASSESSMENTS OF GUARD/RESERVE/IRAQ FORCES

Senator COCHRAN. Will the involvement of additional countries with more troops and more support help us to reduce the need for National Guard and Reserve forces?

General MYERS. It certainly could. If we got a third multinational division, which, as you know, we're working very hard, and it's being worked at the United Nations, as well, as you mentioned—if we got a third multinational division, that might reduce the active or Reserve component call-up that we'd have to have to fill that need.

Senator COCHRAN. Let me ask General Abizaid, what is your assessment of the effectiveness of our National Guard and Reserve forces in the theater?

General ABIZAID. Well, sir, there is no doubt that the National Guard and the Reserve component forces have been doing an outstanding job. They have been absolutely essential. We couldn't get the job done without them. It isn't a matter of "nice to have," it's a matter of "must have." They've been doing great work, all the way from combat operations to support operations. They're all over the theater. I saw some National Guardsmen in places as far away as Yemen, and I've seen them in faraway places like Afghanistan, and they're certainly in Iraq in very large numbers. They're doing great work.

#### FORTITUDE OF IRAQI PEOPLE

Senator COCHRAN. Let me ask you a question, too, about the Iraqi forces you're trying to recruit and train and get involved in the protection of their own homeland. Do you think the Iraqi people have the courage and fortitude to see this mission through to its successful conclusion?

General ABIZAID. Sir, the Iraqi people have the courage to see this through. It's very, very clear to me that as you look at the country, as you look at the enthusiasm of people trying to build a new future, that they are both courageous and optimistic in most of the country. They have the courage, they have the tenacity, they have the education, they have what it takes to get the job done, but they can't do it without our help. Every day they get stronger, every day they get better. There's no doubt that they're prepared to risk their lives against those people that are trying to cause the mission to fail. And I have great, great faith in the Iraqi people, along with us, to make this mission successful, as do, by the way, Senator, our soldiers.

Senator COCHRAN. Thank you.

Thank you, Mr. Chairman.

Chairman STEVENS. Thank you.

Senator Inouye? Senator Inouye is recognized for 8 minutes.

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

## FUNDING FOR FOREIGN DIVISIONS

Mr. Secretary, before proceeding with my question, I would like to agree with you that every life is precious, every life is sacred, and whatever contributions are made, whether it's a division or a squad, it's very important.

But having said that—I'm looking over the supplemental request now—there's an item of \$390 million to pay the costs of supporting the Polish division, and another \$390 million to support a potential second multinational division. What would be the impact if we did not appropriate this money?

Secretary RUMSFELD. The impact would be that the support that we were getting, have been getting, from the forces of other countries would be, in some measure, denied us.

Senator INOUE. They would leave the theater?

Secretary RUMSFELD. Senator, I can't answer that. I don't know what they would do. The one division is, of course, already been paid for, the Polish division and the various countries that are participating in that. I don't—I think it's 11 or 16 countries are involved in that particular one. The funds would, for the most part, relate to the second division, and it would clearly make it more difficult to encourage countries to participate in that second division.

## COALITION SUPPORT

Senator INOUE. Mr. Secretary, there is another item, \$1.4 billion, to support our Coalition forces. What is that for?

Secretary RUMSFELD. Dr. Zakheim, why don't you respond to that? It involves a whole slew of things. Among other things, for example, the assistance that is being provided us by Pakistan in connection with the Afghanistan operation. And we use their bases, we use their fuel, we use various types of services from them, and we have an arrangement whereby we can reimburse them for those types of things, as, of course, this committee knows.

Dov, do you want to elaborate?

Dr. ZAKHEIM. Yes, sir.

Senator, these arrangements began almost—shortly after the war in Afghanistan. The Pakistanis have been dispatching forces in what are called the “tribal areas” in the Northwest, which border Afghanistan. They, in the past, have not even sent their forces in. And the alternative, quite frankly, would have been our having to go in there. We didn't know if we'd get the permission. We certainly would not know the territory anything like the Pakistanis do.

When they come in—and not just Pakistan; Jordan and other countries—when they come in with requests for reimbursement for operations they would not otherwise have undertaken if we had not requested them to, we do not automatically reimburse them. We have a very, very rigorous system of reviewing those requests for reimbursement, and in some cases we've denied them. It has to be a direct support for the United States' efforts in support of our efforts in the global war on terrorism for activities that these countries would not have undertaken had we not asked them to.

## FORCE LEVELS

Senator INOUE. Mr. Secretary, I get the understanding, in reading the supplemental request, that there will be a decrease in U.S. troop level if we increase foreign involvement from three to four divisions. Is that correct?

Secretary RUMSFELD. I think that the way I would respond—and then I'd like General Abizaid, who is the Commander for the Central Command, to elaborate—I look at it not in two pieces, Senator, but in three pieces. There is the U.S. forces, there are international forces, and there are Iraqi security forces that are made up of an Iraqi army, police, border guards, site-protection people. Then there are the facts on the ground. And what will determine the total number of forces and capabilities will be the facts on the ground. Either it will require more or less. Then the balance among those three elements will determine which forces are there to deal with those facts on the ground.

## INTERNATIONAL FORCES

Our goal, our purpose, is not to assume a permanent responsibility for the security of Iraq. It's certainly not to create a dependency on the part of Iraq that they must have our assistance or international assistance. It is to invest enough in the Iraqi security forces so that they are the ones that take over the responsibility for both the United States and for the Coalition forces.

John Abizaid, do you want to comment?

General ABIZAID. Yes, Senator. We have, for a long while, looked forward to the opportunity to bring in a Coalition division primarily in the North. One reason is that the North is relatively calm. Another reason is that we thought we could attract some Muslim forces. We want to internationalize the force. As you know, the high percentage of Americans to Coalition forces leads to this notion that this is an American occupation, at least in the eyes of people in the Arab world and within Iraq. But, more importantly, we knew that if we could get some capability up there, that would then allow us to concentrate American forces where we would need them in other areas.

Under the current circumstances, it is possible—and, of course, it's always difficult to predict the security situation—but it is possible to contemplate that additional Coalition forces would lead to a withdrawal of American forces over time.

Senator INOUE. Further reading the request, I get the impression that if we're not successful in encouraging three multinational divisions to join us, we would replace that group with four Reserve enhanced brigades. Is that correct?

Secretary RUMSFELD. Do you want to—

Senator INOUE. American brigades?

General MYERS. Senator Inouye, just to—to answer that question, I'll just piggyback on what John said. What John tries to figure out, with his commanders and his folks, every day, are the needs for the future. And you can only look out so far in this business, as you're well aware. So that's one of the options.

If we don't get a third multinational division, there are several options for filling that need. One is, the security situation could im-

prove to the point where you don't need it. Another is, as the Secretary said, you could have enough Iraqis onboard by that time that you don't need it. There are certainly active-duty options that we're looking at, and there are also, in the supplemental, the options to bring on Reserve component forces to fill that need, given that it materializes. So—

Senator INOUE. Well, what are the odds? Are we going to reduce our forces?

General MYERS. I'll let General Abizaid talk about that.

General ABIZAID. Sir, I think there's four things at play here. One of them is the current security situation. The other thing has to do with the number of international forces. But by far the most important element is the ability of Iraqis to take care of the security situation. And that's really split in two. It has to do with paramilitary forces and military forces on the Iraqi side, and police forces on the Iraqi side.

If we can bring the Iraqi paramilitary and police forces up to both a strength and a capability that would allow them to take over certain urban areas, then I think we could contemplate bringing American force levels down, over time. And I think it's not impossible to believe that that could happen next year, provided that there is not a spike in violence that is unanticipated.

#### OBLIGATION OF COALITION SUPPORT FUNDING

Senator INOUE. Mr. Secretary, if I may just follow up my prior question. This request includes \$1.4 billion for the support of Coalition forces, but I gather that the \$1.4 billion we appropriated for 2003 has not been spent. Is that correct? Has only half been obligated?

Secretary RUMSFELD. I think it's been spent.

Do you want to comment?

Dr. ZAKHEIM. Yes. About half has been obligated so far. We anticipate that over the next few months we will be continuing to reimburse the Pakistanis roughly at the rate of about \$70 million a month. That is basically what we have verified in terms of their costs that—

Senator INOUE. So the amount we appropriated will be spent?

Dr. ZAKHEIM. It will be fully spent, sir, yes.

Senator INOUE. Do I have time?

General ABIZAID. Senator, if I may just add to the answer, I would like to point out that it's not just a matter of military forces. It's clearly a matter of also bringing economic and political activity forward in such a manner that it sets the conditions that allow us to be able to be successful. So it's very difficult to say that there's a strictly military solution to the force levels. It depends upon all the aspects of national power.

Chairman STEVENS. Thank you, Senator.

Senator SPECTER is recognized for 8 minutes.

Senator SPECTER. Thank you, Mr. Chairman.

Thank you, gentlemen, for your service. And we thank the men and women of the Armed Forces for the outstanding job which they have done.



## LOANS AS AN ALTERNATIVE

Mr. Secretary, there has been a great deal of discussion among Senators about the possibility of advancing these funds with loans or perhaps involving the International Monetary Fund (IMF) or the World Bank. As I travel through my State and elsewhere, there is obvious concern about an \$87 billion request. I believe the Congress will support the President and support the administration and support the Armed Forces, but we are looking for ways to lighten the burden if we can reasonably.

Inevitably as we move through the appropriations process—and we just finished the subcommittee, which I chair, which had appropriations for health, and education and worker safety. And as you might expect, there were many arguments raised on the Senate floor about why not more money for a given item when we are being asked to spend \$87 billion on a supplemental. Where you deal with infrastructure—water, sewer, electricity—customarily it is a capital investment, and funding is looked for—perhaps to the IMF or the World Bank.

Is it realistic, Mr. Secretary, to try to structure some of this with loans from others, or looking to the Iraqi oil, where I think it is fair to use Iraqi resources to pay for the rebuilding of Iraq? We don't want that oil. Is there some way we can offset this request in loans or IMF or World Bank?

Secretary RUMSFELD. Senator, I know that this is a subject that's been looked at very hard by the administration and by the Office of Management and Budget, the Department of the Treasury. The concern is that the Iraqis currently have something in the neighborhood of \$200 billion of various types of obligations, whether reparations or debt. They have a relatively modest amount of oil revenues this year. They go up substantially next year, and they're estimated to be up, I think, around \$15 to \$20 billion within a matter of 2, 2½, or 3 years. They have immediate needs, and we are having a donors conference to get other countries to participate, in, I believe, Madrid, next month.

You're quite right about the international lending organizations. The goal is to get them to participate, as well. The goal also is to get private-sector investments in that country as the security situation improves. It's going to take all of that. And the idea of adding an additional burden to the debts they already have, it was concluded to be the kind of thing that didn't work very well after World War I. And after World War II, the effort was to help them get started, kick-start them and let them go, and it worked. It worked a lot better than it did after World War I, and so the conclusion on the part of the administration is that they believe that this portion should definitely be grants.

Senator SPECTER. Let me move to another question and just an observation. The \$200 billion in debt expended by a tyrant, they're really bankrupt. I don't think we have to look toward repayment of that. We're starting anew, and it seems to me that we can appropriately, by analogy to commercial transactions, look to their assets into the future.

## U.N. INVOLVEMENT

But let me move to another question, Mr. Secretary. This issue of unilateralism and multilateralism is a big, big point. I know that the "coalition of the willing" was a multilateral approach, did not get the United Nations support. When we were considering the resolution for the use of force, there were many of us—and I expressed this on the Senate floor—of concern to involve the United Nations as much as that could be done. And Senator Lugar had an amendment, which I had cosponsored, along with others, which would have conditioned the use of force on greater involvement of the United Nations. And that amendment ultimately was not offered, in a very complex procedural setting.

And as the President is moving—and I compliment him for his efforts to bring in the United Nations—we have the continuing feeling that, in many quarters—and with the French, I think totally unjustifiable; they still haven't forgiven us for saving them in two world wars—but that sense is there as we're trying to get cooperation.

And I'm just wondering, as we look at the historical impact of what has been done here and concern that the United Nations was weakened because the United States moved without the approval of the Security Council, I don't believe that the United States has anything to apologize for, but I wonder if, in hindsight—and I don't think this is Monday morning quarterbacking—because what we're looking at—at two points. One is the precedent as to what we have done here. And looking at the Secretary General's concern that other nations may want to act unilaterally—not unilaterally as we did, but without the consent of the Security Council—and also in an effort to try to get more support from the international community, if it might not be advisable to take a look at it and comment on whether, in retrospect, we might have done it a little differently. Not to apologize, not to mea culpa or to say we made a mistake, necessarily, but if you had it all to do over again, Mr. Secretary, would you have approached it with a little more effort to get more involved, including the Security Council?

Secretary RUMSFELD. Senator, the amount of effort that was made by the Department of Defense, the Department of State, the President, personally, to get other countries involved was enormous. It began from the very beginning. U.S. Central Command (CENTCOM) was engaged in relationships to include other countries. We ended up with 32 other countries involved in that activity with troops on the ground. Now, that's not a small number of U.N. members. It's quite a few.

You're quite right, the President, initially and yesterday, has indicated his conviction that it would be helpful to have a role played by the United Nations greater than is currently the case. And that's why he spoke there. That's why he and Secretary Powell were up there engaging in all those bilaterals.

To say that the United Nations was weakened by the U.N. action, I think that has to consider how the United Nations would have been weakened if Saddam Hussein had been able to ignore 18 straight resolutions of the United Nations Security Council. It would have to make one wonder what is the value of a U.N. Secu-

rity Council resolution if a dictator could, with impunity, ignore 17 or 18 such resolutions. I think that one could argue that that would have weakened the United Nations more.

The President has demonstrated unambiguously that he wants to work with the United Nations and is attempting to do so.

Senator SPECTER. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman STEVENS. Thank you very much.

Senator Hollings, you're recognized for 8 minutes.

Senator HOLLINGS. Well, let me try to be helpful in my 8 minutes, because this is a complicated situation, Mr. Secretary.

Iraq was a tremendous military victory, and you folks at the table ought to be congratulated. Thus far, it's a political failure. I'm hearing all kind of nonsense here about complimenting the President on trying to bring in the United Nations. I know the Senator from Pennsylvania, and I know how to politic. I wouldn't say it's a really important thing for you to try to help me. I'd go out and ask for your help.

And yesterday, you can see that the United Nations feels that it was an assault on their principles, as well as an assault on Iraq. And we were chastised there. And instead of sitting and listening—it's just like if you got up and left the room right now—the President got up and left the room with the Secretary of State and everything else. So I don't compliment the President a darn bit. He has not been helpful to the military.

Starting at that thing, let's get away from trying to connect with this long litany of bankruptcy of two airlines, insurance industry 7 billion lost income, and all, trying to connect al-Qaeda with Iraq, or 9/11 with Iraq. Because even President Bush says there's no connection. That's number one.

Number two, let's get away from the so-called Coalition—Macedonia, Moldova, Mongolia. Come on. President Bush, the father Bush that you served with as Secretary of Defense and so forth, he got 144 nations. This 32 is not a corporal's guard. We are in trouble. That's your trouble. I'm getting right to my point. It's not money. I said months ago that it's not a money supplemental, it's a manpower supplemental.

And you've got a heck of a job over there, that if they had a constitution this afternoon and an assembly and everything else, they'd still—those borders are porous. We've got a Lebanon on our hands. They're going to be blowing up each other out there for years on end.

And how can we be helpful? Well, number one, I think when you talk about getting these two brigades in there, multinational brigades, it's going to be tough. Turkey, at the best, will have 10,000. That's not quite a brig. And then you'll bring in a little bit of Bangladesh and maybe a couple of hundred from India or something else like that. And I'm looking to this time, September, of next year, and it's not going to fly having the majority of the Reserves and the Guard on duty in Iraq and the United States defense establishment back home or elsewhere. And I don't know how you can do it. I've got the budget for 11 peacekeeper operations, plus, you know, now with Kuwait, Afghanistan, and Iraq. I still think you're going to need that kind of supplemental, of a manpower.

Now, the news is good. The headlines, what the economy is, you've got a full complement in a volunteer army. Let's do more volunteer. I'd rather be paying them than running around paying Poles to get there or whatever else we're trying to do. But let's look at that. I think we can pass that and get a manpower supplemental and really get on top of it, because we're destroying our National Guard and Reserves, I can tell you. They're exhausted. They were called up right after 9/11. I've got them. They're doing an outstanding job and everything else like that. But there's so much that we can get done.

And you folks in the military have been taking on our political mistakes. There were two "resolved" clauses. Don't get away from that two pages of "whereas's." The one "resolved" clause was to enforce the U.N. resolutions. And we overrode that. The United Nations was trying to do it. Hans Blix was there. We said, "You're irrelevant. You're a debating society. Get out of the way. We're coming in." And, of course, so far they've been proved right, we haven't found any weapons of mass destruction. So you can't blame Hans Blix for not finding them. We've had 5 months to find them—and paying off people and giving them rewards and everything else. We haven't gotten rid of Saddam. He's killing us every day out there. I don't know where the heck he is, but we're getting killed.

So let's don't run around, "We've gotten rid of Saddam, we've gotten rid of the tyrant." This has been a political flop, and it's our task to make it a political success. And let's understand that in the initial instance.

And one way to try to do it is start to build up the military and then, incidentally, get the military the dickens out of there, turn it over to the State Department and Agency for International Development (AID). Then we'll have our military properly supported.

But we don't have a money problem. We've got a political problem. You folks did your job and did it in an outstanding—and you're trying to do it the best you can. But when the President makes his speech and then walks out and doesn't even listen to the people who are talking, and you're asking to get their help, that isn't any politics. I can tell you that right now. That's how to make enemies out of people.

#### POLITICAL FAILURE IN IRAQ?

Secretary RUMSFELD. Senator, I certainly agree with you that the men and women in uniform achieved an impressive military victory.

Senator HOLLINGS. Yes, sir.

Secretary RUMSFELD. I cannot agree that it's a political failure after 4½ months. It seems to me that that would be premature.

I do agree with you that it is a manpower supplemental. And I'd like General Abizaid to elaborate, because he's there dealing with this every day.

But the reality is that we have a choice. We could go out—and I agree with you, further, that we're not going to get a lot of international troops, with or without a U.N. resolution. I think somewhere between zero and 10,000 or 15,000 is probably the ballpark. It's not going to change the drill dramatically.

Senator HOLLINGS. But then we'll have the majority of the Guard and Reserve on duty there this time next year.

Secretary RUMSFELD. Well, that's my point, though. When I agreed that it's a manpower, I don't think it's a U.S. manpower supplemental as much as it is an Iraqi manpower supplemental.

I think that there is no—the United States has no desire whatsoever to become the assurer of security for that country. We do have an obligation to try to help the Iraqis become capable of handling their own security. And we've found that as we've gone from zero to 56,000 Iraqis providing for their own security in 4½ months, that's impressive. That's an accomplishment. That's not a political failure. And the goal is to keep investing in them so that they will be able to assume that responsibility, and we'll not only not have to put more Americans in there, or more Coalition troops, but we'll be able to pull Americans and Coalitions down as the Iraqis assume responsibility for their own security.

John Abizaid, would you—

#### STAY THE COURSE AND WIN THE WAR

Senator HOLLINGS. Well, let me—I agree with you, it's sort of premature. I'm trying to make it a political success. We don't have the final word on it. But we were running around—I was misled. I voted for that thing. But how was I misled? Number one, you had aluminum tubes, you had mushroom clouds, you had yellow cake, you had the Vice President saying they reconstituted nuclear.

And I really thought we were doing it for Israel. If there were any real security threat by Saddam Hussein, Israel would knock it out in the next 2 hours, like they did at Baghdad. That's a little country, they are surrounded, and they've got no time for debate in the United Nations and everything else like that, and I'm with them. But I thought that's the kind of—we didn't have any security threat. Al Qaeda was not connected to 9/11.

Excuse me, General, go right ahead.

Secretary RUMSFELD. John, do you want to—

General ABIZAID. Sir, it's not my place to comment on the political success or failure of anything, but it is my place to comment on the success of the mission.

We can be successful in Iraq. And while people with different opinions might be able to argue about what happened before in Iraq, before the war, there is no doubt now that Iraq is at the center of the global war on terrorism in a way that we can't deny. And so political success and military success, in my mind, have to be achieved if we're going to win the global war on terrorism.

I believe that there is no doubt that our military forces are up to the task. There is no doubt that we must achieve success politically with Iraqis. But we also must show political will to stay the course, in my mind, in order to achieve success there, and I think it's possible that we can.

Senator HOLLINGS. But, General, get my point. Deputy Secretary Hamry—and we all have high respect, and I think you've got high respect, for him—he just, in the morning paper, is saying it's not you, it's the political entity—namely, us—the Congress, the State Department, AID, and everything else, ought to be doing what

you're doing. That's my point. That's what I'm talking about politically.

I don't see how in the world you're going to ever get really good security, because two republican guard units folded back into the city of 5 million. You can't find them. You can't go door to door and de-weaponize them and everything else of that kind. So we've got a problem, a real problem on there, and the quicker we can get it over, as the Secretary says, to the Iraqis, I agree with you on that.

Thank you, Mr. Chairman.

Chairman STEVENS. Senator Specter is recognized for 8 minutes. Senator Domenici. Pardon me.

Senator Domenici.

Senator DOMENICI. Thank you very much.

Push my button. I'll tell you, my button has been pushed already today. The problem is, I am not going to let it push me. I'm going to just forget about a few things I've heard today that would cause me to get off the path of what I came here today to do.

First, I would tell you and tell Senator Byrd, I am not a member of the "greatest generation." I'd like you to know I am a member of a much lesser generation than you, for I am too young to be a member of the "great generation."

But I have been here 33 years, and I believe—I believe I'm entitled to my time just as you're entitled to yours. No more, and no less, for both of us.

Now, let me say to you, we voted here, October 12—11 or 12, late at night. We gave the President the authority to go to war, if war we had to have with Iraq. When did we invade? When did the bombardments start? Anybody remember?

#### IMPROVEMENTS IN IRAQ

General MYERS. March 19.

Senator DOMENICI. March 19. Both events, the voting by 77 Senators and the invasion of the country, are less than 1 year old, and we already have people here and across this land, and media people, who see no success other than they don't want to say to the military, "You did a bad job," because they wouldn't dare do that, because they did a tremendous job. But other than that, all of a sudden, from October 11 and March, to this day, to a few months later, everything is gone wrong. We are doing everything wrong.

Well, to all four of you and to anyone that's listening, I think those who say that are wrong. I believe we're doing a tremendous job. We have an option. We can pull out. And I would say, for anybody who wants to make that recommendation, make it. Take it to the floor of the Senate and say, "We ought to pull out, because we have so many things going wrong, we just ought to quit." I don't think they'd get 10 votes.

Now, since that's the case, we have to take a look at what's going on. And I want to tell you that in the New York Times today, there's some very good news. I know that sounds strange to all of you. New York Times? Good news about this war? Maybe their presses went awry. But they printed a poll. That's why it was good news. And the poll said that something's happening for the better in Iraq. The poll said two-thirds of the Iraqi people expect their lives to be better as a result of removing Saddam Hussein. Two-

thirds. And they went on to say, Mr. Secretary and Generals, “The Iraqi view of the job being done by Ambassador Bremer,” and then these two words, quote, “are remarkably positive,” close quote. With 47 percent of the respondents lauding him for the recovery process in place.

Now, you wouldn’t guess, from what we’re hearing, both from the media and some Senators, you wouldn’t guess that anything like that is going on in this country.

#### DIFFICULTY OF THE TASK IN IRAQ

Now, Mr. Secretary, when you undertook this job, did you think it was going to be easy?

Secretary RUMSFELD. No, sir.

Senator DOMENICI. Did you think that—

Secretary RUMSFELD. I was right.

Senator DOMENICI. Did you think that it was going to be easy to change their government, Mr. Secretary?

Secretary RUMSFELD. No, indeed. They have no real experience with democracy. It’s a hard thing to do, to change a culture.

Senator DOMENICI. Now, Mr. Secretary, do you—because it’s hard and because it’s never been done, did you choose to say, with our President, “Let’s try”?

Secretary RUMSFELD. Absolutely.

Senator DOMENICI. Why?

Secretary RUMSFELD. For several reasons. I think a peaceful, responsible Iraq could have an enormous effect in that part of the world. And it’s an important country, it’s a large country, it’s a country that has resources, and it—a country there that has that position and is not threatening to its neighbors, not invading Kuwait, not giving \$25,000 to every family that does suicide bombing and killing innocent men, women, and children, and—it would be a good thing for the world.

#### WINNING THE WAR ON TERRORISM

Senator DOMENICI. Generals, whichever one of you chooses to answer, you committed our military men there and you’re its leader, chief of staff. Was it worth it, this war?

General MYERS. I think, as General Abizaid has said, that our troops over there know exactly what the mission is. If you would ask them individually, like many of you have, they think it’s worth it. They understand—

Senator DOMENICI. They do think it’s worth it?

General MYERS. Absolutely.

Senator DOMENICI. Can we win? Can we complete our mission?

General ABIZAID. Sir, we can win.

General MYERS. We can win. And let me just take off on that a minute. We can win. But to win, we need several other things to happen, in my view. We’ve got to have the will to win. And that’s what the terrorists, by the way, are betting on, on these—this high-stakes game in Iraq. They’re betting that we can be made to leave—we, the Coalition. They’ve seen it before, in Somalia. They saw it in Lebanon. They’ve seen it in other places. And they’re hoping that they can outlast us, because they will have the will to win.

And that's an issue we need to confront, not only as an American people, but as a Coalition against this.

Commitment is important. And patience, I would say. As you pointed out, Senator, we've only been at this now for a relatively—in the scope of human history, a relatively short period of time.

Senator DOMENICI. Let me move over to the other general, please.

General ABIZAID. Well, Senator, you know, a lot today has been made about the “greatest generation.” And my father is a member of that generation. And I think there's something to be said for that. But when you talk to our young people in places like Afghanistan and places like Iraq, downtown Baghdad, and you hear what they say about how they're doing, and you see their confidence, and you see their dedication, and you see their ability to withstand great dangers, you have to ask yourself whether or not they're not the greatest generation.

They are fighting and winning the global war on terrorism, and they know it won't be easy. They know it won't be without casualties, and they know it won't be without sacrifice. But we've got to win this war, we've got to be tough. We've got to be tougher than our enemies, because they think we're weak. And we're not.

Senator DOMENICI. General, do our troops think we can win?

General ABIZAID. Our troops know we can win.

Senator DOMENICI. And how do you assess the situation today? Is it better than 2 months ago?

General ABIZAID. The situation is better than it was 2 months ago. It's better than it was 4 months ago. And it will be better 2 months from now. But it will be a slow process. It will be a dangerous process.

And, you know, Senator, really this is a battle of moderation versus extremism that we're engaged in. If we can win in Iraq, we can win the battle of moderation. And it's just not the battle for the United States; it's the battle for the Arab world, as well. They crave the opportunity to move forward in a moderate way. Every leader in that part of the world believes that. People believe that. There aren't 60,000 Iraqis coming to serve with us under arms because they're betting that they're going to lose. True, there are people that are against us, and they are dedicated against us in a way that is going to have to make us fight, and fight hard. But I have asked every brigade commander that I've met, and I've met almost every one of them in the field out there, “Are we winning?” And I put it in no uncertain terms. And they say, to a man and to a woman, “Yes, we are.”

Chairman STEVENS. Thank you very much, General.

Senator Leahy is recognized for 8 minutes.

Senator LEAHY. Thank you, Mr. Chairman.

I'm struck by, as I hear the little bit of testimony we're getting up here on these matters, that the talking points seem to always be about how this is like the Marshall Plan. Let's make sure we know the facts. Much of the Marshall Plan was a dollar-for-dollar match by the European nations. It wasn't just a grant from us.

I keep hearing about what it did for Germany. But Germany was not the largest recipient. They got about 11 percent. England got 25 percent.



Loans made up almost 10 percent of the Marshall Plan. Now, Secretary Rumsfeld has testified that Iraq owes about \$200 billion owed to Saudi Arabia and Kuwait. I would hope that we're not going to pay off loans to Saudi Arabia and Kuwait.

And I remind everybody that keeps trying to link Saddam Hussein to September 11—and I commend the President for finally saying there was no link—there is a connection between Saudi Arabia and September 11. Most of the hijackers came from Saudi Arabia. Most of them were protected and funded from Saudi Arabia. And there are a lot of al-Qaeda, we both know, still in Saudi Arabia, notwithstanding some of the crackdown by Saudi Arabia since September 11. So I would hope we're not going to be paying off loans to Saudi Arabia.

President Truman urged sacrifice. He, among other things, made a personal appeal to the American people to keep down our grain consumption, because we were shipping grain over there—that is just one example—so that it would not be inflationary here. Instead of 8-minute photo-ops for a review, the Senate—and Senator Byrd, mentioned this—the Senate held 30 days of hearings. There were 100 non-governmental witnesses. There were hundreds of pages of testimony. The House had 29 days of hearings with 85 witnesses. The Congress established, with the administration, a bipartisan—there's been very little reaching out to both sides of the aisle up here on this issue—a bipartisan effort to go by 1-year authorizations—authorizations, as well as appropriations.

So I just want people to understand what the Marshall Plan was. If we are going to say this is like the Marshall Plan, then let's start doing things the way it was done back then.

General Myers, as I've told you before, I am extraordinarily proud of our men and women who are over there. We have the finest Army, Navy, Air Force, and Marine Corps anywhere in the world. But I'm concerned that more are being killed every day. It was announced some time ago that the mission was accomplished there. And since then, we've lost more people than before May 1. I'm afraid that the Iraqi people who don't feel safe are turning against us. We want them as our friends. But the friendly-fire incidents don't help.

I worry that some of our tactics are heavy-handed, with brute force, instead of doing more to bring the Iraqi people to our side.

Foreign troop contributions, no matter how much we say, they've been meager, at best. Some of these countries that we list—and I'm glad to have Moldova and Estonia and Azerbaijan in there shoulder to shoulder with us, but I would suggest that some of these countries are seeking out more loans and foreign aid for us to pay for it, and also some of their contributions are about the size of a rural police department in my State of Vermont. And so I worry about the costs.

We've been told by the administration—former Office of Management and Budget (OMB) Director, Mitch Daniels, said the total cost would be between \$50 and \$60 billion. The Department of Defense told us the oil revenues could bring in between \$50 and \$100 billion over the next 2 or 3 years, and that would finance the reconstruction. Well, that isn't going to happen.

There is going to be a real question about the money to rebuild schools, hospitals, roads, electrical infrastructure, and so forth, in Iraq. I think one plan is to build \$50,000 bed new prisons. I think that we need to know a lot more about these exorbitant expenses.

#### TRICARE FOR RESERVISTS

Secretary Rumsfeld, I worry about what this supplemental doesn't include. The National Guard and Reserves are critical to the security and reconstruction effort. Everybody knows that. In fact, the Department of Defense recently extended Reserve deployments to Iraq for a year. They're going to deploy upwards of four enhanced brigades.

Now, the Senate recently voted overwhelmingly to make non-activated Reservists eligible for TRICARE on a cost-share bases—on a cost-share basis—to try to keep our Reserves as healthy as possible. And this coalition, Republicans and Democrats, expressed willingness to work with the Department to develop a cost-effective program. Why didn't the Department request funds for this program in the supplemental? Why not do something when there is overwhelming support here for TRICARE for our Guard and Reserves?

Secretary RUMSFELD. Senator, let me respond to several of those points. You're quite right—

Senator LEAHY. Could you do the—in case you run out of time, could you do the TRICARE one first?

Secretary RUMSFELD. I'll sure get to it. The short answer is that the decision was made, I think in cooperation with the Congress, to restrict the supplemental to the global war on terror.

Senator LEAHY. But we're talking about money for our forces in Afghanistan and in Iraq, where we have more Guard and Reserve being called up.

Secretary RUMSFELD. I'm told we already pay for TRICARE for Reserves when they're on active duty.

Senator LEAHY. No, I'm talking about for the Guard and Reserve prior to being on active reserve, why can they not be part of TRICARE?

Chairman STEVENS. Will the Senator yield?

Senator LEAHY. Yeah.

Chairman STEVENS. As the chairman of the Defense Subcommittee, I'll tell you, we tried to do that. It was not authorized yet.

Senator LEAHY. We've got a whole lot in here that's not authorized. I mean, we don't even have an authorization bill for this. We're building electrical grids, we're building schools, hospitals, and everything else, all of which may be very good. We're putting millions of people back to work in Iraq, and there hasn't been an authorization bill in this part yet.

#### RESPONSES TO SENATOR LEAHY

Secretary RUMSFELD. May I respond to some of the points you've made?

First, let me say that you're quite right, we have no interest in paying off anyone else's debts or loans that they had to Saddam Hussein's regime. All debt payments have been deferred until 2004,

through an international agreement and understanding. And clearly, with that kind of debt, the country is going to require substantial debt restructuring.

With respect to Saudi Arabia, you're correct, there were a great many of the 9/11 terrorists who happened to be Saudis. It is also correct, however, to say that the Saudi Government has been working increasingly closely with us and that, in fact, this week they either arrested or killed an additional high-level al-Qaeda, and they have been focusing on that problem to our benefit.

The President's—

Senator LEAHY. I wish they had earlier.

Secretary RUMSFELD. The President's comment about "major combat operation was over" was correct. He did not say "mission accomplished." There was a sign there that said that, but his comments were correct. The mission was—

Senator LEAHY. I wonder how that sign got there. Amazing. Go on, I'm sorry.

Secretary RUMSFELD. The mission is clearly not over. General Abizaid has been describing the difficulty of the mission and the danger of the mission, and we understand that.

I have to say something about the comments you've made about the countries that have relatively small contributions. They are also relatively small countries, and hundreds of people—or six countries with over 1,000, to say nothing of the Iraqis that are getting killed and wounded, just as Coalition forces are, the Iraqis have 70,000 involved.

Now, the fact that a country has only a few hundred, it may be that that country, as a proportion is roughly the same as other countries. And I think that we ought to be respectful for their contributions, and we ought to be grateful for their contributions.

I will make one last comment, and that's about the prisons. We need those prisons. Saddam Hussein let something like 100,000 to 150,000 criminals out on the streets against the Iraqi people. They are out there doing damage.

The looting that took place was essentially against the Iraqi institutions, the Saddam Hussein institutions. It was against the ministries. It was against the prisons. It was against the things that repressed those people. The prisons were destroyed. There are places where, in the latrines, they didn't just take out the toilets, they took out the pipes, they took out every aspect of tiles that were in there. They have destroyed most of what was left of Saddam Hussein's regime, purposely. You can tell, the way the looting took place, that it was focused on that regime. We need prisons, and that's why the money's in there for them.

Senator LEAHY. That's why we're spending more per bed than we do in the United States for our prisons?

My time's up. Thank you, Mr. Chairman.

Chairman STEVENS. The Senator's time is up. I'm going to use another minute of my time, just for a little bit of memory here.

You know, I left the military and went through college and then halfway through law school before the Marshall Plan started. We had a military occupation of the areas in Europe for over 3 years before the Marshall Plan was suggested. Is the other side suggesting we should go through a military occupation for a period of

time? Do you want to do that? Do you really want military occupation and not a progress towards democracy in Iraq?

I'm supporting this because I believe we'll get our people home sooner if we move now to create something that will create democracy in Iraq.

Senator LEAHY. Well, if the chairman has addressed a question to me, let me say this.

Chairman STEVENS. I'm not suggesting a question. I'm making my statement.

Senator LEAHY. Well, Mr. Chairman, to answer your questions, if we're—

Chairman STEVENS. I didn't give you—

Senator LEAHY [continuing]. Going to have—

Chairman STEVENS [continuing]. A question.

Senator LEAHY [continuing]. A Marshall Plan, then we ought to have hearings on a Marshall Plan.

Chairman STEVENS. There were hearings yesterday before the Foreign Relations Committee. There are going to be hearings before the Armed Services Committee. This is the Appropriations Committee responding to a request by the President of the United States for emergency appropriations. This is not a committee to develop the policy of the United States in terms of authorization. This is not the place for that.

Senator Burns is recognized.

Senator BURNS. I thought Senator Shelby wanted to follow that.

Senator SHELBY. You can go first.

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

And, first of all, let me—

Chairman STEVENS. Senator, would you yield?

Senator BURNS. Yes.

Chairman STEVENS. Just for information. Everyone's concerned. We're going down the list of the appropriators by seniority, not by the time people came in. Too many people come in and go out, come in and go out. So we're going down the list as they appear on the rollcall.

Thank you.

Senator BURNS. Well, I thank the chairman for that.

I just want to thank the leaders that we have at the table today. You have carried out your daily operations and your daily challenges that fulfill the wisdom, the vision of freedom that all people who live and die for daily, for that great human endeavor. I think we lose vision of what we are all about.

To your credit, I think our men and women in uniform now serving on the ground, that have served on the ground, have been and remain the best ambassadors we have in Iraq. To your credit, they have upheld the American tradition. Once we were attacked, and we were, they took the battle against terrorism to the enemy on his ground. Americans do not want, nor can ill afford, the terrorists bringing the battle to us on our ground. That has never been the tradition of the American people since the Civil War.

And we must understand, and the vision of this President, that no nation, no society, no government, no economy is exempt from the acts of terrorism and the damage that it can do. That's what this mission is all about.

Now, saying that, we are in the business of appropriating money to carry out that mission. I know we have money in here to replace ordnance that was used, equipment, also replace weapons. But the replacement of our personnel, our people, and to maintain the size of our military strength under the new approach of an all-volunteer army, sort of concerns me.

#### RECRUITMENT AND RETENTION

Mr. Chairman, General Myers, could you give us any kind of an indication, do we see any weakness in our recruitment or replacement of personnel, especially among Reserves and National Guard, since their duty has been redefined, and especially if you could give us a percentage between active people in support and combat positions now, could you give us an overall look about that? Other words, I know it's higher now with Reserves and National Guard. Tell me, is that affecting our recruitment and replacement of those people?

#### REENLISTMENT

General MYERS. I'll do the best I can, Senator Burns.

Let's take the active duty first. Active duty propensity to reenlist has actually gone up, from 1999 to 2003. The percentages of those folks that are eligible for re-enlistment—the percentages have actually gone up, and recruiting right now, I believe all the services are still meeting all their goals, as they have, for the most part, last year, and then, for the most part, the year before. On the Reserve component side, right now, retention is still—and recruiting—is still good. We are heavily using the Reserve component. And you would expect to do that if you're a nation at war and the stakes are high.

I agree with the statements that were made earlier about the pride that these people have in their jobs. I just visited Bosnia and Kosovo, two operations that are manned by Army National Guard primarily, and other Reserve components as well. They couldn't be prouder of what they're doing.

And one of the things that the Secretary and I and the rest of the Joint Chiefs of Staff, the Secretary's staff, are working on is to provide—so this recruiting and retention picture doesn't change for the worst—is to make sure that we provide as much predictability in the lives of our folks in the Armed Forces as we possibly can. It's important for active duty. It's perhaps even more important for the Reserve component, because they have to deal with the employer piece, as well. And we have, by the way, a lot of employers out there that have really been supportive of those members of their businesses that are a part of this effort. I think, in the end, those that are supporting it realize that it's all tied together, as the Secretary said in his opening remarks, and that we've got to win this one, and that's their sacrifice.

We can do a better job in providing predictability. We can do a better job in communicating when people will come on active duty and when they will be leaving active duty, in terms of Reserve component. We can do a better job of that, and that's something that I think the Secretary and I discuss and try to work every day, matter of fact.

Senator BURNS. Well, I—

General MYERS. Before—

Senator BURNS [continuing]. Would comment that it's pretty hard to predict when you're going to—you know when you're going to leave and you know when you're needed and when you're going to be called up. Now when you get home, that's another story, because you're going to be used as needed. But I'm wondering if everything is—if you hear the press and you hear some other folks talk, that this whole thing is falling apart, that our enlistments and our recruitment capabilities of replacing people in our Reserve and our National Guard, that would have an effect, especially when you have employer input that have either had to hire people to take their place or to go through their own recruiting and retaining people. Looks like those numbers would, after about 5 or 6 months of operations now, and ever since September 11, would show some drift one way or the other, it would show us a trend that would indicate that there is general dissatisfaction out here under the conditions we're operating now.

General MYERS. Let me just backtrack a minute. I've got some facts here from the notebook that are slightly different than I stated. And that is, in the Army, in the Army Guard and Reserve, they have had recruiting challenges this year, but made up by their increase in retention.

So, you know, the snapshot we take right now, we look fine. What the Secretary and I worry about, and the Joint Chiefs of Staff, as you look forward, are we doing all we can to encourage people to stay with us, people that have this tremendous experience, on the one hand, and do we treat them right?

And I would also say, Senator Burns, that it's really important to tell them when they will go home. And there will be contingencies and so forth, but we can do a better job of that, and we need to do that.

Secretary RUMSFELD. I'd just like to add that the system that is in place is designed for an industrial age. And, as a result, a number of the people were only given 5, 6, 8, 10 days notification before their call-up, and that's just not respectful of them and their employers and their family. And we're fixing that system. We cannot do that to the Guard and Reserve, in terms of activation.

Second, as General Myers said, we're in the process—and General Abizaid is working on it, as well—they're in the process of finding ways that they can get some leave time for people in Iraq to get out to an area that's calm and relaxed and they can enjoy themselves for a few days. And that process is just in the early stages. And, second, there is an—if people are going to have to serve 12 months, boots on the ground, in Iraq, and a number of people are, then we're trying to find ways that we can begin a process where some of them can have a period of leave at home, in some way, and that's being worked on. I don't want to create an expectation level that it's going to happen instantaneously for everybody, but we're sensitive to what you're talking about, and we have to be taking steps now to make sure that we continue to meet recruiting and retention goals, because the single most important thing we've got in the Department of Defense is those wonderful people.

Senator BURNS. Thank you, Mr. Chairman.

Chairman STEVENS. Thank you very much.

Senator Harkin—

Senator HARKIN. Thank you, Mr. Chairman.

Chairman STEVENS [continuing]. Is recognized for 8 minutes.

Senator HARKIN. Thank you, Mr. Chairman.

Mr. Secretary, again, you have said, as Ambassador Bremer said day before yesterday, or day before yesterday when he was here, that our goal is to turn back security to the Iraqi people as soon as possible. One of you used “possible,” one used “feasible.” I’m not going to parse words. But then I look at the items that are listed in your supplemental request, and I go through it, and I’m beginning to wonder, you know, because a supplemental—let’s face it, a supplemental, under any administration, is basically for either an emergency or miscalculations, poor planning, things like that, that come up that we have to pass a supplemental for. And so I look at some of the items here—and I’m not going to go through them all, but I’m going through some of them, because it adds up to a lot of money, and I’m wondering why it’s in a supplemental and what it means in terms of our long-term commitments to keeping people, our troops, in Iraq.

#### MILITARY CONSTRUCTION FUNDING

For example, here’s military construction, Air Force, \$292,550,000 to remain available until September 30, 2008. It’s for aircraft runway repair in Afghanistan, an air freight terminal at Dover Air Force Base, a munitions maintenance, storage, and wash pad at Camp Darby, Italy, and on and on and on. Now, I have to ask, is this really an emergency? This seems like it ought to be something that ought to be in our regular appropriations bill.

Chairman STEVENS. Would the Senator yield on—

Senator HARKIN. Let me go through—

Chairman STEVENS [continuing]. My time right there?

Senator HARKIN. Huh?

Chairman STEVENS. Would the Senator yield on my time?

Senator HARKIN. Sure.

Chairman STEVENS. We had a demand earlier in regard to Iraq that the administration submit the monies, the request for monies, that were associated with Iraq. That was discussed with the administration. And this money was requested in a separate appropriation, a supplemental appropriations bill rather than the practice in the past of having the administration take the money out of operation and maintenance or out of military construction, out of other items that were related to the war. That’s what happened in the past. Every President in the past has done that.

This time, the administration, for the first time, has requested a total amount of funding related to the war in one package, at my request.

#### ENTIRE SUPPLEMENTAL FOR THE WAR?

Senator HARKIN. I appreciate it, but my question is, I’m not certain that a lot of this is related to the war. I think it’s just, you know, almost like the kitchen sink just thrown in, and maybe some new carpeting—

Dr. ZAKHEIM. Senator, if I could respond to that, please?

Senator HARKIN. Very briefly, because I've got a whole bunch more I want to go through. Why don't you wait until I go through them all?

Here's research, development, test, and evaluation, Defense-wide, \$265.8 million for research, development, test, and evaluation. Here's research, development, test, and evaluation, Air Force, \$39 million. Here's research, test, and evaluation, Navy, \$34 million. Okay, those are just some of them. I wonder, why is this in a supplemental appropriation? This sounds like regular appropriations. It just sounds like, well, you've got it here, so you might as well ask for it and get it.

Dr. ZAKHEIM. Sir, it's not a regular appropriation at all, Senator. In fact, if you take the military construction, which you mentioned, there's about \$133 million directly for Iraq. The rest is all related to Operation Enduring Freedom, including Camp Darby. Everything there is for supporting Enduring Freedom, which, as you know, is primarily Afghanistan—that is, the entire \$412 million.

As for the research and development, Senator, that is all for classified programs. In another setting, I'm sure, we can explain to you that, again, this is all related to either Enduring Freedom or Iraqi Freedom.

Senator HARKIN. Well, here's an additional item here. Here's missile procurement, Army. It's only \$6.2 million, but it's the replacement of multi-launch rocket system destroyed in Operation Iraqi Freedom. Yet recently, General John Abigail said we're in a classic guerrilla war. Well, maybe you do have to replace the launch system, but I don't think that that is an emergency appropriation. It ought to be in the regulation appropriations bill.

Here's another item, \$35.5 million for overseas humanitarian disaster and civic aid. It says here the request includes \$20 million for Central Command for projects in Iraq, Afghanistan, and related areas. It also includes \$15.5 million for European Command for projects in countries directly supporting the war on terror. What is this? Why is this in here? What's this all about, that we're putting in a supplemental for the military, \$35.5 million for disaster and civic aid?

And here's another one, transfer of funds for intelligence community, \$21.5 million; \$15.5 million may be transferred and merged with the Federal Bureau of Investigation for salaries and expenses. That doesn't seem like something that ought to be in a military supplemental appropriation.

But here I'm getting, sort of, to the, I think, the nub of it here. Here's \$930 million, almost \$1 billion, to be available until September 30, 2006, and there's just one item in here, and it says base-camp housing units to improve the housing and morale of deployed forces, \$344.7 million. This sounds like a long-term type of thing. This sounds like something that's going to be there for quite awhile, and it doesn't square with this idea that we're going to turn it over to Iraqi security as soon as possible or as soon as feasible. These seem like long-term items.

Dr. ZAKHEIM. Not at all, Senator. The situation we have at the base camp, the big one that you referred to—and General Abizaid probably could answer this in far more graphic detail than I—is



that so many of our people out there are living in impossible conditions. The funds that are applied here are simply to get them into what are called semi-permanent conditions as long as they're going to be in Iraq, whether for 6 weeks, 6 months, or 1 year, or a short period of time. We just do not want them living in tents anymore in 130 degree weather that they have suffered from out there. If you have been out there, as we have, you know that that is what it is like. So it is totally semi-permanent.

I'd like to also give you—

Senator HARKIN. Can I ask this questions, though?

Dr. ZAKHEIM. Yes, sir.

Senator HARKIN. How about the \$119.9 million for power plants and distribution systems, water and wastewater treatment facilities?

Dr. ZAKHEIM. Yes, that is all to support those facilities. If you are going to have a semi-permanent facility, you want these people to have toilets.

Senator HARKIN. Well, it sounds more permanent than—

Dr. ZAKHEIM. Not at all, sir. And certainly, if you have been to the region, you have seen these elsewhere. These are not exactly luxury hotels, to put it mildly. More specifically, all the funding and all the monies and projects that were put together for this supplemental were restricted to Operation Iraqi Freedom, Enduring Freedom, and Noble Eagle. There were other projects, very worthy, very urgently required, that we did not include precisely for the reason you gave.

Senator HARKIN. Wait a minute. The transfer—

Dr. ZAKHEIM. These are—

Senator HARKIN [continuing]. Of \$15 million to the Federal Bureau of Investigation (FBI) for salaries and expenses is absolutely connected with our war in Iraq?

Dr. ZAKHEIM. Yes, sir.

Senator HARKIN. I guess we can stretch appropriations to mean what we want.

#### RESPONSIBILITY FOR RECOVERY IN IRAQ

Lastly, again, I want to read a statement by you, Mr. Secretary, that you made earlier this year. You said—and I've got the quote right here—“I don't believe that the United States has a responsibility for reconstruction, in a sense,” Rumsfeld said, “What we have is a responsibility to get that country on a path toward representative government.”

And then, in addition to Iraqi assets and contributions from U.S. allies, an, quote, “international donors conference will be established,” said Secretary Rumsfeld.” Deputy Secretary of Defense Paul Wolfowitz said that, “Iraq would play a major role in funding the reconstruction, noting that the country's oil revenue would generate \$50 billion to \$100 billion over a 2- to 3-year period.”

You just said today it would be \$15 billion. So can you blame us if we're kind of a little skeptical here of some of these numbers that keep getting thrown at us all the time?

Secretary RUMSFELD. Could I respond, please?

Senator HARKIN. Yes, sir.

Secretary RUMSFELD. The statement I made on March 27 was that, "I don't believe the United States has the responsibility for reconstruction, in a sense. What we have is a responsibility to get that country on a path that it has a representative government that fulfills the standards that General Myers has just outlined. We want to participate in reconstruction. Other countries will want to participate in reconstruction. And the funds can come from those various sources that I mentioned."

Now, let's go to the oil situation. I don't think anyone knows precisely what the facts will prove to be over the next 3 or 4 years, but the numbers I am told by Ambassador Bremer are the following, that in 2003 the expectation is that the oil revenues for Iraq will be something in the \$2 to \$3 billion level.

Senator HARKIN. Over what period of time?

Secretary RUMSFELD. In calendar year 2003. The expectation for 2004 that Ambassador Bremer is putting forward is \$12 billion over the calendar year.

Senator HARKIN. Uh-huh.

Secretary RUMSFELD. The expectation for 2005 is \$19 billion, and the expectation for 2006 is \$20 billion. So you might get up, over a 3-year period, to a level at a \$20 billion revenue. That, of course, Senator, is dependent upon the amount of investment that goes into that oil infrastructure. It is 30 years of being degraded and under-invested in.

Iraq has enormous oil reserves, maybe the second or third largest in the world, I'm told. Now, if there is outside investment that goes into that infrastructure, it is possible that those numbers could go up. I'm not making any assumptions about them. But, right now, they're patching that infrastructure together with rubber-bands and chewing gum. And, nonetheless, as degraded as it is, those are the expectations that Ambassador Bremer set forth Monday to this committee, I'm told.

Senator HARKIN. Well, again, this probably isn't in your purview, but how much of this reconstruction is to repair the damage that we did? I mean, we're rebuilding schools, but I don't think we bombed schools, did we?

Secretary RUMSFELD. Practically—very, very little is a result of war damage, you're exactly right. The infrastructure that's critical to the success in this situation is infrastructure that the Saddam Hussein regime under-invested in for over 30 years. And the problem with schools and hospitals is a little distinctive. The Ba'athist party used those for headquarters and weapon caches. And, as a result, a number of them were damaged during the war.

Chairman STEVENS. Senator Shelby is recognized for 8 minutes.

Senator SHELBY. Thank you, Mr. Chairman.

Mr. Secretary, perhaps a little different tone here. First, Mr. Secretary, I want to join the chorus—is the mike on now? It's on now. Sorry.

#### PROGRESS IN IRAQ

Mr. Secretary, I have a little different tone. I want to first commend you again for your leadership as Secretary of Defense and for your candor, not only with this committee, but with the American

people. You've not, I believe, sugar-coated our great challenge in Iraq, nor minimized the strategic opportunity that we have there.

I believe, as a lot of people believe, we must stay the course, and we cannot, I believe we must not, cut and run. We cannot waver at home. We've got to complete the job. And we know it's a lot of money and a lot of concern.

But tell us, again, about this progress that we're making. For example, you've alluded to the police force that we're building, the army that we're building with Iraqi troops, and our success, if you can measure it, at this point in our fight against the hardcore terrorists who have infiltrated Iraq.

Secretary RUMSFELD. It is always a difficult thing—and I thank you for your comments, Senator Shelby—it's a difficult thing when you know people are being killed—Americans, Coalition, being killed and wounded, and we know that Iraqis are being killed and wounded. It's a difficult thing, in the midst of that, to then comment on progress. But we have to. There is progress. There's political progress, there's economic progress.

There are folks who come to us and compare it to Germany. Someone here said that there was no sabotage after Germany surrendered and all of that. The fact of the matter is, there were allied forces killed afterwards, there were mayors that were cooperating with us that were killed. So that's a fact, historical fact.

But the circumstance that we're in, I think requires us to look at it very accurately, and there are successes that are taking place every day. There are political successes—to have that Governing Council, to have those ministries, to have 90 percent of the people living under local representative councils that they either elected or that are representative of them, that's a big accomplishment in 4½ or 5 months. To have the schools operating, to have the hospitals operating, is a big accomplishment. To have conducted the conflict with that precision, that so little infrastructure damage did occur, was a great benefit to those people. There was not a humanitarian crisis. There were not enormous numbers of refugees or internally displaced people.

And John Abizaid and I were talking about what's taking place with these military folks we've got. They are engaged in military combat for a few minutes a day, if that. There are very few incidents a day. They last a very few minutes. Basically what they're doing is, they're contributing to the political and economic progress that's taking place in that country, and they're doing it creatively. They're really talented, talented people.

John, would you comment on it?

General ABIZAID. Well, Senator, I would say that for every combat operation we have, there's probably 30 or 40 civil affairs operations or other operations to help with the infrastructure, to help build things and make things better in Iraq.

That having been said, it's clear that we do have an armed group of resisters that are primarily operating in a defined geographic region that's generally defined by a triangle, Tikrit, Ar Ramadi, Baghdad.

We are making progress against them on the military side. We're certainly making progress on the political side. But the key point is that there is no progress if you don't make it on both sides.

You've got to make it militarily, and you've got to make it economically. And I think when you look at the supplemental—and I am not the appropriator type of person, as you well know—but we can't move forward unless we move together both militarily and on reconstruction.

When I talk to our people, I say, "Look, we've got to concentrate on five areas. The number one area is, we've got to make sure that Iraqis take more control of their security, and we need to do it fast." After all, we win when we leave and they're in charge and they're in charge of a good government. Number two, we've got to try to internationalize a force, because this is a problem that's bigger than just the United States. Number three, we've got to make our intel better so that we can fight the enemies, identify them, and move into the cellular structure that is clear. Number four, we've got to do a much better job telling people how we're doing, the information campaign, both with the Iraqis and here at home. Obviously, we've got to do better. And, finally, and last but not least, but perhaps more importantly, is we've got to work on the infrastructure. The infrastructure is about as bad as anyplace I've ever seen. We've got to invest in it in the short-term if people are going to believe in a better future.

And so I think you have no choice, if you're going to achieve victory there, but to spend both on the military side and the infrastructure side.

#### FUNDING FOR EQUIPMENT

Senator SHELBY. General, along those lines—this is not a macro issue, but I think it has to do with the forces there—the equipment that's being used, a lot of it will—it's nuts and bolts, but it's very important to the Army and all the forces. Is there enough money in this supplemental to really maintain that equipment, to rehabilitate it and keep it going in the future—tanks, other vehicles, and so forth—and be brought back here to work in our depots?

#### SUPPLEMENTAL FUNDING

General ABIZAIID. Senator, I believe that there is enough money in the supplemental to do what needs to be done with our equipment there. Our equipment has been very, very heavily used there, probably on unprecedented levels. As you understand, when we first moved in there the logistics base was very immature. Now it's becoming more mature. So a combination of improving our logistics infrastructure within Iraq and doing a better job in moving what we need to the troops, in terms of spare parts, will have the force in good shape.

And I'd defer to the chairman about the specifics.

[The information follows:]

The supplemental supports on-going operations in theater as its first priority. Funding is also included for reconstitution of unit and Army Pre-positioned equipment sets from Operations Enduring Freedom and Iraqi Freedom, but not fully at the rate it is being consumed. The operational tempo and harsh Iraqi environment is extremely demanding on our equipment. The \$2.8 billion depot maintenance funding in the Supplemental is based on estimates of equipment availability and depot capacity. The request was balanced to consider the rates at which equipment could be returned for work in the coming year and surge capacity available of public/private depots/yards to complete the work.

Secretary RUMSFELD. Could I just make a——

Senator SHELBY. Sure.

Secretary RUMSFELD [continuing]. Comment about the Iraqi security forces? They are making a contribution. Fifty-four Iraqi security forces have been killed since May 1. Indeed, most of them have been killed in the last 2 months, because we just started developing those Iraqi security forces. Ninety-one have been wounded in action. And these—so the Iraqis are making a contribution to this effort, let there be no doubt.

#### COUNTRIES OF ORIGIN OF TERRORISTS IN IRAQ

Senator SHELBY. Mr. Secretary, how many of the terrorists that are from outside Iraq—what groups have been identified? Can you talk about this here, or would you rather not?—from outside Iraq that have come in? In other words, we know that it's become a place for the terrorists to gather to fight us there. And, you know, I think they're not going to go away. We're going to have to take them out.

Secretary RUMSFELD. We've got 2, 4, 6, 8, 10, 12, 14, 16—20, 25 countries, we've scooped up people from that many countries. A large portion of them are from Syria and Iran and Lebanon. But they come from 20 to 25 countries.

Senator SHELBY. So we're——

Secretary RUMSFELD. John Abizaid you may want to comment on the distinct groups.

General ABIZAID. Yes.

Secretary RUMSFELD. They're criminals, they're foreign fighters, and they're remnants of the Ba'athist regime, and extremists, that make up the bulk of them.

Senator SHELBY. General?

#### IRAQI/FOREIGN FIGHTER AND TERRORISTS AGAINST THE COALITION

General ABIZAID. Well, Senator, we have well over 200 what I would call foreign fighters that are in our custody. We've identified many others out in the West. We have engaged and we've killed some in combat in the West. It's also clear that we have terrorist groups such as Ansar al Islam that are operating in the country, and as I think most people know, Ansar al Islam has links to al-Qaeda. Therefore, those two major terrorist groups are operating, in some sense, throughout the country, although it's primarily in the geographic area as I described before.

There are also foreign fighters that come that are extremist oriented that may or may not be associated with various terrorist groups, that primarily infiltrate across the Syrian border. There is some indication that some infiltrate across the Saudi border. We do not believe that either of the two nations involved is complicit. We are making moves to work with the Saudis, in particular, on their border and to move troops on the Syrian border to assist in that.

I would not want to overstate the problem of the foreign fighters. The number one problem remains Iraqis of the former regime, hardcore Ba'athists, and extremists within the Sunni community.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman STEVENS. Thank you.

Senator——

Senator LEAHY. I didn't hear how many were in custody.

General ABIZAIID. Two hundred.

Senator LEAHY. Two hundred.

Chairman STEVENS. Two hundred.

General ABIZAIID. Foreign fighters, there's around—it's over 200—it's around—I think the right number is 270 or so.

Chairman STEVENS. Senator Kohl is recognized for 8 minutes.

#### SKEPTICISM ABOUT IRAQ

Senator KOHL. Thank you, Mr. Chairman.

I'm somewhat disappointed, as I have been for a period of time now, that the administration, Secretary Rumsfeld, others in positions of authority and power, do not respond to the expressions of concern on the part of people all across the spectrum in our country with respect to the things that we were told and the things that have come to the surface since before the war began and since it ended. It's been brought up before, but I haven't heard answers today that satisfy me.

As we all recall, we were led to believe and understand that there was imminent danger of weapons of mass destruction being unleashed, not only in the Middle East, but throughout the world. We were told that Iraq had an imminent nuclear capability that required immediate involvement towards an end of destruction. We were led to understand that there was a connection between 9/11 and Iraq. We were led to understand and believe that there was a connection between terrorism and the world, al-Qaeda, and Iraq. And we were made to understand that there was no time to be spent working with the United Nations for another month or two or three, that invasion needed to be done immediately, and, as a result, we did it, to some considerable extent, unilaterally.

So that kind of skepticism, as it has evolved since the war ended, and the things that were said to justify the need for an immediate invasion, have somewhat evaporated, causes the kind of skepticism that we're facing, not just here in this room, but all across the country.

And I don't hear, either today or I haven't heard very regularly, the need to own up to or to concede or to explain that sort of skepticism that was put out by the administration that has caused the skepticism so that we can move forward, which I would like to do in a minute, with discussion about where do we go from here.

Secretary Rumsfeld.

Secretary RUMSFELD. Yes, sir, Senator, thank you.

Just so the record's clear, I never used the word "imminent danger." I don't know anyone who did in the administration. You've used it twice. I never used the phrase "imminent nuclear capability." We had a conviction that they did not have nuclear weapons, and so stated, but a conviction, according to the intelligence community, that they did have nuclear programs. I think if one goes back and looks at that record, it's clear. I have publicly stated, as has the President, past, present, and recently, that we do not have evidence of a direct link between 9/11 and Iraq at all. And I've said that, the President's said that, both within the last week, as well as previously.

You've mentioned the linkage between terrorists and Iraq that was mentioned. That's true. The intelligence community has released both classified and unclassified documentation. Part of the public record is that Iraq was systematically offering \$25,000 per family that would encourage their children to go out and kill people in suicide bombing attacks. If that isn't a linkage with terrorism, I don't know what it is.

With respect to al-Qaeda and Iraq, I think most people have been very careful about that in the past. All I have ever said about the subject was specific words that I have read from the podium that were released by George Tenet and the Central Intelligence Agency (CIA) that conformed with a classified version that he had used before the Senate and House Intelligence Communities.

Now, you again use the phrase that it was "unilateral." I think 32 countries is not unilateral, myself. But where are we?

#### FINDING WEAPONS OF MASS DESTRUCTION

Notwithstanding those comments by me, the essence of what you're saying is fair. Where are we with respect to weapons of mass destruction? And it seems to me it's important that it be addressed, and I personally believe it has been addressed by any number of members of the administration.

When Secretary Powell made his presentation to the United Nations, he believed what he said, I believed what he said, the President believed what he said, and the three of us still do.

The Central Intelligence Agency has been giving essentially the same intelligence to the United States and to the American people and the United States Government for the past 5, 6, 7 years. It is what was presented in the last administration. It is what was publicly commented on by the prior administration. It is what we have been presented and what we have publicly commented on. Recently, the Agency took the steps to declassify a national intelligence estimate, I believe from October of last year, so that the world could see what they were saying to the Congress and to the administration, and that's a matter of public record.

What's being done? The administration has put together a team of people under Dr. David Kay that reports to the CIA. They have hundreds and hundreds of people in Iraq. It is a country the size of California, a country that had years to try to hide what they were doing and mask what they were doing, and there's a great deal of intelligence information about the ways, the techniques, they used to try to mask what they were doing. That work is going forward. They will make a public presentation at the point where they feel they have exhausted or appropriately explored or exploited the various leads and information they have.

The way they're doing it essentially is not running around all over the country trying to discover things, as the inspectors had to do, which is a very difficult thing to do, as we can all imagine. The way they're doing it is through interrogations. They're trying to find the people who were involved in those programs and get them to talk to them about what it was they were doing. When they make their report, we—you and I and all of us will know what it is they have. And that seems to me to be a very public exercise

that they're engaged in. And I'm as interested in what they find as you are.

#### IMPORTANCE OF THE UNITED NATIONS

Senator KOHL. With respect to the United Nations, I don't think there's any disagreement in any quarter that the United Nations is a vitally important institution, that its strength and all the things that it provides to the world are enormously important to the United States, that if the United Nations were to disintegrate, perhaps the biggest loser would be the United States.

With that in mind, how is it that we are at such odds with the United Nations—when we went to war, in the aftermath of the war, and yesterday, when the President went to the United Nations with an impassioned plea, with Kofi Annan having responded as he did. If the United Nations is as important to the United States as I believe that it is, why can't we find a way to work with the United Nations and other of the large countries throughout the world to come up with a program that will represent a rebuilding of Iraq under the aegis of the United States and not just the United States, but the United Nations and important and powerful countries all around the world.

Chairman STEVENS. First, let me reiterate that the rebuilding of Iraq is basically the Iraqi people's responsibility. The Coalition Provisional Authority has some 17 countries in it. There are 32 countries involved. It is not basically the United States, I don't think, in that case. You're right in two respects. One is, the United Nations is important, let me say why I personally believe it's important, particularly for the period ahead.

There are certain things the United States simply can't do by itself. And one of them is counter-proliferation. We are looking at a world in the coming period where we run the risk of having two, three, four, more, countries with weapons of mass destruction that are, in some cases, on the terrorist list, over the next decade or 15 years. That's not a happy prospect. The only way that an effective counter-proliferation effort can be undertaken is not by one country, not even by 30 countries. It's going to take a broader coalition of countries sensitive to that problem. So I certainly agree with you.

Next, the problem between the United Nations and the United States, it seems to me, is not a problem between the United Nations and the United States, and it is basically a problem between the United Nations and a number of countries in the United Nations, including the United States and a few countries. There are a few countries that are disagreeing vociferously, some of which have veto power, and that makes it a difficult situation. And that is why Secretary Powell is working the problem. That's why the President is working the problem. And it seems to me that we're going to have to find a more effective United Nations in the decade ahead, particularly if we're going to tackle this problem of counter-proliferation.

Senator KOHL. Thank you, Mr. Chairman.

Chairman STEVENS. Senator Bennett is recognized for 8 minutes.

Senator BENNETT. Thank you, Mr. Chairman.



I have a number of items I'd like to get into. I hope I can do this in a coherent fashion, rather than just a scattershot.

I am interested to hear—we've heard it today here, I've heard it often from commentators in the press—about how brilliantly the war was conducted. And you, Mr. Secretary and General Myers and, through you, General Franks, have been given great kudos for the brilliance of the military operation. And then, by comparison, they say the subsequent operation has been, if not a failure, halting.

I have enough memory to remember that at one point it was not considered brilliant. And I've said to my constituents, "We lost the war on the Cable News Network (CNN), but fortunately we won it on FOX."

There are those who were saying, after a week, that we didn't have enough troops. There were those who were saying we had a flawed plan, that we didn't know what we were doing, Tommy Franks should be cashiered for having made wild and unorthodox plans, he should have been conducting the war the way the generals on CNN wanted him to. And then when it turned out all right, we get the rhetoric we're hearing today that it was absolutely brilliant right from the beginning.

I have the feeling that those who are making the current comments about the progress since the war will end up having to eat the same kind of crow they had to eat on the military side when they said that you didn't know what you were doing.

The reason I have that conviction, Mr. Chairman and Secretary Rumsfeld, is that I have a memory of Vietnam. And in the early days of Vietnam, everything was going well. Your predecessor, Secretary McNamara, had the Congress absolutely convinced that everything was wonderful. There were only a few Senators that disagreed with that. Senator Morse, from Oregon, kept referring to it as McNamara's war, but the rest of the Congress went along.

The disquieting thing about that was that the people who were on the ground in Vietnam who would come back all said, "It's not going well." The general opinion in the United States was, "This is wonderful." I remember the campaign of 1964, when McNamara was saying, "The boys will be home by Christmas." One of the jokes of that time was, "Gee, if you vote for Goldwater, you'll have 500,000 troops and major war in Vietnam." And I didn't believe them. I voted for Goldwater, and it turned out they were right. We had 500,000 troops. And I must have caused it, because I voted for Goldwater.

But the people who came back from Vietnam kept saying, repeatedly, at every level, "Things are not going right. We are being lied to." The grunts came back and talked about "fraggings." The reporters who were on the ground came back and said, "This isn't going the way people said." Outside observers would go and come back and say, "On the ground it is not connecting with what the leaders are saying."

So, with all due respect, sir, as I listen to what you say, I want to pay attention to what the people on the ground say. And they are coming back and saying, "The press is lying. And the commanders and the Secretary of Defense are telling the truth." I shared this vignette with the President—I meet with the families

of the members of the Guard and the Reserve from Utah, who are in Iraq, and discovered in that meeting, I hadn't known before, that if you go to Iraq and your wife is pregnant and scheduled to deliver, you can get a 2-week compassionate leave to come home to be there for the delivery. And in the group that I met with was a young guardsman whose wife had delivered twins. And they were sitting there in the crowd with these two babies, less than 1 week old, the wife holding one, the GI holding another. And in that meeting was a gentleman who wanted to make the point that everything is disaster and was, if I might, quoting the CNN line that, "Nothing's going well."

This GI, holding this baby, spoke up and said, "I believe in the mission. I'm glad to be there. I'm leaving tomorrow, and I'm glad to be going back." And then he made the comment, "When I got home for my 2 weeks compassionate leave to help my wife at the time of the delivery of the twins, I turned on the television. And after watching television for one night, I turned it off and refused to watch it anymore, because what I was seeing was so different from what I was experiencing on the ground that it made me angry and ill, and I did not want to be that angry in the 2 week time I was home with my wife and the family." He said, "I'm going back tomorrow, and I'm glad to be going back."

I cannot remember any single incident in the Vietnam era that came even close to that kind of a report from the people on the ground.

So, Mr. Secretary, I hope you do not become McNamara. I hope you do not give us rosy scenarios that can't possibly play out. I hope you remain as candid and blunt as you possibly can be. But I will gauge your accuracy by the reports I get from the people on the ground who are actually experiencing this. And I hope you do, too.

Could you comment on what you are hearing, not from the official contacts that want to make you feel like you've done a good job, but are you going outside those contacts and hearing from people directly on the ground?

#### BEING CANDID ABOUT IRAQ

Secretary RUMSFELD. Senator, I was in Congress during Vietnam and remember it well. And I think there are a whole host of people in the Department of Defense who remember it and are determined not to repeat that experience.

I have bent over backwards trying to be as forthright and candid and accurate and balanced in how I've characterized what's taking place.

Senator BENNETT. Thank you.

Secretary RUMSFELD. I guess time will tell.

Senator BENNETT. Thank you.

Since I've been in the Senate, I have heard Iraq discussed by various Secretaries of Defense. The first one who told us that we had to act militarily or we would be in danger of attacks on Americans was Madeleine Albright. And I remember the somewhat chilling briefings that she gave to us in S-407 on this subject. And it has gone on from that time forward.

## IMPORTANCE OF INFRASTRUCTURE TO SECURITY

There have been references made to the infrastructure. Is it not a fact that infrastructure is directly tied to security? That is, for example, if the electricity doesn't work, we're the ones that need the lights. Our troops are the ones that need the lights. If the roads are impassible, it's our vehicles that are impeded as they attempt to get to the firefight to protect people. Aren't these two absolutely inextricably connected?

Secretary RUMSFELD. There's no question but that as the difficulties with electricity and water, particularly, sanitation, and infrastructure, as those difficulties exist, the security problem is worse. And the reverse is true. To the extent those issues are addressed and improved, the circumstance of the people is better and the security improves.

Senator BENNETT. Final comment, Mr. Chairman. Thank you for your courtesy.

I, last night, turned on the television, and it's still going on. We are winning the reconstruction—we are losing the reconstruction on CNN, but we are still winning it on FOX.

Chairman STEVENS. Senator Murray is recognized for 8 minutes.

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

Mr. Secretary, I think you know that some of the intensity of this hearing is a reflection for many of our constituents who are very concerned that the cost of this at a time when our own economy is struggling and people are losing their jobs in our own investment, infrastructure investment, here at home is not being made. So a lot of people are asking us what this \$87 billion is going to do. Will it bring about security? I think you're rightfully arguing that without stability in these countries, these countries will be a breeding ground for future terrorism. But I think what many of us want to hear is that the investments we're making will make a difference in those countries. We want to know what the plan is, what we're going to see 1 year from now, how we measure success.

## PROTECTING VULNERABLE POPULATIONS

And you've rightfully stated we haven't been in Iraq very long. But we have been in Afghanistan for almost 2 years, and I am increasingly concerned by what I see coming out of there, particularly for vulnerable populations. I've seen a report by Human Rights Watch that says army and police troops in Southeast Afghanistan and Kabul City are kidnapping Afghans, holding them for ransom, breaking into households, raping women, girls and boys, extorting shopkeepers, on and on. I hear a deep concern about women and girls being targeted, and, frankly, many families now keeping their young girls home and out of school. And I'm concerned that the atmosphere of violence, along with the resurgent fundamentalism in parts of Afghanistan is really endangering the important human rights improvements since the end of the Taliban, and that's the ability of girls to go back to school.

Can you tell me how the security plan, the money you're asking for in both Iran and Afghanistan, specifically will protect vulnerable populations like women?

Secretary RUMSFELD. You're quite right, of course, that the vulnerable populations are the first to suffer as circumstances become less stable. The area you've described in Afghanistan has been and remains the most difficult area along the Pakistan border, the southeastern portion of the country. You're also correct to point out that there have been some resurgents and regrouping of some Taliban.

On the other hand, as that's occurred, it's given General Abizaid and his forces an opportunity to go in and deal with them. And they have had significant successes in the recent period.

John, you may want to comment on that.

General ABIZAID. Senator, the situation in Afghanistan, of course, has a significant security difficulty associated with it in and around the Afghan/Pakistan border area. We've only got 10,000 troops in Afghanistan. You know we also have ISAF. That's in the Kabul area. And while we have made a lot of progress militarily in Afghanistan, it's also clear to us that we have got to couple not only military progress, but also economic and political progress in Afghanistan with some forward momentum to expand the ability of President Karzai to have more control over the complete country.

This will take some time. It'll take some dedication of international and United States interagency effort. We've got a plan. I believe it's a good plan. Again, it cannot be done cost-free, and I think the investment that is in this supplemental that will allow that to move forward will not only address military needs there, but also the more important economic and political movements that have got to go forward. It is fair to say that the situation in Afghanistan is one that requires our prompt attention.

Senator MURRAY. And I think what concerns a great many people is, it's clear that it's going to take a long-term investment. We're asking for \$87 billion now. What is it going to be in the future? How long do we have to be there? And, again, when our own country is struggling, that is why you are being asked for a plan that really shows us that we're going to have stability and that it comes about.

Mr. Secretary, on September 7 President Bush said that we will help Iraqis restore basic services, electricity and water, build new schools, roads, and medical clinics. This effort is essential to the stability of those nations and, therefore, to our own security. On Monday, Ambassador Bremer testified before this committee saying that security is the first and indispensable element of the President's plan. Those statements suggest to me that the administration draws a correlation between the types of physical and social infrastructure improvements and a reduction in violence and terrorism emanating from those countries. I assume that's a fair statement.

#### COMBINING POLITICAL AND ECONOMIC PROGRESS

Secretary RUMSFELD. It is, Senator. We do believe the political progress has to go along with economic progress, as well as security improvements.

Senator MURRAY. Well, beyond Afghanistan and Iraq, where we obviously currently have a large presence and where obtaining the goodwill of the native populations is essential to our success, there

may be other areas where we need to make the same kind of impact. Is it your sense that we should be exploring this kind of approach for other nations where there's a highly developed terrorist infrastructure?

Secretary RUMSFELD. The United States Government has approached the world terrorism problem in differing ways depending on the circumstance. For example, in the country of Georgia, we provided some train-and-equip assistance to them so that they could do a better job dealing with that problem. In the case of the Philippines, where the Abu Sayyaf terrorist group has been active, we've assisted the Philippine military in some training, as well as providing some infrastructure assistance, particularly on Basilan Island, with good effect, I'm told—that the wells that were dug, the roads that were provided not only helped the Philippine military to do a better job of dealing with the Abu Sayyaf in that area, but in addition it improved the circumstances for the people on that island, and that has had a beneficial effect.

So I don't think there's one size that fits all. I think that the pressure that's being put on terrorists throughout the world, with a 90-nation coalition, has been effective in many respects—in sharing intelligence, putting pressure on their finances, bringing all elements of national power to bear, making it more difficult for them to move from country to country, making it more difficult for them to transfer funds.

And you never can be sure that you are going to stop every kind of terrorist attack. And we know there have been terrorist attacks in the last 6, 8, 10, 12 months. But what we can do is, by keeping that pressure up and doing it in ways that seem appropriate from country to country, we can do the best chance of protecting the innocent men, women, and children that ultimately suffer from the terrorist—

Senator MURRAY. And part of that—

Secretary RUMSFELD [continuing]. Attacks.

Senator MURRAY [continuing]. Is infrastructure improvement, whether it's schools or roads or—

Secretary RUMSFELD. It can be.

Senator MURRAY. Thank you, Mr. Secretary.

Chairman STEVENS. Thank you very much, Senator.

Senator Craig is recognized for 8 minutes.

Senator CRAIG. Mr. Chairman, thank you.

Mr. Secretary, Generals, I, like many here, want to congratulate you on the successes of our men and women in uniform and the tremendous dedication that they demonstrate and are continuing to demonstrate. I, like many of us, have visited with those who have been there and some who are still there, and I, too, am struck with their energy and their intelligence, their dedication, and their recognition that what we're doing there is the right thing.

Possibly, Mr. Secretary, General Myers, and others, you might comment on these thoughts. While some have tended to belittle 32-country Coalition that is engaged in Iraq, largely because of their size or maybe their capability, I experienced something during the war, at least during the active fighting, that told me a great deal about why many of them are there. By my limited calculation—and I haven't taken out a map, Mr. Secretary—I've calculated that of

the 32, 14 of those nations have somewhat newly emerged out from behind the Iron Curtain. The taste of freedom is still very sweet within their lips. And they have, for the first time in a long while, had the opportunity to go their own way, have a representative form of government, and, most importantly, express freedom. I believe that's why they're standing with us today in Iraq, in part.

This spring, I was in Romania. I met with the president and the prime minister, flew to—well, drove down to the Black Sea to an airbase that we were trafficking some of our folks through into Iraq because of the Turkish situation. I must tell you that the Romanian Air Force was so very proud to be a part of this in the limited way that they could be a part. They could offer us their physical facilities. We were investing there. We were investing there for our own purposes and for human comfort and facilitating purposes.

I held a mini town meeting there of Idaho folks, very proud men and women in uniform who were en route to Iraq. The commander of the air force for Romania flew down and picked me up in an old Russian airplane that was bolted and wired and fused together, but he was mighty proud. I have a feeling that it is that sense of freedom—new freedom, not the old freedom of Central Europe, that many of those folks feel today—and, in their limited ways, they're giving to us and helping us against terrorism because of that.

You've mentioned, Mr. Secretary, Georgia and our relationship there. Well, Georgia's on the list, newly having emerged from a great period of tyranny and dictatorship and suppression. Lest we not forget, and I think we've not forgotten, that's why we're in Iraq, that's why our President is as committed as he is, and it's why we are, it's why we've supported him. I trust it's why we will continue to support him and you and our military, and coincide with that, obviously, the kind of infrastructure development that is necessary.

Now, having said that, I have a job of accountability. I am expending a limited resource. I am expending the tax dollars of the citizens of my State and the Nation. And accountability is critical, and we all have to be held accountable, as you will be and must be. And I would hope that as we work our way through these processes that there is a way for us, not beyond the large plan that Ambassador Bremer has placed before us, but in a more clearer timeline plan and success accomplishment plan, able to track and hold accountable where we're going and how we're going to get there.

Now, I know the risk, that when you set a timeline and you don't make it, you obviously are judged from it. And we all understand. And timelines have slipped on occasion. But I do think that these kinds of experience, kinds of measurements, are valuable. I think the citizens of my State, while they are strongly behind what is going on at this moment, have some apprehension, have some frustration, want to have a clearer understanding of what is transpiring, not only because their sons and daughters are over there—that's the first concern—but, secondarily, in a time of flat economies and large deficits, we are expending a phenomenal amount of money. And I do believe that the citizens of my State, and, I think, this country, are willing to make the investment in a way that will hopefully disallow ever another 9/11. That's all very, very important.

So I would trust, Mr. Secretary, Generals, that a way to measure—and if you can't get it before that public, bring it to us and we'll talk about it publicly.

Now, let me talk about something else that we will talk about publicly, because the message isn't getting out. The young man in my office this morning, who is an assistant to the Ambassador, he's from Idaho, he's been a friend longstanding, he's over there now, he's here now, he was in my office this morning. And, Mr. Chairman, he had a little Canon digital camera with him, and he said, "Senator, let me show you the pictures that I take in Iraq that the Ambassador hands to the press but never makes the evening news here." And here were a bunch of kids all gathered round, with a little sign saying, "We love President Bush." I can kind of understand, in today's politics, why that doesn't make the front page of the New York Times. There was another picture praising the fact that Saddam Hussein was no longer in power. I said, "Where did you get these?" He said, "Well, this is out traveling around the country. And when there is a visible presence of us landing in a helicopter, all of a sudden hundreds of kids appear, and these signs appear, and I snap their pictures with this little digital camera." I said, "Well, get them to us. I'll go to the floor of the United States Senate, and I know about 18,000 or 19,000 C-SPAN junkies. At least we can get it out to them. We'll talk about the successes, even though many in the media choose not to print them."

Yes, I don't deny the responsibility of reporting the losses, but I think it is time we also report the successes. Instant gratification is, in part, the character of our country today. And I suspect that that is part of our frustration.

As we redefine our foreign policy, and this President is doing so in a post-cold war era, we're being caused to redefine it probably in a way that we don't want to, but we will and, I think, we must. And I do support what we're doing. But I would also hope that we could sustain, in a much clearer fashion, a measurement of accountability.

Lastly, my colleague from Pennsylvania spoke to the character of our Guard and the need, of course, to have sensitivity to them. General Myers, I am pleased with what I am hearing from you and the Secretary as it relates to how we shape their time and the relationships. Equipment is critical for them. Hand-me-down doesn't work if they're going to be front-line. State-of-the-art must be obtained so that they can train effectively. We're going to use them again and again and again, I would guess, in the decades to come as we sustain this country's freedoms and as we work with other freedom-loving people around the world to sustain theirs or gain theirs. So let's not forget how we handle those people and how we effectively acquire and utilize state-of-the-art equipment for them.

I thank you. I would trust, Mr. Secretary, that—not just in the briefings, but in the factual material you bring to us, that we establish a new form of measurement. I know the Ambassador is going to try to break down the plan into—I'm not talking flashcards, but I'm talking the sound bites that maybe somehow we're able to get out to the American people.

## NEW MEASUREMENTS OR METRICS

Secretary RUMSFELD. Thank you very much.

Just two comments. You're quite right, it's important to have metrics. It's also important to have the right metrics and not be misled by metrics, as has happened in some other conflicts. So we're working on that, and it's difficult to do, but we're hard at it.

I counted 16 countries, Senator, that—

Senator CRAIG. Okay, you're two more than me.

Secretary RUMSFELD [continuing]. That have recently—

Senator CRAIG. Close enough.

Secretary RUMSFELD [continuing]. Achieved their freedom. And I agree with you completely that they are highly motivated, and our folks are proud to be working with them.

Senator CRAIG. Thank you.

Thank you, Mr. Chairman.

Chairman STEVENS. Senator Feinstein is recognized for 8 minutes.

Senator FEINSTEIN. I beg your pardon. Thank you very much, Mr. Chairman.

Mr. Secretary, first of all, thank you very much for being here this morning. I'd like to associate myself with the comments made by Senator Kohl. I sit as a member of the Intelligence Committee. I feel many of the same things that he has just verbalized here today. I think, on this side of the aisle, still waters are running very deep. That may not be a problem for you, but for those of us that have always felt that foreign policy, and specifically this kind of foreign policy, should be bipartisan, I think there are very strong feelings emerging. And my very sincere recommendation would be to pay attention to them.

Many of us believe that we were brought into this on grounds that have proven to be very shaky, and that the doctrine of unilateral preemption is a flawed doctrine when faced with an asymmetric threat. If I'm correct, we will, in these two supplementals, for Iraq alone, spend \$113 billion—\$51.5 billion in this one, and \$62.6 billion in the last one. I think that's \$113 billion that none of us thought would be the cost. As a matter of fact, members of your own Department have said in hearings, "Well, a lot of it would be paid for with oil." And we now find that that's not the truth.

And all of us want to succeed. We want our people over there to do well, we want to bring them home, we want to see a democratic Iraq, if possible. But, just from this Member, I think still waters can also flow over the banks and that maybe someone should pay a little bit of attention to that. I mean, the time comes when we may not be a majority in this house, but that doesn't mean we shouldn't be consulted, it doesn't mean we shouldn't be meant to be part of it.

## MILITARY CONSTRUCTION SUPPLEMENTAL FUNDING

So enough of that. I wanted to put on my MILCON hat, if I might, on this supplemental and, as the ranking member, ask a couple of questions about two things in the MILCON request. The first is \$500 million for unforeseen and unauthorized military construction projects. Now, as you know, we have provided \$150 mil-



lion for contingency construction in the previous supplemental, with prior notification. According to the notifications we have received to date, less than a third of that contingency money has been spent.

So my question is, why are you seeking such a large additional contingency when only a third has been spent? I realize the last supplemental covered only 6 months, but that included the invasion, major combat operations, and a great deal of uncertainty. Is there any intention or possibility to use this transfer authority to build new enduring bases in Iraq or elsewhere in the Central Command region?

Dr. ZAKHEIM. Senator, you are right. We've expended only about a third. By definition, of course, the whole contingency fund is, in effect, for unforeseen construction. As you would recall, the genesis of this fund was that there were a lot of construction-type operations that were being funded out of operations and maintenance (O&M) funds. There was a lot of concern here and in the other Chamber about that, and we all agreed that the best way to do this was to create a contingency fund.

Now, it is not only the fact that that \$150 million was really covering only 6 months. It is also that a lot of the construction had already been done previously, a lot of it with O&M money, as you recall. So essentially what we said was, "if you look at the totality, then \$500 million, again, for unforeseen projects—and it is only authority; we are not asking for the money, so funding would have to come out of other DOD programs—\$500 million seems a reasonable estimate." This in no way connotes that we are intending to build long-term construction-type facilities in Iraq. I certainly have not seen anything like that, and I am certain that the Generals will say the same thing.

#### CONSULTATIONS WITH CONGRESS

Secretary RUMSFELD. I'd like to comment on your earlier comments, Senator, about consulting. I agree with you. I served in the Congress, and I recognize the importance that each Senator and each Member of the House of Representatives has, in terms of representing their people in their national Congress. I can't tell you about the whole rest of the Department of Defense, but Congress has been in session 24 weeks in 2003. I, personally, have been before the Senate, in S-407, to brief Members of the Senate, 10 times before the House, 10 times, a total of 78 meetings within the Congress, something like three a week within the period Congress has been in session, whether it's been briefings or hearings or various other types. In addition, we've had 30 Operation Iraqi Freedom updates by the J3, the J2 and the Office of the Secretary of Defense and the Department of State, for all Members between March 19 and May 5. We have had regular update packages blast-faxed to the Members of the Congress. We've had recess packages provided. It's been an enormous effort on the part of the Defense Department to recognize the importance of each Senator and each House Member.

Senator FEINSTEIN. May I respond to that? Because you've done those things. The briefings have been very good. I've certainly tried to attend them. We appreciate them very much. But it's as if it's

a wall. It's as if everything comes one way and nothing ever sticks that comes back the other way. I'm just going to tell you like I see it.

Secretary RUMSFELD. Uh-huh.

Senator FEINSTEIN. The briefings go on, but, I mean, we could be anybody in those briefings, not United States Senators. I mean, it doesn't matter what we think. That's the impression that's given. And Peter's coming home to pay Paul now, because you've come in for huge money, without a way to pay for it, in a war that many of us think was generated for the wrong reasons.

Secretary RUMSFELD. Well, I—

Senator FEINSTEIN. So that's where we kind of are. I don't want to debate that with you—

Secretary RUMSFELD. No.

Senator FEINSTEIN [continuing]. Today, but I want you to know how we feel on this side. And I think you're seeing it come out more and more. We want to be good Americans. We want a bipartisan foreign policy. We know that time is tough. We want to be with you. But it's—

Secretary RUMSFELD. Well, I can tell you that—

Senator FEINSTEIN. There's a feeling that you know it all, the administration knows it all, and nobody else knows anything, and, therefore, we're here just to say, "Yes, sir. How high do we jump?" And at some point, we refuse to jump.

Secretary RUMSFELD. Well, that's, of course, the responsibility of each Member of the House and Senate, to make those judgements. But I can tell you, it does stick. There isn't a time that we meet with Members of the House or the Senate that we don't go back, talk about it, learn from it, track down questions that are raised and issues that had been presented. We consider the time important and valuable, and I think that the product of the Department of Defense is a better product because of that interaction.

#### UNSECURED IRAQI MUNITIONS SITES

Senator FEINSTEIN. All right. Now, let me ask you about one, if I might. On September 5, I wrote you a letter about unsecured Iraqi munitions sites, and I think I mentioned 50. I now understand that there are many more than 50. And these sites contain Soviet-era munitions, including bombs, bomb materials, RPGs, as well as shoulder-launched missiles. And I've been given some information and received some photographs, as well, of these sites. I'm told that there have been helo flights at night, through infrared, that have observed these sites being looted and that some of the munitions that blew up the United Nations building may well have come from these sites.

Secretary RUMSFELD. I remember that issue, and John Abizaid and General Myers and I have talked about—General Abizaid and I have talked about it, and he can respond.

Senator FEINSTEIN. Good.

General ABIZAID. Well, Senator, I saw your letter, and my staff provided input that went to the Department, and if you haven't received it, I don't know why. You should be getting it soon. But I would tell you that you are right, there are a tremendous number of sites with ammunition that are in Iraq. The biggest ones, we se-

sure. The ones that are known, but unsecurable, for various reasons, because of their location or because we don't think that the material in them necessarily needs to be secured full-time, receive some amount of patrolling.

I'd also like to point out to you that there are also stockpiles of ammunition in Iraq that we have yet to find. In the third infantry division—or, excuse me, in the fourth infantry division area alone, General Odierno told me that he has found 3,000 caches of ammunition that he has had to either move, destroy, or guard.

So I would only tell you that there is more ammunition in Iraq than anyplace I've ever been in my life, and it is all not securable. We have moved probably 70,000 or 80,000 tons of it and destroyed much of it. We are securing other amounts of ammunition for the new Iraqi army. And there is other ammunition that is out there unknown and unsecured.

I wish I could tell you that we had it all under control, but we don't. We're working at it. But the problem with explosives and ammunition being used by terrorists and others who wish to do us ill is a big problem that will not be readily solved.

Senator FEINSTEIN. Thank you for being up front. I appreciate that.

Thanks, Mr. Chairman.

Chairman STEVENS. Senator Dorgan is recognized for 8 minutes.

#### SEPARATING TWO PARTS OF FISCAL YEAR 2004 SUPPLEMENTAL

Senator DORGAN. Mr. Chairman, thank you very much. Mr. Secretary, I've had some other hearings occurring as well, today. I regret I've not listened to all of your testimony, but thank you for being here.

I wanted to ask a question about the request that is made of us in two parts, but in the same request it is both military and also reconstruction funds. And I asked Ambassador Bremer about this, as well. It seems to me that while they are requested in order to achieve the same result, they are very different types of requests, and I believe that we ought to treat them separately.

Can you tell me why you think they must travel together, especially inasmuch as Ambassador Bremer indicated to us yesterday that he would have money until January 1. So we have from now until January 1, it seems to me, to come up with a funding source for the reconstruction effort. Why does that need to be done in the next week or 2 weeks?

Secretary RUMSFELD. Senator, we see them together, because we are all—certainly everyone at this table is convinced, persuaded, that there's an intimate interaction between political progress, economic progress, and security. As you know, the bulk of the request is for the Department of Defense. A portion, \$20 billion, is for the Coalition Provisional Authority. Of that portion, a significant fraction is for security activities. It's for the Iraqi army, it's for the Iraqi police, it's for the site protection, it's for the civil defense group, it's for the border patrol. The pieces that are not directly for security relate to security. There's a big chunk for electricity and for water, things that everyone who's doing anything about security needs, plus the very things that will determine if—we will not be successful unless the Iraqi people are committed to the success of

Iraq, and they need to see progress, not just in the security side, they need to see it, somewhat, in the economic side—that is to say the infrastructure side. So we've connected them for those kinds of reasons.

Senator DORGAN. Well, I agree with that goal. My point is that Ambassador Bremer indicated that he has money to take him to January 1. So we have until that period to finish our work on that piece of the supplemental—that is, reconstruction.

#### PAYMENTS ON IRAQI DEBT

And let me just propose something to you and see how you react to it, if I might. I am told the reason the administration is requesting taxpayer dollars for the reconstruction of Iraq is because Iraq has very large overhanging debt, and the oil revenues, which will be about \$16 billion a year, exported oil revenues, beginning next July, at a \$3 million barrel-per-day rate—if we're talking about \$16 billion per year, that's \$160 billion in 10 years. The reason that would not be used to reconstruct Iraq—which would be logical to me, use the oil under the sands of Iraq to reconstruct Iraq—is because it has large overhanging debt. This is debt incurred by Saddam Hussein's regime, the two largest portions of which are to Saudi Arabia and Kuwait. Included in addition to that are Russia, Germany, France, and so on.

The newspaper reported that Ambassador Bremer said the largest debt was owed to France and Germany and Russia, but that is not the case. In fact, the largest debt is owed to Saudi Arabia and Kuwait.

Wouldn't it be the height of irony if the U.S. taxpayer is paying for the reconstruction in Iraq while Iraq oil is producing revenues so that the Iraqi people can reimburse Kuwait and Saudi Arabia for debt incurred by Saddam Hussein? That is a byzantine construct that I personally don't support. And I believe that, if you think through this, the ability to—

Secretary RUMSFELD. I wouldn't want to leave the impression that's what's going to happen.

Senator DORGAN. Well, that is exactly what's going to happen if the American people pay for the reconstruction of Iraq, and Iraqi oil is producing revenue at the rate, beginning next July, of \$16 billion a year but that revenue can't be used because of the overhanging debt, the bulk of which is owed to Saudi Arabia and Kuwait. That is exactly what'll happen.

Secretary RUMSFELD. Senator, I'm—this isn't my area of expertise, but my understanding is that any debt repayments have stopped. They have been put off under an international agreement until sometime in 2004. And the plan is that, between now and then, there would be a significant debt restructuring conference that would take place. And I think you can be certain that there is no intention that U.S. taxpayers' dollars are going to go to pay off Saddam Hussein's debt.

Senator DORGAN. All I can tell you is that when I asked Ambassador Bremer about this specifically, he indicated the reason Iraqi oil would not be paying for Iraq reconstruction is because of the claim against Iraq for a debt that has been incurred. Now, it seems to me that if Kuwait and Saudi Arabia want to collect a debt in-

curred by Saddam Hussein, they ought to go find Saddam Hussein and present him with a bill. It doesn't seem to me like the people of Iraq ought to bear the burden of that debt, number one. And, number two, if they do not, then the Iraq oil revenues will be sufficient to pay for the reconstruction of Iraq.

And let me make one more point. Ambassador Bremer also said this. They are constructing a mechanism inside Iraq to begin funding for their government. And he was very proud of the fact that they've constructed an income tax which will impose a top rate of 15 percent on those in Iraq with the highest incomes. Once again, a circumstance would exist where Americans paying 39 percent tax rate at the top will be paying money to reconstruct Iraq that has a tax system with a top tax rate of 15 percent. And it'll also be the case, if what Ambassador Bremer said is the case, that the oil revenues will be used to pay the nations that hold the debt instruments—or credit instruments, rather, particularly Saudi Arabia and Kuwait. None of that makes any sense to me.

And if we have until January 1 to deal with this, what I believe we ought to do is give all the money that is necessary, that is requested, to do the job here, but—or provide that money—but do it in a way that is vastly different than is suggested by the administration with respect to the issue of reconstruction. Securitize the oil revenues, collateralize them, raise the money, let Iraq oil provide the reinvestment or reconstruction in Iraq.

#### WHEN CPA FUNDS WILL RUN OUT

Dr. ZAKHEIM. If I could take some of those on, Senator. First of all, as I understand it, the money is only available until January, if we do not do anything in particular with respect to the security forces. All the things that Secretary Rumsfeld just spoke about—the police, the border guard, the civil defense, the force protection, and the new Iraqi army—none of those were in the calculus when Ambassador Bremer said he runs out of money in January. If you start doing those urgent things immediately, and we have to, then the money is going to run out quite a bit sooner. The same with electricity. If you are going to put in the level of effort that is required immediately, your money runs out sooner. Right now, the money that is available is not going to cover those urgent requirements.

Senator DORGAN. Well, then I guess, Mr. Chairman, I have a misunderstanding of what we have here. I need to see the plan that has the spend rate that describes the need for spending on electricity outside of the authority that Ambassador Bremer has between now and January 1. He was asked directly the question yesterday, "The money that you have"—and we have committed a substantial amount of money, as you know—"The money you have, a certain amount of it, is still available. How long is that available to you? When do you run out? When do you need urgent supplemental money in order to deal with things you need to deal with?" His answer was that he has that money until—he will run out of money on December 31.

Dr. ZAKHEIM. As long as he just continues with the projects that he had already budgeted for. The projects, such as the security projects, were not budgeted for in his original sum.

Secretary RUMSFELD. I'd like to say one other word about reconstruction. The words used, the implication is that Iraq's going to be restored or reconstructed to some level. And I've always found that difficult to get my head around. Some people, I think, probably hear it, and they think, well, it's going to look like New York City. Or some people think, well, it's just going to get back to pre-war, because there was a lot of war damage.

There wasn't a lot of war damage. What that country is suffering from is 30 years of a Stalinist-type economy and starvation of the infrastructure of the needed investments. That is not the obligation of the United States of America to repair that. That's a different thing.

The World Bank, I'm told—I haven't seen the document, but I'm told that they—first, they're an international organization—estimated that Iraq's going to need something like \$50 to \$75 billion. Another one said something like \$61 billion. The \$20 billion that is being proposed in this supplemental is not to reconstruct Iraq. It is to take care of the urgent security situation now so that U.S. forces can transfer the security responsibilities to the Iraqi people over a relatively short period of time. It's going to take international donors, it's going to take the Iraqi oil money, it's going to take the frozen assets, it's going to take the Oil for Food funds. All of those sources are going to have to be available, and the \$20 billion is not going to reconstruct Iraq.

Senator DORGAN. Mr. Chairman, you've been generous with the time. Let me just point out that included in the \$20 billion is restoring marshlands and a whole series of things that don't exactly represent urgent, immediate needs. That's the point of it.

Secretary RUMSFELD. That's true. A large portion is electricity and security and water, all of which are central. And, you're right, there's some other items.

Chairman STEVENS. Senator Durbin is recognized for 8 minutes.

Senator DURBIN. Mr. Secretary, I hope you can remember, in your early days in the House, when you were so low in seniority that you waited for 3 hours to get a chance to finally ask a question, but I'm glad that I do have this chance. I welcome you and all who have joined you today, and I hope that I'll be mercifully short in my questions, and you the same in your answers.

Let me say, when I cast that vote last October against the use-of-force resolution, I did not doubt two things. I didn't doubt that Saddam Hussein was a very bad man, and the sooner he was gone from the scene, the better; nor did I doubt what the performance of the American military would be when called upon. And they lived up to every expectation. Our men and women in uniform did their very best and, in a very brief period of time, brought, I thought, control to a situation which some had speculated would take months to bring under control. So I salute them, and I salute all of you at the table for your role in organizing and well-planning a very, very good military operation. And I note that in your statement, your third paragraph, you express your gratitude to these men and women in uniform, as well.

I want to take our expressions of gratitude, which have come from every member of this committee, from words to deeds. I was surprised, when we got into this, to ask and learn what combat pay

and family-separation allowance was for members of the military. In fact, when I'd go around Illinois and I'd ask people, "What do you think we pay for combat pay for someone who is literally putting their life on the line?" People would guess, "\$1,000 a day? How much do you pay?" You know, "It must be a lot if they're going to risk their lives." Well, combat pay, imminent-danger pay, was \$150 a month.

"And how about family-separation allowance? Guardsman, Reserve, others removed from family circumstances, out of their job, what is family-separation allowance? How do you make up for the spouse at home with the children under these circumstances? What do you think family-separation allowance is?" And they would say, "Well, it has to be at least \$1,000 a month." It was \$100 a month.

Combat pay, \$150. Family-separation allowance, \$100.

I came in with an amendment when our Defense appropriation bill or supplemental bill was before the Senate, and asked to increase each to \$400 a month, and I thought it was totally justifiable. And I spoke to the chairman of the committee, Senator Stevens, and Senator Inouye and others, and we finally reached a compromise, understanding it was an appropriation bill. We said we're going to raise combat pay to \$225 a month, and family-separation allowance to \$250 a month. And we said we'll leave it to the authorization committee to decide just what to make in terms of permanent law.

I come before you today, Mr. Secretary, with a great deal of discomfort over what's happened. We raised those levels, and those levels that we raised them to will expire on October 1. There is pending an authorization bill that would make permanent law increases in combat pay and family-separation allowance. The administration has given us conflicting reports on where they stand, where you stand, on this. At one time, they said, in the Statement of Administration Policy, they were opposed to these increases. Then they came back and said, "No, we favor these increases." Now there's the third option. And the third option is to remove the increases in combat pay and the increases in family-separation allowance, but to increase hardship pay only for those troops in Iraq and Afghanistan.

I think this would be a serious mistake. How in the world can we justify activating all these Guardsmen and Reserves, removing them from their families and saying, "If you don't happen to be assigned to Iraq or Afghanistan, we're going to revert back to \$100 a month family-separation allowance"?

Chairman STEVENS. Senator—

Senator DURBIN. It's—

Chairman STEVENS. Would the Senator yield to me right there?

Senator DURBIN. On your time?

Chairman STEVENS. That extension is in the continuing resolution that the House will send us tomorrow.

Senator DURBIN. It's my understanding that we have a proposal—and I'd like to ask the Secretary—that we remove the increases and go back to an increase in hardship pay, which is a discretionary increase.

Mr. Secretary, which is it?

## SPECIAL MILITARY PAY

Dr. ZAKHEIM. It is true that we are extending the family-separation and the imminent-danger pay through the end of the year. At the end of the year, we go with the increase in the hardship pay, and that is, in fact, for Iraq and Afghanistan.

Senator DURBIN. Well, Mr. Chairman, there's your answer. So the increase in combat pay from \$150 to \$225 is eliminated, and the increase in family-separation allowance from \$100 a month to \$250 a month is also eliminated. And, instead, there's an increase in hardship pay of \$300 a month, but only for two theaters, Iraq and Afghanistan.

We can give all the speeches we want about our respect for men and women in uniform, but I find it unconscionable that we are going to say to so many thousands who have been activated that they are not going to receive an increase in family-separation allowance, that it will be eliminated. How can that help morale? How can that say that, beyond our speeches, we really do care about these men and women in uniform?

Dr. ZAKHEIM. Let me just add that in the case of the hardship pay, that is across the board. The family separation allowance, as you know, deals only with those who have families to separate from, so this supplemental removes a certain inequity, as well. Finally, the clear emphasis of this supplemental has been on the Iraq and Afghanistan theaters. That has been the case across the board, and that is why it is being applied here.

Senator DURBIN. Well, I disagree completely. And to say that you're removing an inequity—the inequity is that someone happens to leave a family behind. And we have been conscious of that family left behind since we established this family-separation allowance in 1970, at \$30 a month. I just don't think this is fair to military families. And to say that increasing the hardship only two theaters means that an activated Guardsman out of Illinois who is sent to some other place to take the spot that an active soldier may have today so that active soldier can go to Iraq or Afghanistan, that activated Guardsman or Reservist is not going get the family-separation allowance, that is unfair.

I would like to say, Mr. Secretary—I'd like to ask you this question. A lot has been asked and said—

Secretary RUMSFELD. Can I just—my understanding is that the executive branch had an arrangement with the legislative branch that the supplemental would be restricted to Iraq and Afghanistan. And it seems to me that the point that Dr. Zakheim makes really does suggest that we conform to the requirement. I could be wrong on this.

Senator DURBIN. You're right about that, but the Defense conference only funds this for 3 months. So what's going to happen—what I've just described is going to happen, and it's an administration decision, and I think it's the wrong one, and I think you're going to hear about it, as you should.

## NO-BID CONTRACT FOR HALLIBURTON

May I ask you a second question? And that is, this whole episode involving a no-bid contract to the Halliburton subsidiary. This has



been a source of embarrassment to, I hope, the administration and to our country, and perhaps to those who view us from overseas. Mr. Secretary, at some point along the way, did someone step back and say, "You know, we ought to think twice about a no-bid contract to a company which formerly employed the Vice President"? Was that a source of concern to you, that it did not appear to be on the square and perhaps a little more thought might have been given to it?

Secretary RUMSFELD. The two issues have been raised with me. One was a Bechtel contract, and one was a Kellogg Brown and Root contract. And I'm sure Dov Zakheim has better information than I do, but I was advised that the Halliburton contract for oil-field restoration is currently in the process of being re-competed and that no new funds are planned to be awarded under the old contract, and the Army Contracting Authority is expected to award a new re-competed contract about October 1, in 1 week or so.

My understanding of the contract is that originally it had been competed, and that it was a contract that was for emergency-type activities of the very nature that it was used to fund in this case for a short period of time, and that that was what was done.

The Bechtel contract—that was a Corps of Engineers contract—the other contract that gets raised from time to time, I'm told, and we've looked into it—is an AID contract with Bechtel that was used for infrastructure. And this contract, which does use appropriated funds to rebuild non-oil infrastructure was not a sole-source contract. Six companies were offered the request for proposals, and the award was made after evaluation of their submissions.

Again, that contract, however, is going to be competed for any new work to be accomplished after the November/December time frame.

Senator DURBIN. I'm happy to learn that what we have read and heard about has led to a greater sensitivity from the Department of Defense. I don't understand how they could walk into this situation and not understand the appearance of impropriety in giving a no-bid contract to a Halliburton subsidiary, and one that had the potential, I understand, over 2 years, of \$7 billion being awarded to this company. But the fact that no more funds will be given to Halliburton subsidiaries until there is a competitive bid, I think is progress, and I salute you for that change.

Thank you, Mr. Chairman.

Chairman STEVENS. I might say to the Senator that we did look into this, and that was a competitive bid in the beginning. And it's not something in response to—in sensitivity, it's a response to the law. The law requires a competitive bid, and that law was complied with. We've made an investigation into that.

I'd like to use my time now to discuss the process we're going through.

During the debate on the 2004 bill, my distinguished friend from West Virginia continually asked me and asked the Senate why the 2004 bill contained no money for the Iraq war. As a matter of fact, when the budget was before the Budget Committee, Senator Feingold had offered an amendment for \$100 billion to finance the Iraq war, to be put into the budget. That was not the case. The President presented us a peace budget for 2004 for the Department of

Defense. And we were told we would get, and we have gotten now, a request for 2004, on an emergency basis, to fund all the activities related to Iraq and to Afghanistan. This does do that. It is in response. I agreed with my friend from West Virginia on the floor at the time, and agreed that the practice in the past was wrong.

In the past, the Presidents have taken, from the O&M accounts primarily, but from almost all the accounts of the Department of Defense, used those for emergency purposes, and later the Congress replaces the money and it then goes back into the accounts from which it was taken. That leads to questions such as Senator Feinstein had, What happened to MILCON money? The MILCON money was in the supplemental, went back to pay back the O&M account, and, therefore, there was very little of it left to go forward and deal with the problems for the future.

There's been questions asked about some of the items in this proposal. For instance, the FBI money. That FBI money is directly related to counter-terrorism activities, and it's to investigate bombings and attacks on American and Coalition installations and for force protection.

After the U.S.S. *Cole* was attacked, dozens of FBI agents went to Yemen to investigate. In this situation in Iraq, they have gone to investigate the U.N. bombing. And we recently captured, as a result of their activities, the mastermind of the *Cole* attack.

The request before us includes funding to improve troop habitation and basic living conditions, including new latrines, mess facilities, air conditioners, water-purification equipment, improved postal services. Also, there are funds for morale, welfare, and recreation facilities, like commissaries.

In addition to that, I have a whole list of the things that we have examined, the highlights of this bill. I asked my staff to prepare that. This bill now represents considerably less than what Senator Feingold thought would be necessary, \$100 billion, but it is \$66 billion for Defense.

It includes \$18.6 billion for basic military pay, special pay, and entitlements, including \$12.5 billion for Reserve and National Guard members called to active duty.

It includes \$16.9 billion for increased operational tempo, including flying hours, spare parts, ship-steaming days, ground operation, and logistical support.

It includes \$8.3 billion for transportation costs to support the rotational deployments of personnel by air, and major equipment by sea.

It includes \$5.3 billion for procurement, including basic soldier gear like night-vision goggles, body armor, and 747 up-armored Humvees to protect our forces.

There is an additional portion that is classified within that in the research and development (R&D) that I'll not discuss here. But we have examined that.

There's \$2.8 billion for depot maintenance of weapons and platforms that need service after the wear and tear of combat operations in the harsh desert climate, \$2.7 billion to improve the quality of life and habitability in theater by providing decent facilities, as I mentioned, including relief centers and base-camp housing units.

There's \$1.9 billion for Coalition support to key operating nations, including the cost of a second multinational division and the flexibility to pay for a third. The first multinational division led by the Polish forces is already in place, as has been discussed.

There's \$858 million to finance the logistical communications and personnel costs for the Coalition Provisional Authority, the CPA, that Ambassador Bremer testified before, \$658 million for healthcare of mobilized Guard and Reserve and for post-deployment healthcare and replenishment for the frozen blood stocks for our blood supply for emergency purposes.

There's \$600 million for increased fuel costs, \$600 million for morale, welfare, and recreation support, including a new rest and recuperation, an R&R, leave program for those deployed for 1 year, improved mail delivery, and recreation and entertainment facilities, \$412 million for military construction, and \$73 million to counter-drug trade in Afghanistan.

Now, all of those are in addition to those monies that were in the peace budget, the budget to maintain our Department of Defense activities worldwide. I do believe that these are necessary functions, functions that very much need to be responded to by the Congress as quickly as possible.

Secretary RUMSFELD. Mr. Chairman, may I be excused to request that General Abizaid be excused from the hearing? He has a hearing on the other side of the Capitol.

Chairman STEVENS. I was just coming to the question of whether we need some R&R ourselves here.

We've been going for 3½ hours now, and I know Senator Byrd has some additional questions. General Abizaid—

Senator Byrd, do you have additional questions for the General? He's scheduled to appear before a House committee in 20 minutes.

Senator BYRD. I believe not. But let me thank the General for the service he has performed for our country, which he continues to perform, for his excellent leadership of our men and women in uniform. I have only the highest praise for him and the people who serve under him.

General ABIZAID. Thank you, sir.

Chairman STEVENS. Thank you very much, General, for your courtesy, and we wish you the absolute best in the future.

Now, I might inquire, Senator Byrd, we have been going 3½ hours. I'm not sure how much time we should take off, but I think we should have a little R&R for the reporter. Can we just take a 10-minute recess while we determine how much longer we're going to go and what the process will be?

Dr. ZAKHEIM. Senator, would you mind, before you do that, I just want to clarify something for the record. I think—

Chairman STEVENS. Can you do that after? The reporter has been sitting here for 3½ hours. I think we'll answer the call of nature first.

Dr. ZAKHEIM. Okay, sir. I yield to nature.

Chairman STEVENS. Mr. Secretary, are you ready?

Senator Byrd, you're recognized.

Senator BYRD. Mr. Chairman, can you give us some idea of what your plans are, how long you intend to go?

Chairman STEVENS. We're going to continue as long as you have questions of these witnesses, and then recess until tomorrow. Tomorrow afternoon, we will have a further hearing pertaining specifically to the Afghanistan matter, but whatever other questions we will have at that hearing. It's going to be General Peter Pace, who's the Vice Chairman of the Joint Chiefs, and Dr. Dov Zakheim, DOD Comptroller, to answer any further questions about the money side of this bill. But with specific reference to the Afghanistan items, we have some questions.

PROJECTED OIL REVENUES

Dr. ZAKHEIM. Mr. Chairman, before we broke for nature's purposes, you said I could come back at you on an issue that really does need clarification, if I may, sir.

Chairman STEVENS. Yes, sir.

Dr. ZAKHEIM. I believe that the Deputy Secretary's remarks about oil revenue were mischaracterized earlier, and I wanted to clear them up for the record.

Mr. Wolfowitz said, and here I am quoting, "In my"—and then he broke—"in a rough recollection, the oil revenues of that country could bring in between \$50 and \$100 billion over the course of the next 2 or 3 years." And I believe the Secretary just told you before that we anticipate approximately \$12 billion in 2004, \$19 billion in 2005, and \$20 billion in 2006 in revenues. That adds up to \$51 billion. So the Deputy Secretary's recollection was very, very good, and I, just for the record, did not want what he said to be mischaracterized in some other way.

Chairman STEVENS. Thank you for that clarification.

Senator Byrd?

Senator BYRD. Well, Senator, I wish that if you had planned to go on in to the afternoon, as you apparently do, that my colleagues could have been informed of that at the beginning, because they might have wanted to follow on with some additional questions. They may have thought we were going to stop for lunch and then we would come back. I don't know what their thinking was—and I say this with respect—but I do think that we should have been told that we're going on until we finish our questions today. I gather that's what you want to do.

Chairman STEVENS. Senator, I'm informed that we did inform the minority that we would go straight through as long as there were questions. And as I started the beginning, I said this would be the first round, and we'd determine how we'd handle the second round when we got there. But we had no intention of asking Secretary Rumsfeld, Dr. Zakheim, and General Myers to stay. We knew that General Abizaid had to leave to meet the House hearing. But they have agreed to stay with us as long as anyone has questions here today.

The hearing tomorrow will be, as I said, Dr. Zakheim and then the Deputy Chairman of the Joint Chiefs of Staff.

Senator BYRD. Very well. I don't intend to make a cause celebre. It was not my understanding that we're going straight through.

Chairman STEVENS. I'm sorry about that. We did inform both sides, we thought.

Senator BYRD. Very well.

I ask unanimous consent that a statement by Senator Harry Reid be included in the record.

Chairman STEVENS. Without objection, so ordered.

[The statement follows:]

PREPARED STATEMENT OF SENATOR HARRY REID

Mr. Secretary, General Myers & General Abizaid: We appreciate you being here today to explain this massive supplemental budget request. General Myers and General Abizaid, as representatives of our uniformed troops, let me express my thanks to you and all of our men and women who have performed so heroically in the Iraqi and Afghan campaigns. We see each day the evidence of their courage and heroism, and I hope you will communicate to them at every occasion how grateful the American people are for their service.

Ultimately, I am most concerned, as I know you are, for their safety and about when they can finally return from what has become a rather long deployment. When we talk here about "internationalizing the effort," we do so not only to help Iraq succeed, we do so in order to take some of the enormous pressure off of our young men and women, and reduce the size of the bulls-eye, which is today affixed squarely on our forces. I am also interested in reducing the burden on U.S. taxpayers, who appear to be picking up 90 percent of the tab for this so-called "re-ordering of the Middle East". Therefore, it is with those concerns in mind that I ask the following questions.

Senator BYRD. Now, I have a second question, Mr. Chairman, having to do with procedure here. As I indicated earlier, it is my feeling that we should have outside witnesses so that we'll get a broad view and a view that may or may not be in accordance with the administration's view. I have some suggestions, and I could add to the list, but these are the people I'm thinking of: U.S. Agency for International Development, Administrator Andrew Natsios, OMB Director Josh Bolten, retired General Anthony Zinni, former President Jimmy Carter, former Representative Lee Hamilton, former Senator George Mitchell, former Secretary of State Madeleine Albright, former Secretary of State Warren Christopher, former Army Secretary Thomas White, Bush administration Chief Weapons Inspector David Kay, and the Iraq Governing Council or some representation therefrom.

So I make that request, for the record.

Chairman STEVENS. Senator, I'm glad to have your request. It's my understanding that the Foreign Relations Committee will have outside witnesses, and they have started that. It's my understanding that the Armed Services Committee is holding hearings. I don't know whether they'll have outside witnesses or not.

This is a hearing on the request, the specific request, of the President and the justification for that request. I do not intend to call any outside witnesses, as I said before, and I have never seen an outside witness on a supplemental request before.

Senator BYRD. Well, I'm not here to argue that, but I can remember that last year you and I joined in inviting outside witnesses on a supplemental request, and we had seven Department heads in addition to the Director of the Federal Emergency Management Agency (FEMA). We had Governors, mayors, and, I think, some county commissioners. We had a broad array of outside witnesses.

So, even that aside, whether or not we had ever had outside witnesses would not rule out the necessity of our having that viewpoint expressed in this instance. It is my feeling that, inasmuch as we're launching down a long road here which entails reconstruction efforts, which the American people were not told about, and which

entails the establishment of a democracy in Iraq, and the democratization of the whole Middle East, we need other than administration witnesses.

I make that request, most respectfully.

Chairman STEVENS. Well, again, Senator, very respectfully, I know all the men that you've mentioned, and Madeleine Albright. They are all addressing policy questions that are not before this committee. This committee is responding to a request for emergency supplemental appropriations, and I don't know that any one of them know one thing about the needs of the military in Iraq right now or the needs for the Department right now for money.

The policy issues are different matters, and the other two committees have those policy issues before them. They may come out with new plans, or whatever. I don't know. Whatever money we put up will be subject to the laws that will be enacted by the Congress. And the President, of course, has the right to say whether he's going to approve such bills, should they be passed.

But we do not have in front of us a policy bill. We have in front of us a bill requesting money for specific emergency purposes to conduct this war, and it is in the form requested by yourself, Senator, when you asked the President to submit a definite plan, a request for money for Iraq. This is exactly what you sought when we examined the DOD bill for fiscal year 2004. It was not in that 2004 request, and the President has submitted a request. It's less than some people expected, but it is an enormous amount of money, I will agree with that.

But we do not have the policy issues that those gentlemen—I don't know what—I have great respect for the former leader, George Mitchell. Why should he come in and give us his opinion on this money? I don't see that. Opinion is going to be made up by the Members of the Senate as to whether or not the money's appropriated, not by former Senators.

Senator BYRD. He knows a great deal about the Middle East and about the issues involved there.

So much for that. But I should add that, while other committees determine policy for the most part, we also determine policy by the appropriations that we make, and we need to have a determination of some policies as we go along in making appropriations here for the democratization of the Middle East and for establishing a democracy in Iraq and for, not just reconstruction, but for construction of facilities in Iraq that, I think, in many instances, may be better, far better, than what they had to begin with and, in some instances, may be viewed as improvements over what we have in our own country.

I don't want to argue this with you, but I think that it's a matter worth consideration that we have people come to this committee who do not represent the administration's line. After all, we're not just appropriating for the administration, we're appropriating on behalf of the American people, and it involves their treasure and their sons and daughters.

I understand that there's going to be a donors' conference, I believe, the last of October. Is that true, may I ask?

Chairman STEVENS. Senator, that was Ambassador Bremer's testimony yesterday, that there would be a donors conference sometime this fall.

Dr. ZAKHEIM. It will be—Senator, it is going to take place in Madrid on October 24.

Senator BYRD. Yes. I don't know when we're going to adjourn sine die, but it would seem to me that we ought to have the information coming out of that Madrid conference as to how much money those various and sundry countries are going to contribute. Perhaps, if we had that information, we would feel that we could contribute less than we're being asked for here.

Chairman STEVENS. That may be true, Senator. Does the Senator wish to—I wish to proceed now. There are two—Senator Brownback has not asked questions yet, and Senator Domenici and Senator Cochran are back with additional questions. Does the Senator have additional questions?

Senator BYRD. Well, yes, I have a lot of additional questions.

Chairman STEVENS. Would you like to be recognized now, sir, for those questions?

Senator BYRD. I'm afraid it would take a lot more than 8 minutes.

Chairman STEVENS. Well, you may use 8 minutes and then come back again, sir.

Senator BYRD. Very well. I'll do that.

I hope that I will not overtax the chairman with my questions, or the witnesses. When are the witnesses going to be allowed to get a little lunch?

Chairman STEVENS. Senator, I just sneaked a power bar. I'll get them a power bar if they want it.

Senator BYRD. Well, I think you're not being very gracious to the witnesses if you just give them a power bar. I think we ought to treat our witnesses better than that.

Chairman STEVENS. Well, if the Senator wishes to discuss it, I'll be glad to discuss whether the gentlemen wish to have a luncheon break. We discussed it informally, Senator, and it was my understanding they preferred to just keep going until the session is done.

Senator BYRD. Oh, very well. That's very well. I wasn't in that discussion.

Now, Mr. Chairman, I am shocked by this administration's loose talk about a Marshall Plan for the Middle East. Before we went into Iraq, President Bush told the country that the purpose of the war was to disarm Iraq by removing Saddam Hussein from power. At what point exactly did our mission in Iraq expand so dramatically that our conversation has shifted to bringing democracy and free-market economies to the entire Middle East? Talk about mission creep. This is mission creep in its most supreme form.

We're not talking just about reconstructing Iraq, we're talking about modernizing Iraq. We're not restoring the country to the state it was in before the war, or even before Saddam Hussein, we're talking about making conditions in Iraq better than they've ever been, and we're trying to do it almost alone, out of the pockets of American taxpayers. The administration has completely redefined our goals in the Middle East, and they speak as if this change

were just another unavoidable development in the global war on terror.

The truth, of course, is that this long and costly occupation was not unavoidable, and it was not an urgent threat in the war on terror. The President chose to initiate this war in Iraq based on tenuously constructed links to terrorism. And now, the American people are being saddled with an expensive reconstruction effort that is distracting the country from other real priorities in the war on terror.

Before we start comparing this reconstruction to the Marshall Plan, I think we need to step back a moment and ask how we got to this point. The American people have never heard debate on whether the President's new objectives in Iraq are worthwhile or even realistic, and we should not be afraid to challenge this monumental agenda of nation building that the President is trying to ram through this Congress.

The Washington Post, on September 9, carried an article that stated as follows, quote, "On February 26, the day Bush said in a speech that bringing democracy to Iraq would help democratize other Arab countries, the State Department's Bureau of Intelligence and Research completed a classified analysis that dismissed the idea. The State Department analysis entitled," quote, "Iraq, the Middle East, and Change, No Dominoes,'" close quote, "reportedly stated that," quote, "liberal democracy would be difficult to achieve,'" close quote, "in Iraq and that," quote, "electoral democracy, were it to emerge, could well be subject to exploitation by anti-American elements,'" close quote.

Secretary Rumsfeld, I'm sorry about my voice, but perhaps it'll get a little better as we go along—have you seen this study?

Secretary RUMSFELD. Not that I know of.

Senator BYRD. Do you know what I'm talking about?

Secretary RUMSFELD. I don't.

Senator BYRD. Is it true that there is dissent within the intelligence community about whether Iraq could ever be democratized?

#### DISSENT ABOUT WHETHER IRAQ CAN BE DEMOCRATIZED

Secretary RUMSFELD. I don't know, but I wouldn't be surprised. There generally are differences of viewpoints. The intelligence community is broad and deep, and a lot of people, as with most people who do analytical work, come to different conclusions, and that's a healthy, good thing.

Senator BYRD. Yes. That's a reasonable answer, too, I would say. That's a reasonable answer.

Why haven't the American people heard about this sooner? Is this dissent in our intelligence reports being whitewashed by the administration?

Secretary RUMSFELD. No. The intelligence community has a practice of seeking to surface differing viewpoints, so that if there are dissents from the majority view in an intelligence estimate, it tends to be footnoted and recognized in the analytical process.

#### UNIFORM AND EQUIPMENT SHORTAGES

Senator BYRD. Secretary Rumsfeld, on February 6, I wrote to you about National Guard units that were not getting camouflage uni-



forms before being shipped out to the Persian Gulf. The final line in my letter to you was, and I quote, "Further, I suggest that you initiate an immediate review to ensure that our troops are receiving the proper equipment for the environment in which they are being deployed," close quote.

Since then, I have learned that many National Guard units, including the 157th Military Police Company of Martinsburg, West Virginia, which is now deployed in Iraq, are without the ceramic inserts that are needed to maximize the effectiveness of their bulletproof vests. This Iraq war supplemental requests additional funds for the ceramic inserts, but this supplemental comes 6 months after the war began.

Secretary Rumsfeld, did you initiate a review of the equipment that was being issued to our troops, as I called for in my letter dated February 6, 2003?

Secretary RUMSFELD. General Myers has been examining this issue and is happy to respond.

#### EQUIPPING THE FORCES BREASTPLATES

General MYERS. Sir, we did respond to your request and others. And it's true that the ceramic breastplates, there were not enough of them on hand. We have a date, December, when we will have enough to equip all the forces in Iraq. It's not a question of money, it's a question of capacity to manufacture these devices, and we're making them as quickly as we can.

Senator BYRD. General Myers, you say you did respond to my request?

General MYERS. Well, in the general sense that we're well aware of the letter and we looked into those issues, absolutely.

Senator BYRD. Well, you looked into one of them. Let me read your reply to me. It's over the signature of Thomas E. White. "This responds to your letter addressed to Secretary Rumsfeld dated February 6, 2003, in which you expressed concern regarding the readiness of our soldiers after learning of reports that members from the 459th Engineer Company were deploying without desert camouflage uniforms, DCUs. Many Reserve component units have been mobilized faster and earlier than planned to support potential future operations. In some cases, this has resulted in late delivery of the centrally managed stocks of DCUs to the unit. I can assure you the 459th Engineer Company will deploy with DCUs. DCUs will be issued to all soldiers from both the active and Reserve components scheduled to deploy to the Central Command area of operations. I appreciate your continued interest in the welfare of our soldiers." Signed Thomas E. White.

The other parts of the request that I made were not responded to. Why was supplemental funding for these important items not included in the request sent by the President to Congress on March 27?

Dr. ZAKHEIM. Well, Senator, as you can imagine, the budget that was originally sent up was prepared well before then. When your letter came in, as the Chairman of the Joint Chiefs just indicated, it was responded to, and this was really the first opportunity I believe we had to insert into a supplemental the kinds of needs that you had correctly identified.

Senator BYRD. And we'll have enough vests in December?

General MYERS. We have enough vests now. It's the inserts that were in short supply. And we'll have that fixed by December, sir.

Secretary RUMSFELD. If I'm not mistaken, General Myers, I believe they already have inserts. They're just not the insert that is being referred to by—

General MYERS. I think that's right—

Secretary RUMSFELD [continuing]. Senator Byrd—

General MYERS. That's right.

Secretary RUMSFELD [continuing]. Which is the ceramic—

General MYERS. That's the—

Secretary RUMSFELD [continuing]. Insert.

General MYERS [continuing]. Ceramic insert.

Secretary RUMSFELD. They have the vests, they have inserts, but apparently the—

General MYERS. Ceramic insert is better.

Secretary RUMSFELD [continuing]. The ceramic insert has been proven to be better, and, as a result, it is being added and replacing the other inserts.

Senator BYRD. Why has it taken more than half a year to provide this vital protective equipment to all of our troops?

General MYERS. I think the—probably the large demand overcame, as it did in the case of the DCUs, where they had to go back and manufacture DCUs on an expeditious basis. I think it was the same sort of thing in this case, the demand just exceeded the forecast supply.

Secretary RUMSFELD. The services, under the law, have the obligation to organize, train, and equip their forces, and they make judgments about what they think they will need. After every conflict, indeed after every exercise, reassessments are made as to what they now think, with new information, new experience, and new technologies. And so as they go through that process, we are constantly readjusting the so-called requirements or the needs that are expressed in the various services' approaches to it. And they then come in with additional changes and adjustments to what they now think is the appropriate thing. And I'm sure, in 6, 12 months, we're going to find that the current needs or requirements or appetites are going to be slightly mismatched, and we'll have to then make some adjustments again. That's just the nature of the world, as it is with any organization, in terms of inventories.

Senator BYRD. There have also been countless reports of active duty, National Guard, and Reserve troops going to military surplus stores to buy boots, gloves, and handheld Global Positioning System (GPS) satellite navigation equipment. They're paying for these items out of their own pockets. Why are our troops using their own modest pay to buy this equipment when Congress has appropriated to the Pentagon \$427.7 billion during this fiscal year? How can it be that our defense spending is approaching half a trillion dollars a year, when we can't provide the right boots for our troops?

Secretary RUMSFELD. I guess I'll let General Myers answer it, but I can begin by "it's always been so." No matter when, the people who have to go into an environment are going to figure out something that they'd like to have that's slightly different than what they were issued, and then they're going to go ahead, with

their own money or their family's or whatever, and supply those things. I've talked to any number of people who have done exactly that, and I've seen that phenomenon occur over a great many years, as I'm sure Senator Stevens and Dick Myers has.

Chairman STEVENS. Senator, I'm going to have to interrupt you. Senator Brownback has not had any opportunity to ask questions yet. So I'll yield to Senator Brownback.

But I ran across a photo of my own, Senator, the other night, taken as I went from India into China, and I had just been to the store and bought boots and bought a different holster for my gun and bought a different shirt. It's still khaki, but it had been made over there in India. It made us, we thought, look a little better. But I remember distinctly spending my money as I went on into China.

Senator Brownback?

Senator BROWNBACK. Thank you very much, Mr. Chairman. And, gentlemen, thank you very much for being here today.

This is my fourth meeting or hearing with either yourselves or Ambassador Bremer this week, and so I'm very appreciative of the amount of time that you've given to Congress to fully vet and to answer these questions. There's a lot of questions and concerns, and I really appreciate your being here and your taking the time to do this so carefully.

One thing, I want to back up just for a couple of minutes and remind all of us, is that while some will say this idea of Iraq was hatched in the administration or somewhere, I was in the Congress, in the 105th Congress, when we put forward the Iraq Liberation Act—

Secretary RUMSFELD. Uh-huh.

Senator BROWNBACK [continuing]. 1998, that that passed over 300 votes in the House, passed by unanimous consent in the Senate. And what that called for—passed and signed into law by President Clinton, what that called for was regime change in Baghdad, because we had been fussing around for a long period of time with Saddam Hussein. And we were looking at that time, and we were working with a number of different people, and Iraqi opposition were coming here and said, "Please address this." And they pointed to the same situation we're dealing with today. The North, Saddam is not running. It's pretty much running on its own, separate. The South is completely—he's occupying, he's got sporadic control over the South, draining the swamps, killing the people, you know, a terrible situation, and he has the middle of the country. And so we looked around, and we thought, "What can we do? What can we do?" We pushed the administration at that time, not particularly interested. So the Congress, the Congress, comes up with the Iraq Liberation Act and calls for regime change in Iraq. And President Clinton signed it into law, and we appropriated \$100 million—several years, \$100 million—to support the opposition, to build up an opposition to Saddam Hussein, worked with the administrations to implement that.

And so if people, you know, say this has a short history to it, or that it's just coming up within this last year, this has a longer history, and it's the Congress that initiated the policy. We're the ones that brought this on forward. And I just think it's important that

we remember some of the history of this and how much the Congress was involved with this.

We had a number of people. We had Dr. Chalabi in testifying in front of the Foreign Relations Committee several times, along with other people, the Iraqi opposition, saying, "Here's things that we can do." People agreed, they disagreed, but we held a lot of hearings and thoughts on this. And so I think it's important to remember that.

I want to say to Secretary and Chief of Staff, I've been to Fort Riley a couple of times, in Kansas, and met with troops up and down the line, the heads and the enlisted men. And, to a person, they are very pleased and honored to have served in Iraq. The conditions are tough, and they've really had their mettle tested, but they have been very honored to have served. And they'll cite to the children that they've helped over there, they'll cite to, you know, the kids coming out in the street and welcoming them. And I've purposely gone there, because the press accounts, so much of it's been so negative, particularly since the embedding of the troops have stopped, or the embedding of the media. I don't know if you can continue that now, and it might help if they could be embedded again. But it's just been so negative. And the troops have been—so I went over to talk with the troops directly, and they've been very positive. It is tough, but it was the right thing, it was the thing that we needed to do, and they're concerned about our supporting and continuing to support them.

One item that I would raise with you is, I hope we can help some of the families who have lost family members there. And it's such a terrible tragedy, but we have a gentleman in Kansas, Jacob Butler, who was a soldier that was lost, from Wellsville, Kansas. And his family—they're supportive of the cause. This has been a tough, terrible tragedy. His dad wants to go to Iraq sometime when he can, when it's safe, to the spot where his son was killed in combat. And for him it's a part of completing the circle here.

And I hope when the situation becomes safe enough that we can do these sort of things, if you're being requested of that, that we can work with these families. Because I went to the house and met with the family members. I talked with the mother and father and the family members. Very supportive of what their son did. He's a hero. But they—I said, "What can we do to help?" And this was the one thing that he asked of me. And so I told him, well, we'll try to comply with that whenever we can, when it's safe.

And so I appreciate all your willingness to answer the questions that we've put forward. We do have a lot of questions. People have a lot of concerns about the size and scale of the funds and what they're being used for.

I would note that once you start down this path, like we did in 1998 with the Iraq Liberation Act, removing regime in Baghdad, it doesn't end once the regime is out. You've got to then go ahead and finish it through or else you leave yourself in a situation that's probably going to be far worse long-term, because you're going to leave this vacuum, and then people are going to come and we're going to have a situation like what's evolved in Afghanistan since 1980, when the Soviets pulled out, and you'll get a real cesspool of

terrorists and drugs that will run and control the place. And we just don't need that in Iraq.

I don't like the size of the bill. This is awfully expensive. But having gotten into this at this point, if we're to complete the task and if we're to spread democracy and human rights and freedoms, religious freedoms, throughout that region, you've got to see this—we've got to see this on through. And this is going to be part of what we need to do.

I may have some particular questions, in addition to the ones I've already used before, that we'll submit to you, but I've been very appreciative of your willingness to answer them thus far.

#### IRAQI LIBERATION ACT

Secretary RUMSFELD. Thank you very much, Senator.

It's helpful to remind us of the Iraqi Liberation Act passed by Congress back in the late 1990s. It is a fact. You're completely correct.

Second, it is wonderful that you take the time to visit the families of those that have been killed in Iraq. And certainly the—it's so understandable that a number of those families would want to find a way to have the experience of seeing what their sons or daughters were involved in and where they might have been killed. And I think that that's understandable, and that's something we have to, as the security situation sorts out, find a way to achieve.

Senator BROWNBACK. Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman STEVENS. Senator Cochran, do you have a second round of questions?

Senator COCHRAN. Mr. Chairman, just a couple of questions.

#### URGENCY OF THE SUPPLEMENTAL

One is, this is a supplemental that's been presented to Congress, and I assume it is a matter of some urgency. To that extent, I worry that we may be prolonging the hearing process and put in jeopardy our situation in Iraq because of that. To what extent are we pressed for time, in terms of consideration of this measure? What is the timeline as you see it? When do you expect that we need to act before we run the risk of putting ourselves in jeopardy?

Dr. ZAKHEIM. A rough estimate, Senator, probably is no later than sometime in the middle of next month, if not sooner. The reason I say that is that Ambassador Bremer has indicated that he would run out of funds by the beginning of January. That is, of course, only an estimate, and it could be worse than that. But even with that estimate, he did not account, in particular, for the security expenditures, which everyone agrees are extremely urgent and which comprise 25 percent of his request. So that is something that needs to get going immediately, as they say, if not sooner. And clearly action the early part of October is probably warranted.

Secretary RUMSFELD. The sooner that we can get this bill passed and we can get the monies invested in the security side of it, the sooner we'll have more and more Iraqis assuming responsibility for the security of Iraq, instead of Americans and Coalition countries.

Senator COCHRAN. Well, I need to say that I am impressed by the degree to which you are all personally involved in attending the

hearings—representatives of the military at the highest level, the Department of Defense with the highest level—before the Senate Foreign Relations Committee, the House Armed Services Committee, the Senate Appropriations Committee, the House Appropriations Committee, the Senate Armed Services Committee, and the House International Relations Committee. These are all committees that are having hearings, or have had hearings, this week, and I'm hopeful that we can complete action so that we will not hold up funding for important activities of our Department of Defense.

The chairman handed me something that he had seen and I had not seen. I was glad to look at this RAND Review. And there's a special article about James Dobbins here on nation building. And it talked about how much more complicated it is when there are more than one entity involved in helping another nation rebuild. And I'm sure this will be brought to your attention. Many factors can affect the success and likelihood of success and the time it takes to complete the action. But this is something interesting to read, so I bring it to your attention in case you run out of things to read in the near future.

Secretary RUMSFELD. There's no question but that some sort of unity of effort is enormously important. If you think of the problem in Bosnia and Kosovo and the number of years it's taken, part of the reason is that the people with the incentive to get our troops out of a country—we don't want to occupy countries. We want to help create a stable situation and then transfer responsibility to those countries. And the greatest incentive to do that are those countries that have those troops in there. To the extent you disconnect the development of the civil side, the progress on the economic side, the evolution in the political system, you separate it from those people who have the determination and the requirement to not stay there forever, you then end up with a situation where people's expectations aren't met, as was the case in Bosnia or Kosovo. It's just taken an awful lot longer than people had anticipated.

Senator COCHRAN. Thank you, Mr. Chairman.

Chairman STEVENS. Senator Domenici, you're recognized.

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

I'm very sorry that I had to return and that you have to continue to be here.

#### PUBLICALLY PRESENT IRAQ RECOVERY PLAN

I predicted—but I wanted equal time, so I'm here for equal time.

Now, I have two questions, and I'm going to try to get them out there. They are important to me or I wouldn't bother you with them.

First, I am convinced that the American people are still on your side. They want you to win that war, and they still—not by large margins, but who would expect large margins under this kind of situation in a democracy—but by a plurality they still say they favor us doing this.

Now, frankly, Mr. Secretary and General, I believe to sustain this acceptance long enough, the American people have to be convinced that you have a plan and that you're executing it. I believe

the single-most important question asked of their Representatives and Senators by our people is, “Well, I’m for him, but what’s the plan?”

Now, Mr. Secretary, I urge, as strongly as I can, that as soon as possible, 2 weeks, not 2 years, that you put forth, under the auspices of the Ambassador and the leader of the Iraqi provisional government, the plan. I know you keep saying it’s there. I’ve read what’s supposedly there. That is a very hard plan for people to understand. It wasn’t written for presentation. I suggest you produce documents for presentation to the public, on a regular basis, not more than five or six general how—governance, democratization, and capitalism. Then set your goals. Infrastructure and public needs—you know what they are, they’re in the plan, put them on, things that are to be put up and stood up, and you can say to the public, “Here is the plan.” Then you can say to the public, “We’re going to tell you about the plan every month,” or whatever is a reasonable time. And I urge, Mr. Secretary, that you literally let Americans in on a totally transparent plan as regularly as you can, and show the bad breaks and the successes, as you do it every month or every 2 months or whenever.

Now, could I at least get your notion of whether what I’m talking about makes sense, and could you do it?

Secretary RUMSFELD. Well, Senator, it certainly makes sense. And the idea that there’s no plan is just factually incorrect. There has been a plan. There is a plan. Ambassador Bremer provided the plans. There are sub-plans under it. For example, he provided one on economic infrastructure. There is a piece of that that’s elaborate for electricity. There’s a piece of it that’s elaborate for water. There’s a piece of it that’s elaborate for oil. It all exists. The problem is, as you suggest, it’s complicated. It is not readily absorbable or communicated through the television in a sound bite or a bumper sticker.

If we’re looking for a bumper sticker, a short message, the message is, the plan is to transfer responsibility for that country to the Iraqi people—the security, the political leadership, and the economic control. We’ve got mountains of paper as to how that is being done. How we do what you’re asking, and that’s finding a way that you could tell your constituents that this is what’s being done, in a simple way, so that it—

Senator DOMENICI. Well, I think it’s you telling Americans, not me. You’ve got to tell Americans, in a simple, transparent way, what the plan is.

Secretary RUMSFELD. Yeah. The plan is transparent, that’s for sure. It’s available. It exists. It has existed.

Senator DOMENICI. Mr. Secretary—

Secretary RUMSFELD. It isn’t simple, though.

Senator DOMENICI [continuing]. Believe me, believe me, believe me, the public does not believe there’s a plan because you can’t sell what you’ve got. You have to act like—you have to hire somebody that says, “If you had this plan, it’s 386 pages, how would you summarize it and present it so that people would understand?”

Secretary RUMSFELD. That, we have not done. You’re quite right.

Senator DOMENICI. I really believe it’s tough.

Secretary RUMSFELD. It is tough.

Senator DOMENICI. It is very urgent. And, you know, I have been working hard to make my points with you guys and to—excuse me, with you people—and to help where I can. And I think I know what I'm talking about. It would be a beautiful day if the three of you, two Generals and you, stood up and said, "Well, we want the American people now to see the plan. It's in five parts, and here it is," and take 30 minutes and present it, and then answer questions.

I think what we've got now is—we lose, because we're going to get an iteration of all the bad breaks that are happening, is going to be the news. And it's already happening. And we're lucky—

Secretary RUMSFELD. That's true.

Senator DOMENICI [continuing]. In the last 4 hours, we've gotten some good news out of these hearings, but we've got an awful lot of negativism that's flown out of it, too, maybe 60–40—

Secretary RUMSFELD. Uh-huh.

#### SCREENING IRAQI'S FOR SECURITY DUTIES

Senator DOMENICI [continuing]. On the side of negative.

My last point has to do with—it was clear to me from the beginning that you were screening Iraqis too tightly in terms of who you would accept as policemen and soldiers, that you were saying, "We don't want anybody that was a member of the party of Saddam, and we don't want anybody that isn't totally loyal to"—I think you've loosened up a bit, rightly so, because you've—you know, an awful lot of able-bodied men want a job, and they used to be in that party. And all I can ask of you is, as you hire them—and I understand you are hiring them and you're taking them into the military—are we being as careful as we can to make sure that they stay on our side and that they remain loyal? And we must have ways to train and do what we can in that regard, and are we doing it?

Secretary RUMSFELD. You're right. Just after World War II, they had the issue of de-Nazification, and we've got this problem of de-Ba'athification, if you will, in Iraq, and how to do that. And some judgments have been made. And clearly the—on the one hand, if you take senior Ba'ath Party people and put them into positions of responsibility, they were ones running that country, they were the ones benefitting from the regime—and you put them in positions of responsibility, it's going to look like, to the other people, that you're simply trading one bad group for another bad group. And so—but you're quite right, those people need jobs, too. There are a lot of people that needs jobs, who were, one way or another, connected with that regime.

There's two ways it's happening. There's a public vetting process, where they bring people in, and people then comment on them, and they throw some out. The other thing that's happening is, we're encouraging every contractor to hire Iraqis, so there's an opportunity for Ba'ath Party people, who are not brought back into ministries in senior positions, to get jobs in the private sector as these contractors come in and begin to do these various projects.

Senator DOMENICI. Thank you very much.

Thank you, Mr. Chairman.

Chairman STEVENS. Senator Burns?

Senator BURNS. Thank you, Mr. Chairman. I'll be pretty brief.



## COMMUNICATING WITH THE AMERICAN PEOPLE

I want to pick up on what Senator Domenici alluded to, and that is the communications to the American people. I spent some time in the broadcast business, Mr. Secretary, and I've been in the selling business all my life. I'm an auctioneer, and that's the way we made our living. And I don't want to have a sale in Iraq right now. I don't think they could quite understand me now.

The reiteration, over and over and over again, it has become repetitive, it gets tiresome of saying it all the time. But also there is one sad feature about American advertising and in communications with the American people. The people who really do a great job in communicating devise their message at the fourth-grade level so people like Conrad Burns can understand it. And then that becomes repetitive, and it finally sinks in.

We talk about those things called freedom and democracy and these types of things. We pick up on that pretty quickly. I'm not real sure it's not time for maybe a town-hall meeting, electronic, goes nationwide, that would have the principals involved and can set there and can kind of point to a board. Because we know how one presidential candidate, in 1992, was very successful using little display cards. And that's the way we devise our message.

But we, as people who represent constituencies—I just got a little e-mail here from a good friend, and they have a son in Iraq. And it was wonderful to hear. He says, “You know, we have rehabilitated hundreds of schools in this country. And from this point on, when the school starts up, about this week or next, things will become different. They will become quieter, because families are just like American families. When the kids are in school, the focus becomes the family education and how do we survive as a society.” I think it's a pretty powerful statement coming from a man that's been in Iraq. He got there a week after operations ceased and has been working there, and is a member of the military. But he says, “I see these things happening all over,” because some people were—that are in the—what we would refer to as the ghetto here, where you have 8 or 10 families in a single building, that are now looking forward to their kids going to school and seeing the opportunities that that's presented to themselves under this situation, because, he said, “I was driving with two of these families,” and he said, “There was a little demonstration by an organization over there, and one of the men said, you know, if they had demonstrated like that when Saddam was here, he would have had them shot.”

Secretary RUMSFELD. Yup.

Senator BURNS. “And I explained to them,” he says, “we don't do that. Demonstrations and sending a message is a vital part of freedom and democracy.”

They still have that—they have a hard time running it through their computer. If they've got the right floppy and the right drive, why, it'll connect. But, still, they're starting to catch on what it's all about. And that's what this appropriation is all about.

Now, let me comment on the infrastructure and spending money to bring it up. We know, when we got there—no, we didn't destroy a lot of the infrastructure, like water systems and telephones and electrical power. We didn't do a lot of that. But it was Hussein

could only produce about 70 percent of the power that was required to run the society in the first place. The government controlled all the central services, from telephones to water and whatever. And if you were a bad person and not accepted by the party or Hussein, he rationed that. You went home one night, and you'd say, "Well, this guy is not doing a good job for me, and he doesn't like me, so I'll cut off his electricity." He rationed everything. Healthcare. All the central services were rationed to his likes or dislikes.

So what we had to do, we've got to get power up to where everybody has electricity, everybody has a phone. Now, and I'm really interested in the telecommunications and the communications industry, as you well know, over there. And we'll be going over and visiting here very shortly. And I want to talk about that. I want to know what kind of technologies we're putting together for wireless, broadcast companies, the ability to broadcast news. That infrastructure was limited, and it was rationed by the man that we took out of power, and that's the way he controlled his people.

We restored everything that was there in the first place. Now it is to reach the people that never had those services in the first place. And that's what this is all about, too.

So I just wanted to make that statement. Now, in your research and development part of this, I know some of it is highly classified, but, nonetheless, can you give me an idea, General Myers, on—you've got quite an appropriation here in military construction—tell me what we have to do for your infrastructure so your troops can be safe and also operate in that country. What kind of construction are we doing, and what role does it play? And then I'll go away forever and—

#### SAFETY FOR TROOPS

General MYERS. Senator, there are 23 sites, I believe the number is, inside Iraq that we want to provide temporary, secure, and safe facilities for our troops over there right now. Right now, they don't have that. So they're living in buildings they can borrow and tents and so forth. Frankly, we want it to be a little bit like it is in the Balkans. We have folks over there that live in temporary facilities, but at least the temporary facilities are such that they have toilets, they have warm showers, they can get contract food, which is good. It's a secure place, so they can feel safe to take their gear off and get a good night's rest. And they have some of the other comforts, in terms of—necessities, I would say, in terms of communicating with their families.

And so we're trying to build some of those around the nation. None of them are going to be permanent. They're all temporary. And for the quality of life for our folks and for the operating effectiveness, I think they're absolutely essential.

There are other things in the military construction budget that support the war on terrorism. And if you see upgrades to some of the airfields, those airfields are the ones that specifically support Afghanistan and Iraq and, for that matter the Central Command's area of operation, and absolutely essential to this effort.

## TELECOMMUNICATIONS

Dr. ZAKHEIM. Senator Burns, because you asked about telecommunications, I thought I might just point out a couple of things that you may or may not be aware of.

As you know, Ambassador Bremer opened all sectors, except for oil, to foreign investment. That is number one. There is going to be, soon, an announcement of the winner of the Iraq mobile cellular licensing competition. That is important, as well. They did make a major effort to level the playing field for all kinds of technologies, and several hundred vendors had a chance to bid on that.

Senator BURNS. Well, in other words, they settled on a spectrum that they need so that we can have two or three different kinds of technologies in the wireless industry. Is that correct?

Dr. ZAKHEIM. They have done a number of things. First, for that bid, they opened it up. But on the spectrum management itself what they are saying is that they plan to get a new regulatory regime so that you have the mobile licensing competition, which will be announced soon. In addition, they expect relatively soon to have a new regime for telecommunications and frequency spectrum.

Senator BURNS. Well, what I was concerned with, when I communicated with both the State Department and you folks, is that we don't want to get settled in—other words, what makes our communications systems in this country work is because we try to stay technology-neutral. And there is—I'm sure we have the Global System for Mobile Communications (GSM), we have the Code Division Multiple Access (CDMA), and we have got other technologies over there that's available. And I just want to make sure that these technologies can compete.

And the wireless communications is the most important, because the wired infrastructure is not as good as it should be. And, of course, until they get fiber in the ground, where they can move massive amounts of information, that is some time off. But the wireless—we have broadband wireless, and the ability to set that in place rather quickly, and I think the quicker that the northern part of Iraq can communicate with the southern part of Iraq and those services—yes, sir—and it's going to be very important.

So let's keep one thing in mind, that we stay technology-neutral, because there are certain features about all of those technologies that we should be looking at.

And thank the chairman and thank you for your patience, and I'll go away forever now.

Chairman STEVENS. Well, not forever. Thank you very much.

Senator Bond, you're recognized. You haven't been recognized yet at all today.

Senator BOND. Thank you, Mr. Chairman. I'm still technologically unqualified. But I appreciate very much the testimony here today, Mr. Secretary, General Myers.

I've found it very helpful and very persuasive to learn not only how much we've accomplished—and the outlines of accomplishments I think are very significant; we just don't hear enough about those, and we appreciate your bringing them out in this hearing so that all the people who watch, as well as those who may be here on the Hill, can learn a little bit more about it.

But it seems to me that your commitment for the additional \$20 billion to build the infrastructure, both the military and law enforcement and the essential infrastructure, so we can get our troops out is one of the most compelling arguments that you can make. It does no good to supply \$66 billion for maintaining our troops if there's no exit strategy.

Can you tell me what would be the impact if we did not build up Iraq's own capabilities and do the things in that \$20 billion supplemental?

#### IMPACT OF DISAPPROVAL OF \$20 BILLION REQUEST

Secretary RUMSFELD. Senator, you've hit it right on the nose. If we fail to invest in the Iraqi police, the Iraqi border patrol, the Iraqi site protection, the Iraqi civil defense, and the Iraqi army, they're not going to be able to provide for their own security and they're going to continue to be dependent on foreign troops, ours and Coalition's.

The same thing's true in terms of getting the economy off the ground. They simply have got to get enough of a jumpstart that they are able to begin attracting outside investment and have sufficient electricity and water so that the place works.

And equally important is the political side. We've got to keep moving them down Ambassador Bremer's seven-point plan towards developing a constitution, ratifying a constitution, and ultimately having elections and transferring sovereignty.

Senator BOND. There have been discussions about how this was not a war of defense. It seems to me that we have been under attack. We've been under attack not just with the huge tragedy of September 11, but our people have been under attack in Khobar Towers, the U.S.S. *Cole*, Lebanon and Somalia, to name a few. And I would hope that we have learned that we cannot simply prosecute the people. Usually suicide bombers don't suffer much retaliation no matter how much you'd like to retaliate against them. That's in higher hands, not ours. And we have to do what I believe this administration is doing. Number one, defending our homeland with the Patriot Act, and aggressively enforcing it, as my good friend and former colleague, Senator Ashcroft, is doing under President Bush's direction. But carrying the war to those states that harbor terrorists is absolutely essential. And it seems to me that we've seen a tremendous difference with the Taliban regime gone in Afghanistan, with the Saddam Hussein regime gone in Iraq. There are no longer safe places for these terrorists to operate.

Yes, the question raised about the intelligence of how directly Iraq was involved, we'll go into that. Can't go into that here, and we shouldn't.

But I tell you something, I'm from the "show me" State, and what they're showing us is that the battle against terrorism is being carried out in Iraq today. That's where we're fighting the terrorists. And that gives you some suspicion and a strong indication of the presence and the close alliance that those terrorists had with the former evil regime of Iraq. And right now, you are fighting the battle against terrorism with our best-trained, equipped, and finest personnel, in Iraq.

And, to me, the good news is, we're fighting the battle against terrorism in Baghdad rather than Boston or Boise or Baldwin, Missouri, or Belton, Missouri. And it seems to me that that is a very important part of this story that needs to be told, and it needs to be told—all of the accomplishments we have made and the recent polls showing that the Iraqi people, by and large, understand what we've done for them.

One of the problems I think all of us have is that the media carries the tragedy of the one or two American soldiers killed, without talking about the thousands of civil work projects, about the reception that they receive over there.

During the Iraq war, we had a very balanced view, because you came up—and I'll attribute it to you, Mr. Secretary; I'm sure that it came out of the Defense Department—they had embedded journalists. Is there any thought of using embedded journalists again to go over and participate with the American forces? And I just met with General Flowers, and the great things the Corps of Engineers is doing over there. Any thought to using those again?

#### INCREASED USE OF EMBEDDED REPORTERS

Secretary RUMSFELD. Yes, indeed. We've tried to encourage it, but there are very few takers at this point. The bulk of the journalists are in Baghdad. And, of course, there they have the facilities, hotels, and connections with their home offices, and all of those things that are available to them, briefing centers and the like. So we've not had many takers on the embedding program, which still exists and is available.

#### INVOLVEMENT OF SMALL BUSINESSES

Senator BOND. One slight suggestion I would make to you, as you go about rebuilding Iraq, there is a great pool of resources available in the United States in the small business area, and as a former chairman of the Small Business Committee, I continue to get requests from small businesses about how they could participate, how they could get a share in it. I read—there's some official in the Defense Department who's quoted as saying that they were holding bidding for the major businesses that go over there, and the small businesses should just talk with their big-business partners. Well, quite frankly, that is a dead-end street, as I've been told time after time, that the large businesses don't want to be bothered with small business. I would urge you to re-think and provide some means, as you do in other Defense Department procurement, to involve the many resources of able small businesses that can bring new ideas, new approaches and perhaps new skills, specialized skills that would be needed in building Iraq, to help establish a strong infrastructure. And, frankly, the example of small American businesses could be a very useful training tool for the nascent small businesses in Iraq. And I've been very pleased to see that small businesses are starting up. And I know that there has been—that timeliness and so forth is of the essence. Any thought, any way we could get some small-business involvement?

Dr. ZAKHEIM. Senator, just to clarify, there are quite a few small businesses already involved. It is not just the very large ones that we're constantly hearing about, but there are a host of contracts

that are in the tens of millions of dollars that have been given to small businesses. So I do not know who issued that other quote, but it, frankly, does not reflect the reality, sir.

Senator BOND. Well, thank you. And I would be interested, Mr. Chairman, if you could supply some examples of that. I need that.  
[The information follows:]

SMALL BUSINESS PRIME CONTRACT AWARDS  
 [Dollars in millions]

Awarded To	Awardee Location	Description of Work	Contract No.	Contract Type	Period of Performance	Contract Amounts	Funded Amounts
EOD Technology, Inc	Knoxville, TN	Destruction and cleanup of captured Iraqi ordnance and munitions.	DACA87-00-D-0037 Task Order #28.	August 2003 to July 2004.	\$65.00	\$3.45	
IAP Worldwide Services	Irmo, SC	Heavy lift for 305 trucks and buses	DABM06-03-C-0004	FFP	Jan to Mar 2003	\$12.03	\$12.03
MZM, Inc	Washington D.C.	Linguists (Translators)	DASW01-03-F-0507	T&M	March 2003 to July 2003; two 4 month options.	\$3.64	\$2.43
Native American Industrial Distributors	Upper Marlboro, MD	Protocol Officer (Ms. Marian Spencer)	DASW01-03-F-0465	T&M	April 2003 to October 2003; one 1 year option.	\$0.61	\$0.61
Ronco Consulting	Washington D.C.	Disarmament, Demobilization and Re-integration of the Iraqi Army.	DASW01-03-F0366	T&M	March 2003 to July 2003; two 4 month options.	\$1.72	\$0.23
S&K Technologies	St. Ignatius, MT	Administrative Support to ORHA	DASW01-03-C-0032	T&M	1 year, two 1 year options.	\$60.00	\$5.00
Segovia	McLean, VA	Satellite based internet protocol voice and data communication services.	N65236-03-D-5130	FFP ID/IQ	Sept 2003 to Sept 2004.	\$17.80	\$17.80
USA Environmental	Tampa, FL	Destruction and cleanup of captured Iraqi ordnance and munitions.	DACA87-00-D-0036 Task Order #18.		August 2003 to July 2004.	\$65.00	\$3.45
Total						\$225.80	\$45.00

Senator BOND. Thank you very much, Mr. Chairman.  
 Chairman STEVENS. Thank you very much, Senator.  
 Senator Byrd?

PREVENT DECLINE IN RESERVE COMPONENTS

Senator BYRD. Mr. Chairman, when I last had the microphone we talked about the National Guard, and I want to finish my questions along that line.

On September 20, the Washington Post carried a report entitled, quote, "Protests Grow Over Year-Long Army Tours," close quote. The article noted that the wars in Afghanistan and Iraq do not appear to have had an impact on the recruitment of active duty and Reserve Army forces, but that the new policy requiring Guard and Reserve forces to serve year-long tours in Iraq appears to be having a serious effect on the National Guard. According to the article, the Guard appears to be falling short of its annual recruiting goal by more than 20 percent. In addition to recruitment, retention is another concern.

Mr. Secretary, what is the Defense Department doing to prevent the decline of the National Guard? And how long do you intend to maintain a policy of year-long tours of duty in Iraq?

General MYERS. Senator Byrd, if I may, if I could answer that—

COMBAT SERVICE SUPPORT

Senator BYRD. Yes.

General MYERS [continuing]. Or at least take a stab at it.

The first thing that we've got to recognize is that we have most of our combat service support in the Reserve component, Guard and Reserve, and that's just the way we're structured right now. Most of us feel that's not right for the future, that that doesn't posture us very well for the 21st century security environment we're going into. So the Secretary has directed that we re-balance—look at the balance of the mix between our Guard and active forces to avoid some of the issues that you just brought up. Because it's evitable, if we're going to send active ground-component Army into a situation, there's going to be a Reserve piece that goes with it. And that may be fine for some situations, but probably not all. That's some of it.

As I testified to earlier, we do have indications that recruiting, at least for one quarter, with the Army Guard, were down, made up for by the fact that more Guard folks were inclined to reenlist. So their manning was good, was fine. And this is an effort that we need to take on long-term and look long-term to make sure we don't do anything in the short-term that would jeopardize manning, because these people are crucial to our ability, and we totally agree with that.

I think the issue of predictability comes in when we start talking about the year, and in our mobilization process, as well. Our mobilization process, as the Secretary said, was for a different era. It really is industrial based. It is not light on its feet. It can't pick people up, alert them, mobilize them, and get them into a productive situation as quickly as it should. It's very inefficient. The Army



is the one that's primarily concerned with this process, and they're addressing a lot of those issues. That will help us.

But it still remains that for our work in Iraq, that the policy developed that the people that go to Iraq should expect to spend up to 1 year in Iraq, and that's active duty and that's the Reserve component.

There is an issue of fairness here, and I think the Reserve component would be the first to tell you that they are willing to pull their fair share. They always have, and they're very proud of that. The part that's a little bit different is that it takes them longer to get ready to go and get them ready, and then when they come back, to demobilize them, give them the 30 days of leave or more that they've accrued over that period of time, which all has to be taken into account.

Generally, this is something we really worry about, and I know the Secretary does, I do, the Joint Chiefs do, the Service Secretaries do, as well, because the Reserve component is very important to us. And that's the way I would address your—

Senator BYRD. Well, I think you have good reason to worry about it. Pulling their fair share gets harder and harder and harder, as their fair share becomes longer and longer and longer. So, you have good reason to be concerned.

I've heard from many families anxious to know when their deployed loved ones might return home. All of these families expressed a deep frustration with the open-ended, unfocused deployment of Guard and Reserve units. After reviewing what some of these units have experienced, I understand the frustration. While the Nation's citizen soldiers are proud to serve their country overseas, they also have obligations at home to their home, to their community, to their families. And we all have reason to be concerned.

Given the concerns that families of National Guard members have raised, would you support a policy of limiting overseas deployments for Guard and Reserve forces in terms both of the duration of overseas tours and the number of overseas tours during a given period of time?

#### REBALANCING THE FORCE

Secretary RUMSFELD. General Myers and I have spent an enormous amount of time on this, Senator Byrd, and I think the way to do this is to re-balance the force, as he indicated, so that we have more of the skills that are only in the Reserve and Guard on active duty. That way we will not have to call up the Guard and the Reserve over and over and over again, which, as you point out, is simply not fair to them, their families, or their employers. If they wanted to be full-time, they'd be on the active force instead of the Reserve or the Guard.

Senator BYRD. Sure.

Secretary RUMSFELD. So that's something we're doing and we're hard at. There also are a dozen other things we're doing, and one I should mention, and that is we simply have to be able to bring closure to some of our other commitments in the world. We can't leave forces in locations over extended long, long years, decades, periods of time. We need to make sure that we have our footprint

worldwide arranged, which, again, will relieve the stress on the force.

General MYERS. Senator Byrd, if I can just tag onto that, I think it's also—we are, right now, in an extraordinary period, of course. And, I mean, we are a nation at war. And when you're at war, that's when your demands on the Guard and Reserve are—you could expect to be the highest. In my travels—and I try to talk to the soldiers and the sailors, airmen, marines, and the reservists, as well, and their families to get their input—what I hear from them is that they understand that this is an extraordinary period, and they are proud to serve.

And then I'll go back to my previous comments, you know, we can do a better job of communicating and providing predictability. We've got to do that. In some cases, we've done very, very well. In some cases, we haven't done as well, and we'll do better.

#### LIMITS ON DEPLOYMENTS

Senator BYRD. Would establishing limits on deployments be acceptable?

Secretary RUMSFELD. It's not a subject that I've addressed in a thoughtful way. My immediate reaction is no. If the country were in a national emergency, a crisis, and you had some sort of an arbitrary restriction on that, it would be unhelpful to the country.

What we need to do is to treat them fairly, be respectful of them and their families and their employers, we need to see that we have sufficient incentives that we can attract and retain them, and they've motivated, they're willing to be retained, they're willing to serve and come into the force, and then see that we treat them well throughout their careers.

I think that most people, as Dick Myers said, understand it. If there's a spike in activity because of something like Iraq, they're willing to step forward. These are volunteers. What they're not willing—what they ought not to have to endure is being put through periods of long uncertainty or being given only a few days mobilization time, or being called up four, five, six times over a 10-year period. That just isn't acceptable, and we've got to get that fixed, and we will get it fixed.

Senator BYRD. Setting aside national emergencies, but, more to the point of what you've just mentioned, the kind of situation that that brings to our attention, would establishing limits on deployments be acceptable?

Secretary RUMSFELD. I would rather not put limits. What I'd rather do is to say here's how we've arranged the force. We've looked into the future to the best we can, we expect that there are going to be certain types of activities where our country is going to have to contribute to peace and stability, and if things go roughly like that, people ought not to be called upon to be activated repeatedly in a 5-year period, or some number like that, and they ought not to be prolonged on active duty for excessive periods, they ought to have a period off or a rotation of some kind, or not be in a war zone for an excessive period, but always with the understanding that the first task for the Department of Defense is to defend the American people. If there were an emergency or a spike

in activity, then, by golly, everyone has to be willing to do something unusual and out of the order.

Senator BYRD. Yes. Well, I think that I meant to—I told Senator Domenici that I thought he raised a good point with respect to letting the people know what the plan is.

Now, reference is made to the plan that was released by Ambassador Bremer. That working document was dated July 21, 2003. But then, someone said that ought to have been made public or that such plans should be public. I note on this plan, that it says “not for public release.” So, there was no intention of making that plan public. And I say again, as I said 2 days ago, that I never heard of such a plan until the day before yesterday. This is it, what I hold in my hand. I never heard of it. And I don’t know how it got around to some of the other Senators—I haven’t found any Senator on this side of the aisle who saw that plan before that day, I believe which was Monday.

Now, 2 days ago, Ambassador Bremer testified that one of the reasons that the President requested \$20.3 billion for Iraqi construction is that Iraq is still responsible for Saddam Hussein’s debt to France, Germany, Russia, and Japan. He concluded that Iraq could not handle more debt. Yet, the President is proposing that Congress approve \$87 billion for the war in Iraq by increasing our own debt. Instead of spending billions on the war in Iraq, we could have used the money to shore up the Social Security and Medicare programs, which are expected to have 65 million beneficiaries when those programs are expected to run out of resources, in 2017. Instead, we’re building prisons in Iraq. Instead, the President proposes that we increase our own debt to pay \$20 billion for Iraq construction, reconstruction, so that Iraq can pay off Saddam’s debt to France. The increased deficits produce higher interest rates, the cost of a college education, for example, will grow, and the cost of a home mortgage will grow. And that will be a backdoor tax increase for working Americans across this land.

#### PAYING FOR THE WAR IN IRAQ

What is the President’s policy for how to pay for this war in Iraq? Does anyone wish to tell me?

Secretary RUMSFELD. Senator, as we discussed earlier today, the debt that Saddam Hussein ran up is substantial, both in terms of debt, normal debt, and also in terms of reparations from the gulf war. The debt payments, by international agreement, have been put off to the year 2004, so there will be no debt payments that would be made out of any funds appropriated here by the Congress.

The next step would have to be for the world community to restructure that loan, that debt, in some way. What they’ll decide to do, I have no idea.

#### AFFORDABILITY

Senator BYRD. Are you saying, Mr. Secretary, that the United States can handle the costs?

Secretary RUMSFELD. That what?

Senator BYRD. The United States can handle the costs?

Secretary RUMSFELD. If you’re asking me whether or not the United States Government can handle the expense of the bill that’s

pending before your committee, you, sir, are an expert on appropriations, and this committee will have to make that judgment.

The way I look at it is that when I came to Washington in the Eisenhower administration, we were spending about 10 percent of our GDP on national defense. And when I was Secretary of Defense the last time, it was about 5 percent. And today it's about 3.1 percent. I would say that the United States is capable of spending whatever it decides is necessary to provide for its national security. And I do believe that these investments are appropriate. I think they're prudent, and I hope that the Senate of the United States and the Congress will approve them.

Senator BYRD. Well, if the President's \$87 billion request is approved, it is expected that the deficit for fiscal year 2004 could reach \$535 billion. That assumes that we're spending the \$164 billion Social Security surplus in the streets of Baghdad. If we were truly saving the Social Security surplus, we would admit that we were facing a \$699 billion deficit. That is \$2,400 for every person in this country, or nearly \$10,000 for every family of four. Our public debt will grow to over \$4.4 trillion, with an estimated 32 percent of that debt being held by foreigners, and that is a very high cost for this country to bear.

#### OTHER CONTRIBUTIONS

Mr. Secretary, in your testimony before the Senate Appropriations Committee on March 27, 2003, you said, and I quote, "I do not believe that the United States has the responsibility for reconstruction. We want to participate in reconstruction, other countries will want to participate in reconstruction, and the funds can come from frozen assets, oil revenues, and the Oil for Food Program," close quote.

Now the President is requesting that the U.S. taxpayer pay \$20.3 billion for Iraqi reconstruction. Clearly, Mr. Secretary, you misjudged—and we all do misjudge situations and things; I have done so in my own life—you misjudged the extent to which oil revenues, foreign donations, and other sources would produce revenue.

At the same hearing, you said that you expected over 60 countries would contribute to the reconstruction effort. Now, how much have those 60 countries actually contributed? I believe that you said that they've pledged \$1.5 billion.

Secretary RUMSFELD. I think that's what I said. I think that's the number that the—however the number of countries have done it, it ends up, at the current time, I think, about a billion and a half.

But I don't think I did misjudge. I think I avoided judging, because I know I'm probably not smart enough to look into the future. What I said was what you said I said, except that I also said we have a responsibility to get that country on a path so that it has a future for it.

All those things I mentioned have, in fact, contributed, Senator Byrd. Some money has come from assets that were discovered in the country. Some has come from the Oil for Food Program. Some has come from contributions from other countries. Some has come from frozen assets. And some will come from the oil revenues. We've been over this today a couple of times, and I can't remember quite what I said, but I think it was something like \$2 billion this

year from oil revenues, something like \$15 or \$12 billion, I think, next year, and then going up to \$19 billion the following year, and \$20 billion the year after that. Now, that's not nothing, \$20 billion a year at that point. And if you add it up, between now and 2006 or whenever that is, the fourth year, it adds up to a good sum of money—\$20, \$19, \$12, and \$2—I've been here so long I can't add that up in my head—\$53 billion. So their oil revenues will be contributing.

And, now, will they actually prove to be that? Those aren't my estimates. Those are the estimates of the Coalition Provisional Authority, the experts that advise them. They could be plus or minus 10 or 15 percent. But I think it's probably ballpark. But we can't see into the future.

Chairman STEVENS. Senator, Senator Bond would like to ask another question.

Senator BYRD. Yes.

Chairman STEVENS. Is that possible?

Senator BYRD. Oh, absolutely, yes.

Chairman STEVENS. Senator Bond?

#### COSTS OF SEPTEMBER 11 ATTACKS

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

You know, we're talking about the costs. Obviously, we're very much concerned about that cost. But I remember earlier today that you gave some costs of September 11. We all know the cost in human lives, 3,000 people lost. But the figures you laid out in the costs to the United States economy of the terrorist attack, I haven't done the math in my head, but I know that Dr. Zakheim is very quick. Is there a ballpark estimate of the total cost of that one terrorist attack on the United States?

Secretary RUMSFELD. The Wall Street Journal made a stab at it, and I have not, but—and I'm sure there's some overlap in there, but the estimate comes to something more than hundreds of millions of dollars. That is—

Senator BOND. Hundreds of "B"—billion?

Secretary RUMSFELD. Hundreds of billions of dollars, yeah, more than \$200 billion.

Senator BOND. Yeah. So what we're talking about is cost avoidance here. I believe it was President Kennedy who said we'll bear any cost. Didn't he say something like that, in terms—

Secretary RUMSFELD. Pay any price, bear any burden or, you know—

Senator BOND. You have a much better memory than I do. I think that was the point.

You know, I was also struck with another point about a specific time limit on deployment. You all are the experts, but just as a very interested legislator, it would seem to me that if you had a time limit on deployment, if you said all our folks are going to be out by next May, there would be a tremendous incentive for the terrorists who know all we have to do is hang on until next May, keep knocking off one or two or three a day or a week, and if we can just reach that magic timeline, we'll have our totalitarian government, we'll have our terrorist-harboring state back. Am I wrong in that? Does that make any sense?

Secretary RUMSFELD. You're right on the mark. I think one of the worst things governments can do is to try to make a firm deadline on something when it's not possible to know that and all it does is demystify the problem for the other side. It eases the difficulty for the other side, for the enemy.

#### RESTRICTIONS ON THE \$20 BILLION FOR CPA

Senator BOND. I am concerned, and I know some of my colleagues are concerned that—a question was raised earlier about does this money allow the Iraqis to pay back the debts to France and Russia and others who supported Saddam Hussein. I understand that the \$20 billion which is being requested in this supplemental will be spent under the direction of the Provisional Authority, and that money isn't going to go to anybody but the construction of facilities and the training of the military and law enforcement officials in Iraq. Is that—

Secretary RUMSFELD. That's correct.

#### RESTRUCTURING IRAQ'S DEBT

Senator BOND [continuing]. Is that fair? And I guess, if you looked at the debt service, \$200 billion in debt service, that's just the interest charges on it would be equal to what we hope to get out of oil next year. So my hope is, and my expectation is, that since the United States is stepping forward with its \$20 billion, that we would be in position not only to urge other countries to make contributions, obviously smaller in scope, but, by the same token, once we have finished with that, I would hope there would be a continued discussion about whether, if, and to what extent there would be any repayment of that existing debt. You know, if you go through bankruptcy, creditors don't get paid. The creditor is lucky to get 7 cents, 10 cents on a dollar. And if there was ever a bankrupt regime, I would say it would be the former regime of Saddam Hussein. Am I wrong in that analysis?

Dr. ZAKHEIM. Senator, you're right. As the Secretary said, the international community has agreed not to address debt at all for a full year, so in 2004, they are not even looking at it. The game plan is to then revisit all of this afterwards and use exactly the arguments you have been making. Certainly, from my personal perspective, the hope would be that we are talking about 10 cents on the dollar or less.

Senator BOND. Well, as I recall, when the President announced that we were going to conduct a war on terrorism and bring the terrorists to justice or bring justice to them, I don't believe he put any time limit on how long it was going to be to win that war on terrorism, did he? Was there any idea at the time that even wiping out the Taliban and the Saddam Hussein regime would end terrorism?

Secretary RUMSFELD. No. The only thing I believe that I or the President have ever said is that it's going to take time, it's not something that's going to be done quickly.

I should make a comment about Dr. Zakheim's comment. I'm sure he speaks from a pinnacle of considerable knowledge, greater than mine, that's for sure, but I should add that that is not a subject that's a responsibility of the Department of Defense. It's the

Treasury Department. And how that gets sorted out will be sorted out by them and by the White House, as opposed to DOD.

Senator BOND. Well, I think we're going to have a lot of legislative input on that, and that's—I asked that for my own edification, because I believe that will be part of the discussions, as well.

#### TERRORIST SAFE HAVENS

As I understand it, the war on terrorism may go on for a long time, but once we have destroyed the safe havens for terrorists, from a military standpoint that becomes a much different kind of enterprise, doesn't it? How would—if there were no longer states like the former Afghanistan and the former Iraq that harbored terrorists, how would that change—and maybe General Myers could comment on this—how would it change the operation that one would conduct and that one would fight terrorism?

General MYERS. I think the President laid the goals of the war on terrorism out right after September 11, and he said that we've got to degrade and disrupt the international terrorist organizations, we've got to deny safe haven, that's number two, and, three, we've got to make sure that weapons of mass destruction don't fall in the hands of terrorists.

And, Senator Bond, I think you're absolutely right, that the safe haven part is a big piece of that. We know they used Afghanistan to train and to plan operations to include September 11, and that sanctuary is no longer available to them.

Other countries, states that—the rogue states, the ones on the terror list—also provide those opportunities, as do other ungoverned areas in the world. And parts of Somalia, most of Somalia, I think, falls in that category. But there are other things that—and so that would be a big help.

And you're also right in that it's not just a military operation. Right now, obviously the military is in the spotlight because of operations in Iraq and Afghanistan, but there are many other elements of our government, and, for that matter, governments around the world, that are helping in this problem, and that part would—no matter where the safe havens go, I think the safe havens would go a long way to hurting these organizations. But they have shown great resiliency. They think. They adapt to their environment. So once the safe havens are gone, they will find other ways, probably, to operate. And while they're not—might not be military tasks that are needed, there will certainly be other tasks for this government to perform, whether it's treasury and money, whether it's the intelligence agencies, whether—commerce, everybody that has a play in this.

So I think your basic premise is right, it'll go a long way towards confronting this threat. I don't think it'll be the final blow, though.

#### WINNING THE BATTLE OF IDEAS

Secretary RUMSFELD. Could I add one thing? John Abizaid, General Abizaid, touched on it earlier briefly. Existing terrorists are one thing, and they are whatever they are. It's hard to know, from an intelligence standpoint, but it's finite. Whatever they are, there's a number. The problem is more being made, more being taught, more being persuaded that their goal in life ought to be to

kill people, innocent men, women, and children, and their goal in life ought to be to oppose the West, their goal in life ought to be to oppose any regime that is not ideologically perfect from their standpoint. So any secular regime, even though it may be a Muslim regime, it could be vulnerable to their hostility.

That's a problem for the whole world. That's a problem that, to the extent a religion, a religion that has an impressive history, is hijacked by a small number, not by a lot, but by a small number of human beings, and they are being produced in schools and being funded by people who believe those things, then the world has a problem.

And so we need to do all the things we're doing, but we need to do something more than that. We need to find ways to see that the people of the world recognize the danger and the threat that that poses to the world, particularly given the availability of these technologies and the availability of weapons of increasing power, and the fact that it's so difficult to prevent their proliferation.

And if you have people who are being taught this, who are willing to give their lives up, and they have access to those kinds of technologies, the world faces a threat that is greater than a terrorist state. It is greater than a rogue state. It is greater than an ungoverned area. It is a problem of the world producing people who think that, and the necessity for us to find ways to compete with those ideas and to win the battle of ideas.

Senator BOND. Well, I would agree with you. The competing in the world of ideas, showing a better way, the other path rather than The Shining Path in Peru was very important. And I think actually what you're talking about is not the Muslim religion, but the Wahabism and——

Secretary RUMSFELD. Exactly.

Senator BOND [continuing]. Others that have gone off in the ways that are traditionally counter to the peaceful teachings of that religion.

#### PROJECTIONS FOR RESERVISTS

But just a final area of comment, I had asked you, General Myers, some time ago, about the same question my colleague, my good friend from West Virginia asked, about the deployment of Reserves and Guardsmen and -women. Are there timetables being set? Are there rotation schedules that are being conveyed to these people? I had questions from home about that, as well, about, "When will we get our father or mother back? When will I get my employee back?" Are you able to tell them some——

General MYERS. Yes, and there absolutely are. I think we can, today, for those deployed and for those that may be called up in the future, we can communicate to them and their families and to their employers with much greater precision when they're going to leave, when they're going to come back. You bet.

Senator BOND. Do you have any ideas on what the mix of Guard and active forces will be over there next year? Have you thought through the plans for that? I know—and I would certainly agree with the Secretary that some of the skills now possessed primarily in the Guard and Reserves need to be in the regular Army, but



until you can train those, do you know what the force structure might be next year?

General MYERS. The macro sense, as we talked about earlier, during the height of the major combat in Iraq we had 223,000 Reserve component individuals called up. We've reduced that now by 50,000. So we're—over 50,000—we're just a little less, right around 170,000 reservists called up. Before major combat operations in Iraq, just for protecting the United States of America with our Operation Noble Eagle and some other demands in other parts of the world, we were around 50,000 steady-state on the war on terrorism. So that leaves you the remainder that are contributing primarily to Afghanistan and Iraq, that number of 120,000, which we think will go down somewhat.

In terms of how they're going to be used in the future, we know what units and the units have already been alerted that will participate in that rotation. Beyond that, there are several options, depending on what happens. If we get a multinational division in, that's one solution. If we need more U.S. forces, depending on how the situation goes, it could be Reserve component, it could be United States Marines, it could be a combination of active Army and Marines. Those options are still being looked at and have not been decided upon yet. But they will be far enough in advance to provide the kind of predictability that I talked about earlier and, for the most part, will impact units that have not been called up recently.

Senator BOND. Thank you very much, General.

My time's expired. And I apologize and thank the Chair and the ranking member.

Chairman STEVENS. I know that Senator Feinstein has returned.

The Senator from Kansas mentioned the Liberation Act that was passed in 1998, and it's been called to my attention that Section 7 of that act said, "It's the sense of the Congress that once the Saddam Hussein regime has been removed from power in Iraq, the United States should support Iraq's transition to democracy by providing immediate and substantial humanitarian assistance to the Iraqi people by providing democracy transition assistance to Iraqi parties and movements within democratic goals, and by convening Iraq's foreign creditors to develop a multilateral response to Iraq's foreign debt incurred by Saddam Hussein's regime."

Does the Senator from California wish to be recognized?

Senator FEINSTEIN. Yes, I do.

Senator BYRD. Would the Senator yield to me—

Senator FEINSTEIN. I certainly will.

Senator BYRD [continuing]. On my time?

Let me just make it clear for the record—my earlier question regarding limiting deployments was specifically applied to the National Guard and Reserve forces. I did not suggest ending deployments of all—underline "all"—American troops.

I thank you, Senator.

Senator FEINSTEIN. Thank you very much. Thank you.

One additional MILCON question—

Chairman STEVENS. Would the Senator yield just for a moment?

I'm informed that we're soon going to come to the process on the floor of calling up the conference reports that have been taken up.

The homeland security bill has been—conference report has been taken up. We have the supplemental conference report that will be taken up and the Defense bill for fiscal year 2004, its conference report will be taken up this afternoon. So I hope that we can agree on a time to end this hearing soon.

Senator FEINSTEIN. I have two questions.

Chairman STEVENS. Yes, thank you.

Senator FEINSTEIN. Thank you, Mr. Chairman.

Mr. Secretary, you certainly have staying power. Congratulations.

Secretary RUMSFELD. Thank you.

Senator FEINSTEIN. Again, this is a MILCON question. This request includes nearly \$300 million for Air Force military construction for projects in Southwest Asia in support of the Iraq and Afghanistan operation. Of particular interest to me is the identification of the Al Dhafra Air Base in the United Arab Emirates (UAE) as a, quote, “main operating base,” end quote, to provide an enduring presence in Southwest Asia.

And my questions are these. How many enduring bases does the United States military currently have in the Central Command region, and where are they? And then, are there plans to establish additional enduring bases in the region? If so, where? And do you plan on adding enduring bases in Iraq?

#### EVALUATING THE U.S. GLOBAL FOOTPRINT

Secretary RUMSFELD. The answer to the latter is no. The first part of the question, I’ll let Dick comment on. The middle part, about the future, I can address.

We have spent a great deal of time, the better part of 2½ years, looking at our footprint around the world. We’re making an effort to adjust it to fit the reality that the 21st century security environment is notably different from when that footprint was first established.

So we’re looking at Northeast Asia, we’re looking at Europe, we’re looking at CENTCOM and Africa and Latin America. And we have the areas of responsibility coming forward to us with their proposals and their ideas, but they tend to be a bit stovepiped. We’re now in the process of integrating those, at which point we then would have to go to the President with a proposal. We then have to look at costs and the kinds of things that MILCON are so critical to, and phasing. And then we would have to go to our allies.

So we’re well along in that process, and it’s going to result in some proposals for some relatively significant changes over a period of time, which we would have to work out closely with the Congress. But we’re not able to answer that, because we’ve not gotten our thinking finalized, nor have we made a proposal to the President.

Do you want to comment on the current situation?

General MYERS. You bet.

Senator FEINSTEIN. And what the \$300 million is for, specifically.

#### MILITARY CONSTRUCTION REQUEST AND AIR BASES

Secretary RUMSFELD. You can do that. Dov can do that.

General MYERS. Okay, and I’ll start with the bases.

First, in Afghanistan, Bagram Air Base in Afghanistan is our main operating base inside Afghanistan right now. It has, of course, the headquarters for Joint Task Force 180. It also has a limited number of aircraft, fighter aircraft. It's also a logistics hub.

There are another two support bases, one in Kurdistan, one in Uzbekistan, that support it. The one in Kurdistan we call Manas, and the one in Uzbekistan is Karshi Khanabad, or K-2. And there have been improvements made to all of those. I think the only one in the supplemental is Bagram, and Bagram is one of those bases that suffered greatly during the war with the Soviets. And as you probably recall, mines are a problem, and there's a—the facilities there are just very, very bad. And I'll let Secretary Zakheim talk about those.

When you go down to the Gulf states, as we have pulled out of Prince Sultan Air Base in Saudi Arabia, the relocation of that capability has fallen primarily into two areas. One is Al Udeid Air Base in Qatar, and that's where the Air Operations Center is. It's also very close to where General Abizaid's forward headquarters is, which is just down the road. That is the big logistics hub for our war on terrorism and for events in Central Command. So that's Al Udeid. You'll see several projects in the supplemental that help us with Al Udeid.

And then there's Al Dhafra, which is in the UAE, which has taken a lot of the intelligence, surveillance, and reconnaissance assets, to include tankers. It has always been a fairly crowded air base, because the UAE uses it, as well, as you would expect. And are some improvements to that air base.

But those are two of the primary bases that we expect to use in the foreseeable future for the war on terrorism, given that that Central Command AOR is—

Senator FEINSTEIN. So you're saying the \$300 million goes for Bagram and—

General MYERS. Well, I can—I'll have to get the—

Senator FEINSTEIN [continuing]. The UAE base, essentially?

Secretary RUMSFELD. Dr. Zakheim will answer that question.

Dr. ZAKHEIM. Yes.

Secretary RUMSFELD. But before he does, I believe you used a word "enduring" in your question, and I wouldn't want Dick Myers' answer to be connected to your question "enduring." Because what I said earlier is the fact, and that is that we're reviewing the footprint, which bases should be enduring, which bases should simply be warm bases, where we may exercise from time to time, and all of those things are open and would be discussed, of course, with the MILCON committees.

General MYERS. Exactly right.

Dr. ZAKHEIM. Just to give you the details. The chairman mentioned Bagram, that is \$48 million. There are \$3.5 million for a switch facility at Diego Garcia that supports Operations both Iraq and Enduring Freedom. You have \$47 million for Al Dhafra that the chairman spoke about. There are \$18 million for an airlift ramp in Iraq, but that is simply a contingency parking ramp, there is nothing permanent there; an airlift apron, \$17.5 million in a classified location—I can tell you right afterwards, if you like, where exactly that is. Al Udeid, again, the chairman mentioned that, you

have a total of \$60 million for two projects at Al Udeid; you have \$15.3 million more in Al Dhafra. You have some additional funds for facilities that have been supporting operations in the theater but are not actually physically located in the theater; some \$5 million for munitions maintenance, storage, and a wash pad at Camp Darby, in Italy, which, as you know, has been supporting theater operations; and then we need additional money for the roof that collapsed at Dover Air Force Base, which is the base that does the most support of in-theater operations.

Senator FEINSTEIN. But the \$15.3 million at Al Dhafra—

Dr. ZAKHEIM. Yes.

Senator FEINSTEIN [continuing]. Will make that a main operating base. Is that correct?

General MYERS. Well, it is one of the—as I mentioned, Al Dhafra is, from the standpoint of our tanker fleet and the standpoint of our intelligence-surveillance-reconnaissance fleet, once we pulled out of Prince Sultan Air Base in Saudi Arabia, it has picked up some of that load, and that's what that's for. That ramp, it's a ramp and living facilities, which—now that we have more people there, so it becomes an important facility for us.

Senator FEINSTEIN. You mentioned, General, that there were 23 sites inside Iraq where the Army wants to provide temporary housing and support for soldiers.

General MYERS. Base camps, yes, ma'am.

Senator FEINSTEIN. So the funding in this bill covers how many of those sites?

#### FUNDING FOR 23 SITES

General MYERS. My understanding is it covers all 23 of those sites.

Senator FEINSTEIN. All of them are covered.

General MYERS. Yes.

Senator FEINSTEIN. Thank you.

General MYERS. That's my understanding.

Senator FEINSTEIN. Thanks, Mr. Chairman.

Dr. ZAKHEIM. We will get it for you for the record. Something tells me that it might be less, and I do not want to challenge the chairman on it, but we will get you the right answer.

[The information follows:]

The supplemental request would cover the cost for temporary housing and support for 23 sites in Iraq. However, the actual number of temporary sites may differ depending on the operational missions and the security environment.

Senator FEINSTEIN. Thank you.

Chairman STEVENS. Senator Craig, do you—

Senator BYRD. May I ask you a question?

Chairman STEVENS. Yes.

Senator BYRD. I have a meeting in our leader's office at 4 p.m. In the meantime, may I ask at this point—your next session is when?

Chairman STEVENS. Our next session will be tomorrow, Thursday, at 2 p.m., in Dirksen 106, this room, on this supplemental request, particularly directed towards Afghanistan.

Senator BYRD. Now, as I understand it, is it still your plan to mark up this bill on Monday of next week?

Chairman STEVENS. That is the request of our leadership, and I intend to do my best to cooperate with it that we mark up on Monday. We were going to do it on Tuesday, sir, but I have discussed that with you, we've moved that back to Monday.

Senator BYRD. Well, let me implore that you wait until another day to have that markup. We can't possibly—our staffs can't possibly do a good job on preparing for that markup through the remaining few days that we have in this week, counting Saturday and Sunday, and there's just no reason why we ought to go to a markup that soon.

Now, I hope you'll discuss this further with your leader.

Chairman STEVENS. I'll do that, sir. I'll discuss it with our leader, but it's my understanding that they wish to bring this bill up on the floor next week, and we'd have to have it out in the floor for at least 1 day before we could call it up. So I do believe that we will have to go on Monday and finish that markup by Tuesday afternoon or Wednesday in order to achieve that goal of the leadership.

Senator BYRD. Well, Mr. Chairman, the House is not having any hearing on this bill next week. The House is not marking up this bill next week.

Chairman STEVENS. The House is proceeding with the other appropriations bills.

Senator BYRD. That's true.

Chairman STEVENS. And we will be out of session the following week, the House will not be.

Senator BYRD. Well, why do we have to mark this up Monday? I hope you will carefully study this request. I want to protest, on behalf of my fellow Senators on this side and on behalf of myself, any markup of this bill as early as next Monday.

Chairman STEVENS. As I said, Senator, I'll discuss with the leader and tell him of your request.

Senator BYRD. All right.

Chairman STEVENS. But his request to me was to initiate the markup so that the bill could be before the Senate next week.

Senator BYRD. Very well.

Chairman STEVENS. I told him it would have to start by Tuesday. Because of our conversation, we decided to start it on Monday and finish it on Tuesday night or Wednesday morning. And that would mean it would be possible to take it up hopefully on Thursday.

Senator BYRD. I thank the chairman.

Chairman STEVENS. Senator Craig, did you wish recognition?

Senator CRAIG. Yes, Mr. Chairman, thank you.

Gentlemen, Mr. Secretary, thanks again for your—

Senator BYRD. Oh, would the Senator allow me one—

Senator CRAIG. Certainly.

Senator BYRD. I thank the Senator.

I want to thank the Secretary and General Myers, and General Abizaid, and Secretary Rumsfeld—I believe I named you. I haven't eaten yet, so I may be doing a little repetition.

Secretary RUMSFELD. I haven't eaten either.

Senator BYRD. Well, I know, but you're a lot younger than I am.

Secretary RUMSFELD. Oh, not much.

Senator BYRD. I was 85 when I came into this hearing. I think I'm a little older now.

But thank you. Thank you, too, Dr. Zakheim. Thank you all.

Secretary RUMSFELD. Thank you, sir.

Senator BYRD. I know it's an imposition on you to have to stay through these many hours without eating. That's not my fault. I said good naturedly, to my chairman that I had hoped that we'd have additional days of hearings. That would allow for a little lunch.

But thank you, again, very much for your appearance.

Thank you, Senator Craig.

Senator CRAIG. Thank you, Senator Byrd.

I don't mean to boast, but I have had lunch, and it was excellent.

#### CONTROLLING IRAQ'S BORDERS

Mr. Secretary, again, General Myers, thank you much for your obvious diligence here and your effort at full disclosure.

I think all of us are not surprised, but we do grow frustrated over Iraq, and especially the Baghdad area and others becoming the collection point for the world's terrorists crowds, if you will, or perpetrators of terrorist acts. It certainly appears that that is happening and that we're falling a bit of a victim to some of that at the moment.

It is obvious that the borders are amazingly porous. I know we're dealing with a large landscape out there. What provisions are being made in this request, if any, for greater border policing and interdiction, if you will, at the border to try to gain control of the Iraqi borders as best as we possibly can?

Secretary RUMSFELD. The funds in here, of course, are for all military operations relating to Iraq and Afghanistan. You're quite right, the borders are porous. We are doing a series of things with respect to the borders. One is, we're working with friendly countries to try to cooperate with them to have a much closer arrangement as to border protection—for example, with Turkey, Jordan, Saudi Arabia, Kuwait.

With respect to the borders of Iran and Syria, we have seen terrorists come in from both countries, in some cases in relatively large numbers. And we have demarched them, as they say in the foreign policy business, allowing as how we thought that was enormously unhelpful. We are also focusing a higher degree of military effort attempting to deal with the borders. And it's a combination of manpower, as well as technical capabilities, which I don't want to get into.

And, last, we're dealing with some Iraqi forces to train them to assist with the borders. And, in addition, there are some negotiations and discussions taking place with some of the tribal elements that are in those areas, the relevant areas, to solicit their cooperation.

So there's a recognition of the problem you've cited, and there are a variety of things underway to try to cope with it.

Do you want to add a comment here?

Dr. ZAKHEIM. Yes. First of all, just to remind you that, as Ambassador Bremer points out frequently, the border is about the size of our total United States/Mexican border, so—

Senator CRAIG. Oh, yes.

Dr. ZAKHEIM [continuing]. So it is a very long border. We have, in the \$20 billion part of the request, \$150 million to establish a Department of Border Enforcement which would hope for 13,600 new personnel, Iraqis obviously.

Senator CRAIG. In developing that level of personnel, the training and all, is that a part of the overall military group we're standing up in Iraq?

Dr. ZAKHEIM. Yes, that is part of the \$5 billion security portion of that budget. And, as the Secretary mentioned, there are multiple components of that—civil defense and site protection—and this is one of them.

Secretary RUMSFELD. It's not part of the regular army, Iraqi army.

Senator CRAIG. All right. It's a separate group, right.

Secretary RUMSFELD. Although the Iraq—one of the functions the Iraqi army could perform—

Senator CRAIG. Would be border—

Secretary RUMSFELD [continuing]. Would be border patrol.

Senator CRAIG [continuing]. Border patrol.

Secretary RUMSFELD. As opposed to internal-type things.

Senator CRAIG. Uh-huh. You know, Mr. Secretary, you spoke of the successes of standing up as many as you have already, and are continuing to work on that as it relates to military. Are we doing as well as it relates to domestic or civilian police authority?

#### POLICE AND SITE PROTECTION

Secretary RUMSFELD. That number I mentioned, of 56,000 providing security now, with another 14,000 recruited and in training, the 70,000, included the police.

Senator CRAIG. It did include the—

Secretary RUMSFELD. It includes—

Senator CRAIG [continuing]. Police.

Secretary RUMSFELD [continuing]. The relatively small number of army people, thus far, civil defense, border patrol, site protection, and police, all of those combined. You can go a lot faster with some disciplines than others. For example, the ones that are living in their own neighborhoods, like police and site protection, they don't need barracks.

Senator CRAIG. That's right.

Secretary RUMSFELD. They need different periods of training. The army is going to need longer periods of training, barracks, and better equipment, different equipment, more expensive equipment. So it's more costly.

The advantage of the police and the site protection is that these folks live in the neighborhood, they're providing us additional intelligence—the more there are joint patrols between Coalition forces and Iraqis, the better the language capability, the better the intelligence information that's flowing in, because those people live in the neighborhood and they know the drill.

Senator CRAIG. Sure. Okay.

Gentlemen, thank you. Thank you very much. I appreciate those comments and questions.

Mr. Chairman?

## ALTERNATIVE TO \$20 BILLION REQUEST

Chairman STEVENS. Mr. Secretary and Generals, I thank you very much for your attendance at this hearing.

I'd make one request to you. You've heard the opposition we face. If we don't get this money approved for the \$20.3 billion for the side that pertains to rebuilding and moving into a new civilian government for Iraq, what's the impact on military policy? We're there. We're not going to come home. So what does it mean? Are you going to set up a military government? What's ahead for us in terms of an occupation force in the future if we do not have the money to transition to a civilian government in Iraq?

Secretary RUMSFELD. Senator, you're exactly correct, we simply need those funds so that we can, in fact, invest in creating the Iraqi security forces so that they can take over the responsibilities for providing security in that country themselves. The only alternative to that is additional United States forces over a sustained period of time, and additional Coalition forces.

Chairman STEVENS. We could not leave. If we left there, there would be a bloodbath of the people who have helped us. So we're going to stay there. We're not going to run from this place.

What goes on if we don't get Ambassador Bremer the money they need? That's what the American public needs to know, and that's what I need to be able to tell the Congress when this bill comes up on the floor. So I hope you'll help me. Give us some—

## SECURITY SITUATION

General MYERS. It's hard to imagine, Senator Stevens, that the security situation would, in any way, get better if we don't get those funds. There's only so much you can do militarily. As General Abizaid said, this is not primarily a military problem, it's a problem of the political and economic development, as well. If that doesn't come along, then we are going to be there—as you said, assuming we don't pull out, we're going to be there, and the situation just can't better, because the lives of the Iraqis are not going to get better, because the infrastructure is not going to be fixed, because the engine for the power and the water and everything else that feeds the economy is not going to get better. We're not only going to be there, we're going to be in, in my view, a deteriorating security situation.

## ADDITIONAL COMMITTEE QUESTIONS

Chairman STEVENS. Well, thank you very much. It's going to be a tough fight on the floor, but we'll continue. Thank you for your presentation.

Secretary RUMSFELD. Senator Stevens, I can assure you the President of the United States is exactly where you are. We're not pulling out.

Chairman STEVENS. Thank you.

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



## QUESTIONS SUBMITTED TO DONALD H. RUMSFELD

## QUESTIONS SUBMITTED BY SENATOR HARRY REID

*Question.* Will the cost of U.S. military operations in Iraq decrease as you bring in more multinational troops? I assume that if you are able to bring in 2 to 3 multinational divisions, the cost to the U.S. taxpayer will decrease, as we decrease the number of U.S. boots on the ground—is that true? Why not?

*Answer.* The Coalition in Iraq now contains over 20,000 troops from more than 30 countries. Every troop contingent contributed by the international community reduces costs to the U.S. taxpayer, even in the case of less economically developed countries where we cover the costs of airlift/sealift and sustainment in theater. These countries are still paying for the salaries for their own troops and often have additional outlays for equipment and training. At present there are two multinational divisions in Iraq plus numerous smaller units from troop-contributing countries in other areas of Iraq. The presence of these troops reduces the requirements for U.S. forces and thus reduces the overall cost to the taxpayer.

But increases in these troop contributions are not the most important factor in determining whether it is appropriate to reduce U.S. troop strength. The key factor is the increase in Iraqi participation in efforts to bring about a more secure situation. Every day the numbers of Iraqis serving in the police, the facilities protection service, the Iraqi Civil Defense Corps and the New Iraqi Army go up. There are over 200,000 Iraqis on the front lines now, working to establish a more secure environment for reconstruction efforts.

*Question.* What is the best case scenario on international troop commitments? Which countries will these troops come from, how many will there be and when will they be deployed? Who in our government is responsible for spearheading the effort on getting these additional foreign troops?

*Answer.* Efforts toward maintaining security in Iraq are shifting from gaining international contributions to developing an Iraqi capacity. We do expect an RoK division of two brigades totaling approximately 3,000 personnel to be deployed in the April/May 2004 timeframe. The force is scheduled to be garrisoned in the northern portion of Iraq. This is likely to be the last significant increase of coalition forces into Iraq. The Coalition Working Group (CWG) is the mechanism used to gain additional foreign troops. The CWG is comprised of Joint Staff, OSD(P), OSD(C), DoS, DSCA, and Army Staff personnel. Weekly SVTCs are conducted to coordinate with the Regional Combatant Commands and Unified Commands.

*Question.* Is there an expectation that any of the international financial commitments (if there are any) can be used to offset the costs of our military operations, or will all the international financial contributions go strictly to the reconstruction effort?

*Answer.* The donor's conference in Madrid last October exceeded expectations and set a record for the size of the overall contributions. The non-U.S. contributions exceeded \$13 billion in grants and loans. Those funds will be dedicated to the reconstruction of Iraq, not to offset U.S. military costs.

*Question.* What is the current number of personnel in the Iraqi Army? By this time next year, how large will the Iraqi Army be? Will the United States pay all the costs (salaries, training, supplies, weapons procurement, etc.) to stand up this army?

*Answer.* Please see attached chart.

Iraqi Security Forces Overview						
	Police	Facilities Protective Services	Iraqi Border Police	Iraqi Civil Defense Corps	Iraqi Armed Forces	Iraq Security Forces (Total)
Ministry	Interior	All	Interior	National Security Defense	National Security Defense	
Duties	Law Enforcement	Fixed site protection of Ministerial, Gov or private buildings	Security of border crossings; enforce customs and immigration	Linguists; HUMINT; fixed site security; disaster relief; HA; route / convoy security.	Military tasks to protect territorial integrity of Iraq; side-by-side w/ Coalition.	
Command & Control	Under command of CPA (Interior)	Under command of CPA (Interior)	CPA (Interior)	Under command of Coalition Forces.	Under command of CPA (Defense)	
Uniform	Light Blue Shirts	Grey Shirts	TBD	Solid Brown	Desert Camouflage	
Vehicles	Various, Modified	None	Various	No organic	Wheeled	
Weapons	Pistols, Shotguns, AKs	AKs	AKs	AKs	AKs, PRK LMGs, Mortars	
Pay	Civil Pay Scale **Various levels of training & cap ability	Contract / Temp / Civil Pay Scale	Civil Pay Scale	NIA Pay Scale	Special Pay Scale aprvd by Min of Finance	
On Duty	+2396	-5142	21,513	+1378	+594	206,312
Additional Recruits	1,590	0	740	3,282	1,094	6,706
Today's Total	70,872	92,636	22,253	24,449	2,808	212,958
Planned Strength	71,000 Aug 04	50,000 Sep 04	25,700 (TBD)	40,000 Apr 04	40,000 Sep 04	226,700 (TBD)

Total Security Forces in Iraq ~348,000  
 US Forces ~117,000 (34%)  
 Iraqi Forces (69%)  
 Coalition Forces ~24,000 (7%)

Changes since 4 FEB 04  
 -277

As of 30 JAN 04



*Question.* Will U.S. troops be expected to play a role in Iraqi border security over the next year or several years.

*Answer.* Yes, Coalition troops and United States will play a role in Iraq's border security in the near future, similar in manner to our role with the other Iraqi security forces. Today, Coalition forces under CJTF-7 have the border control mission to monitor and control the movement of persons and goods across the borders of Iraq. They also perform functions of border police, customs police and inspections; immigration duties, port facility protection, detention and deportation, and passport issue and inspection.

We have already hired and are in the process of training over 12,000 Iraqi Border Police (which includes other functions such as customs and visas). Eventually, we foresee a force of about 25,700 Iraqi Border Police and Customs personnel, operating under their Ministry of the Interior as a domestic security service. As we continue to hire and train these Iraqi Border police, they will gradually assume primary responsibility for that mission, and CJTF-7 Coalition forces will assume a supporting role, as the capability of the Iraqis allows.

*Question.* Will Mr. Kay be releasing any kind of interim report on the search for weapons of mass destruction? When will that be available and will part of his report be available to the public?

*Answer.* [CLERK'S NOTE.—The Department failed to respond.]

*Question.* In order to secure a new U.N. Security Council Resolution, would you be supportive of Ambassador Bremer reporting to the Security Council? Why not?

*Answer.* Under mutual agreement between the United States and the Iraqi Governing Council, the Coalition Provisional Authority (CPA), which Ambassador Bremer heads, will dissolve June 30, 2004. At that time the Iraqi people will resume sovereignty, perhaps with help and participation from the United Nations.

*Question.* Would you be willing to give up some control over Iraqi day-to-day political decision making to the United Nations? Why not?

*Answer.* One of the objectives of Operation Iraqi Freedom was to create conditions in which a free Iraqi people could control their own destinies. Day-to-day control and political decision will shift to the Iraqis on June 30, 2004, when full sovereignty is restored. The United Nation's final role in the post-June 30th period will be worked out in close consultations between the Iraqis and the United Nations.

*Question.* Are you aware that the POWs from the first Gulf War—who were tortured—had brought suit against Saddam Hussein, they prevailed in that suit, but were unable to collect their judgment because all Iraqi seized assets were apparently returned to Baghdad. Will the Administration be doing anything to replenish the seized assets account so these POWs, their families, and other claimants can satisfy their judgments against the former dictator? Does the fact we have won this war invalidate their claims of torture, murder and theft?

*Answer.* These matters are the subject of ongoing litigation. It would be improper for this Department to comment.

*Question.* Can you tell us the number of wounded American and coalition forces since the start of the campaign, and give sense as to the general nature of the injuries? Are the number of wounded on the rise or decline since the end of major combat operations?

*Answer.*

NUMBER OF CASUALTIES, UNITED STATES AND COALITION SINCE THE START OF THE WAR AND SINCE THE END OF MAJOR CONFLICT THROUGH DECEMBER 8, 2003

	United States		Coalition		Total	
	Since March 19	Since May 1	Since March 19	Since May 1	Since March 19	Since May 1
Killed in Action .....	305	191	68	40	373	231
Wounded in Action .....	2,170	1,619	92	45	2,262	1,664
Non-hostile death .....	140	115	10	5	150	120
Non-hostile injury .....	355	220	8	4	363	224
Total .....	2,970	2,145	178	94	3,148	2,239

*General categories of injuries*

- WIA—Gunshot wound—343
- Hostile small arms gunshot injury (includes Friendly Fire)
- WIA—RPG—243
- Rocket-propelled grenade attack injury

WIA—Vehicle—80  
 —Aircraft or land vehicle injury not due to RPG or ordnance  
 WIA—Ordnance—1,316  
 —All explosion injuries not from RPG (i.e. improvised explosive devise (IED),  
 landmine, mortar, hand grenade, plastic explosive  
 Other—188  
 —All combat injuries not described above (including not seriously injured)

RISE/DECLINE OF CASUALTIES SINCE END OF MAJOR CONFLICT

	Major Conflict		End of Major Conflict							
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec. 1-8
KIA .....	36	73	11	17	25	16	17	36	68	6
WIA .....	135	378	68	147	217	167	255	405	345	53

Large number of Improvised Explosive Devices (IED) and Rocket Propelled Grenades contributed to the October increase in WIA and KIA. 38 of the 68 KIA and 28 WIA in November were due to helicopter crashes and large number of IEDs contributed to the increase in WIA.

*Question.* Can you explain the impact that the Iraq war has had on our efforts in Afghanistan? Would we have drawn down our force levels in Afghanistan if we had not taken military action against Iraq? Is there a need to ramp-up the level of forces in Afghanistan?

*Answer.* We have roughly the right number of forces in Afghanistan. There may be times, such as elections, force rotations, or for other specific operations, that we may need a temporary surge in forces, but the number we have in Afghanistan, and have had in the past, is about right. As we continue the transition to stability operations, we are increasing the number of folks contributing to the multinational Provincial Reconstruction Teams (PRTs), a key component of our security and reconstruction strategy.

COMMITTEE RECESS

We'll be in recess until tomorrow, the 25th, at 2 p.m., in Dirksen 106, this room, we'll hear testimony on the supplemental request, particularly relating to Afghanistan. Our witnesses to start off will be General Pete Pace, the Vice Chairman of the Joint Chiefs of Staff, and Dr. Zakheim, our DOD Comptroller who's been with us all day.

[Whereupon, at 3:40 p.m., Wednesday, September 24, the committee was recessed, to reconvene at 2 p.m., Thursday, September 25.]

**FISCAL YEAR 2004 SUPPLEMENTAL REQUEST  
FOR RECONSTRUCTION OF IRAQ AND AF-  
GHANISTAN**

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**THURSDAY, SEPTEMBER 25, 2003**

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

The committee met at 2:15 p.m., in room SD-106, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Domenici, Bond, Bennett, Craig, Byrd, Inouye, Leahy, Harkin, and Murray.

**DEPARTMENT OF DEFENSE**

**STATEMENT OF HON. DOV ZAKHEIM, Ph.D., UNDER SECRETARY OF DEFENSE—COMPTROLLER**

**ACCOMPANIED BY:**

**GENERAL PETER PACE, VICE CHAIRMAN, JOINT CHIEFS OF STAFF  
PETER RODMAN, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS**

**STATEMENT OF CHAIRMAN TED STEVENS**

Chairman STEVENS. Mr. Secretary, I have received word from Senator Byrd. He is delayed—oh, here he is. Thank you, sir. Thank you, Senator. I know that Senator Byrd was in a hearing this morning.

We are pleased that you and Secretary Rodman and General Pace could be with us this afternoon so we can discuss this 2004 emergency supplemental request. As we all know, the administration sent to Congress an \$87 billion supplemental appropriations request, of which \$66 billion is for the activities of your Department of Defense. On Monday Ambassador Bremer testified before the committee on reconstruction efforts in Iraq and yesterday Secretary Rumsfeld, General Myers, and General Abizaid testified also as to the defense portion of this request.

Those two hearings highlighted the critical need for the supplemental funding as quickly as possible. The committee has had a total now of 9½ hours of hearings on this supplemental so far. The Senate Armed Services Committee and Senate Foreign Relations Committee have also held hearings on this supplemental request and the House Appropriations, House Armed Services, and the House International Relations Committees have also held hearings.

Much of this time has been focused on Iraq and ongoing efforts by our military to liberate the Iraqis. This afternoon we will hear

testimony focusing on the ongoing operations and activities in Afghanistan. The supplemental requests \$10.5 billion for Operation Enduring Freedom. This includes funds for Afghanistan and the global war on terrorism.

As many of us know, the Army and Special Operations continue to employ forces in Afghanistan as part of the sustained campaign against terrorism worldwide. Operational forces are also focused on border control, training the Afghan National Army, conducting civil-military operations, and undertaking security operations. The Combined Joint Task Force 180, with over 10,000 soldiers under its command, continues to focus on the effort along the Pakistan border, rooting out and destroying terrorist networks. The Combined Special Operations Task Force is coordinating civil-military projects and humanitarian assistance throughout Afghanistan. Over 1,400 Special Operations soldiers are in Afghanistan today, I am told.

Yesterday I said that I did not think our Nation should fail to meet the—I said that, as our Nation did not fail to meet the needs of Europe and Japan after World War II, we could not now fail to meet the needs of the people of Iraq and Afghanistan. We must complete our mission to provide stability in Afghanistan, with the hope that democracy will take hold, and give that country the economic assistance it needs to succeed. I believe this supplemental request will address the needs of our men and women in uniform and we should not fail to provide them the support and resources they need to do their jobs.

Senator Byrd, do you have a statement you would like to make at the opening?

STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Yes, I do. I would be glad to make an opening statement.

First let me thank you, Senator Stevens, for the work that you have done here, and I appreciate the appearance before us of General Pace, Dr. Zakheim, and Mr. Rodman. I thank you for calling this particular hearing on Afghanistan.

I firmly support the war in Afghanistan. There was an attack on us, September 11, 2001. The American people are firmly behind that war. It was from that land, Afghanistan, that sprung the heartless attacks of September 11, 2001. But the administration has consistently used the specter of that tragedy to build momentum for its preemptive war in Iraq. Leading up to the invasion of Iraq, the administration officials carefully fashioned an implied link between 9/11 and Iraq, never saying directly that Saddam Hussein was involved, but leaving that clear impression.

On September 8, 2002, on "Meet the Press", Vice President Dick Cheney said: "Come back to 9/11 again, and one of the real concerns about Saddam Hussein as well is his biological weapons capability." National Security Adviser Condoleezza Rice said on September 25, 2002, quote: "There have been contacts between senior Iraqi officials and members of al-Qaeda going back for actually quite a long time." Close quote.

Defense Secretary Donald Rumsfeld said on September 26, 2002, quote: "Yes, there is a linkage between al-Qaeda and Iraq." Close

quote. On October 14, 2002, President Bush said, quote: "This is a man"—meaning Saddam Hussein—"that we know has had connections with al-Qaeda. This is the man who in my judgment would like to use al-Qaeda as a forward army."

So, Mr. Chairman, the implication was clear: Wave the bloody shirt of 9/11, throw in al-Qaeda, and make the case for war against Iraq. Do not mention that there was no tie between Saddam Hussein and 9/11, as the President later clarified, and that he saw no evidence of any tie with 9/11 and Saddam Hussein. Do not mention that there was not a single Iraqi who hijacked those three airplanes on that fateful day. Let the implication linger. Let the people believe whatever they want to believe.

But what has been the result of these half-truths? Gone is the focus on Afghanistan and the so-called hotbed of terrorism in those remote areas. Gone is the major attention on Osama bin Laden. In fact, if news reports are to be believed, Osama bin Laden and Mullah Omar continue to hide in the mountains of Afghanistan, regrouping, recruiting, and preparing for another opportunity to strike at America.

The administration's almost singular focus on Iraq has left the war on terrorism treading water. Just this week, Pakistani Parvez Musharraf said that his government needs more military and intelligence help from the United States to fight al-Qaeda and the Taliban. He needs more helicopters and increased resources in order to patrol the difficult terrain between Pakistan and Afghanistan. The administration plans to provide some funding to support coalition forces, but the overwhelming focus of the funds is to rebuild Iraq to a level, in my opinion, that it has never known before.

The importance of garnering more international support for our overseas missions cannot be understated. The administration frequently touts the fact that 32 nations are contributing troops to our mission in Iraq, but then glosses over the fact that 10 of those countries have contributed less than 100 troops each.

I have said that I will support funds needed for the safety of our troops. When we say we will support funds for our troops, that can mean many things. I mean that I will support funds needed for the safety of our troops. But more money for our troops does not mean that they will be safer. The first order of business should be to bring in more international troops to relieve our tired soldiers. Unfortunately, the administration has taken the tack of trying to push \$87 billion through Congress while saying that a new United Nations (U.N.) resolution to encourage more international troops could take months, as reported by the Washington Post this morning.

I believe that the administration has lost focus on what is most needed in Iraq. I believe that the administration has lost focus on Afghanistan in preference for its much higher priority in building democracy in Iraq. From the beginning, vital resources, including troops, translators, and intelligence resources, were shifted from the hunt for al-Qaeda to the strikes against Saddam Hussein. Even in this request, the bulk of the resources are placed on Iraq, even as reports grow that the Taliban is gathering strength and that communities outside of Kabul are controlled by warlords.

Is this a strategy that will capture Osama bin Laden? I fear that this will more likely result in a renewed safe haven for terrorists instead of an end to their operations in Afghanistan.

In yesterday's hearings, I asked that at further hearings an outside witness be called so as to expand the analysis of this supplemental and the path that it will surely place this Nation upon. I am trying to shorten my statement now, Mr. Chairman, so I will ask that the remainder of the statement be included in the record, and I will try to close it at the end here.

I hope that the committee will have the opportunity to hear from Secretary Powell and to hear from those who are responsible for administering the classified section. The American people have a right to expect their elected representatives to fully understand this request, to have time to craft amendments, to debate those amendments, and to fashion the best possible product. We cannot possibly meet that responsibility in such a rush.

So, Mr. Chairman, I renew my request for more hearings, more witnesses, and more time. This is \$87 billion that will have enormous long-term funding and policy implications. We ought to be responsible in our approach and not rush legislation that we may come to regret.

I thank the Chair.

Chairman STEVENS. Thank you very much.

Senator Domenici, do you have an opening statement?

Senator DOMENICI. No, I do not. I will wait.

Chairman STEVENS. Senator Bond?

Senator BOND. Thank you, Mr. Chairman. I think I will wait until the question and answer session, and I may offer some comments along with questions.

Chairman STEVENS. Senator Inouye?

Senator INOUE. I will wait.

Chairman STEVENS. Senator Bennett.

#### STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. I also will wait for the question period for substantive comments, but I would like to make this comment at the beginning of this hearing. This is a very difficult question and Senators on both sides have very strong opinions. They are deeply held convictions. They are opinions and positions that have not been arrived at frivolously and they are not held, I believe, in most instances for political purposes.

I want to thank you and Senator Byrd for the history you have established in this committee of maintaining a sense of bipartisanship even in the face of disagreement, and I appreciate the tone that has been set again here this afternoon that, in spite of the fact that some harsh words have been spoken, the committee is returning to its long-term tradition of amity among members even as we have very vigorous disagreement on policy.

I want to thank you and Senator Byrd. This is rooted in your deep personal friendship and the friendship that you, Mr. Chairman, have had over the years with Senator Inouye on the Defense Subcommittee has set the example for all of us. We all know that, however much you disagree and however often you vote against each other, in the confines of this committee you maintain that



friendship and that sense of cordiality. I appreciate the fact that we are getting back towards that, at least so far in this committee today, and I hope you and Senator Byrd will continue to set the example for all of us. Even as you disagree, you make it clear to all of us that we are a committee and we should stand together to do our committee's work.

Thank you.

Chairman STEVENS. Thank you very much, Senator.

Dr. Zakheim, do you have an opening statement for us today or comment upon the Afghan situation?

#### SUMMARY STATEMENT OF DOV ZAKHEIM

Dr. ZAKHEIM. I certainly do, Senator, Mr. Chairman. If I may, I have a brief statement; if I could read it out, please.

Thank you very much, Mr. Chairman, Senator Byrd, members of the committee. First of all, I want to thank the committee for all the support you have provided for Afghanistan over the past 2 years, both in terms of funding and in the special authorities we have requested. I want briefly to address three matters today: first, the progress we have made so far; second, the steps we need to take to accelerate our progress; and third, our new request for funds and authorities.

As Deputy Secretary Wolfowitz has said, the United States remains strongly committed to success in Afghanistan and to establishing there a moderate and democratic political order that is fully representative of the Afghan people. Afghanistan has suffered a great deal over the last quarter century and it has come a long way since the fall of the Taliban regime in 2001. The United States shares and supports President Karzai's and the Afghan people's hopes for a peaceful, democratic, and prosperous country that can serve as a partner in the region and as a model for other Muslim states.

Over the past 2 years we have provided slightly over \$2 billion in assistance to Afghanistan. We currently have 9,800 troops stationed there, 8,100 active, 1,700 reserve. Thirty-nine countries have contributed almost an equal number, 8,000 troops, to Afghanistan. This remains a major priority, a top priority, for the United States.

With respect to security and particularly strengthening the role of central government, that too is one of our top priorities. So far we have trained and partially equipped 10 battalions of the Afghan National Army. We have trained 700 Afghan national police. We have helped to implement a national communications system. And we have put in place a national police ID card system.

To help increase commerce, improve security, and better integrate the various provinces, the international community has begun to work to improve the roads in Afghanistan. The United States has graded the entire 450-kilometer stretch of the ring road between Kabul and Kandahar. It has deployed security along road construction sites and it has paved 15 kilometers to date. Just by way of illustration, it took 30 hours to do that trip before. Now it takes about six, I am told.

We also have built 142 schools and 140 health clinics, again to help the central government provide for its people and to counter the influence of extremists. As you know, the history of Afghani-

stan has always been one of a central government struggling to have control over its outlying provinces. By helping the central government to extend services, we are trying to change the fundamental political culture of the country.

We have also begun to create joint civilian-military Provincial Reconstruction Teams, called PRT's. Two are operated by the United States, one each are operated by the United Kingdom and New Zealand, and one opened in Mazar-e-Sharif in July. These teams help provide basic services to the Afghan people and increase security in outlying areas.

As you know, Afghanistan is a poor country without many of the institutions necessary for democracy and governance. Prior to being essentially a terrorist state, it was a communist state, and prior to that it was a monarchical state. We are talking about again something very, very different now, and the ability of Afghanistan's government to provide basic services to its people is very, very limited after decades of war.

The United States has contributed \$53 million to the recurring budget to help in that area. As the government starts meeting the needs of its people, it helps to reduce the influence of provincial or regional or local warlords. We have also begun helping Afghanistan to prepare for what is a unique institution, the constitutional *loya jirga*, and for voter registration in the run-up to next June's elections.

While we have made significant progress in Afghanistan, there is obviously much that has to be done, and we want to do as much as possible in the immediate future, in the next months, to help Afghanistan get back on its feet in advance of the June 2004 national elections, which are crucial to the future of Afghan democracy.

Between our base 2004 request and the supplemental, we will nearly double our funding for Afghanistan to \$2 billion this year. Among the things we hope to do, we want to train and equip and deploy 27,000 additional police, including border police, highway patrol, and counternarcotics personnel, and the supplemental covers 20,000 of these.

We want to begin a demobilization, disarmament and reintegration program together with Japan. We want to fully train and equip the Afghan National Army central corps and create another six battalions.

With respect to reconstruction, we are working to complete the first layer of pavement on the Kabul-Kandahar Road by the end of December 2003 with the funds we already have. But we want to begin the Kandahar-Herat Road, which goes further to the west, and 1,000 kilometers of secondary roads, and we need supplemental funding for that.

We want to construct a total of 372 schools. The supplemental will get us another 130. We want to construct 300 new health clinics. The supplemental covers another 90. We want to expand the PRT program by at least four additional PRT's, in Herat, Jalallabad, Kandahar, and Parwan so we have got a countrywide presence.

Now, in Bamiyan, New Zealand took over the leadership of the PRT on September 22—

Chairman STEVENS. What does that mean?

Dr. ZAKHEIM. Sorry?

Chairman STEVENS. What does that acronym mean?

Dr. ZAKHEIM. That is the Provincial Reconstruction Teams. Those are the teams that are out literally in the hinterlands and they are multi-agency, they are multinational. There is some military presence, and what they do is enable the central government to really show that it is extending its hand throughout the country, so that it is not simply seen as some kind of Kabul mayoralty or something like that. These PRT's have been extremely successful and that we are getting other countries involved—I mentioned the British and the New Zealanders, but the Italians, Rumanians, and South Koreans also want to provide support to the PRT's. This is a truly international effort.

With respect to democracy and governance, we want to contribute an additional \$75 million to the recurring budget, another \$25 million coming out of the supplemental. We have to complete preparations for the constitutional loya jirga that I mentioned earlier. We have to help the government to increase and professionalize revenue collection and we have to help to complete voter registration and party development as the run-up to the election next June.

We also need some authorities. We have asked, as we have asked before, for train and equip authority. But what we have seen in Afghanistan is that you have to build the local capacity to combat terrorists. Without that it is much, much more difficult to achieve our goals.

The Department of State traditionally has financed training for foreign troops under its authorities. But when new threats emerge unexpectedly, State finds it very hard to come up with the funding because they precommit their resources and there is no real flexibility to get the kind of funding that is urgently needed.

We very much appreciate the counterterrorism train and equip authority you provided us in the fiscal year 2003 supplemental, and the Office of the Secretary of Defense (OSD) and particularly my colleagues in Policy—and Assistant Secretary Peter Rodman is here—is working closely with State to utilize those authorities carefully. But to fight the kind of war we face, we need maximum flexibility to benefit from contributions that foreign military forces who share our goals could make. But in some cases they are simply limited in their ability to provide effective assistance without additional equipment, training, or funding.

Right now we operate with what is really a patchwork of authorities that allow us to provide assistance to such countries, but there are real gaps. In some cases there are dollar limitations, for instance the drawdown authority in the Afghan Freedom Support Act. In some cases authorities expire. In some cases we cannot pay for salaries or per diem of foreign military trainees or train forces assisting American forces in counterterrorism operations. For instance, in Afghanistan some ANA troops have completed training and could deploy with our forces, but they just do not have the funding for salaries. The language we are requesting would cover those gaps.

I just mentioned the drawdown authority. It has been critical to our ability to support the training of the Afghan National Army,

particularly when State had insufficient resources to meet the requirements this year. We intend to exercise what is left of that authority, \$135 million. We are going to do that this fall to keep the Afghan National Army going. But we are asking for supplemental funding for the State Department to cover the known requirement for the rest of 2004.

Still, we need an additional \$300 million in drawdown authority to ensure that we can deal with unexpected costs. That is what we have found. These costs do arise. We need the authority to let us continue.

We have a request for counternarcotics programs. Our request is for \$73 million. That is in addition to what the State Department has requested. There is a distinction between the two. State Department is going to provide basic training for the police. What we are doing is to provide first of all advanced training to those people trained by State so they can be prepared for the counternarcotics mission. That is a highly specialized capability that we are in a better position to provide.

We also will provide personal equipment for security forces. We would construct training facilities, border checkpoints, enhance communications, command and control and related activities, so that the Afghans can deal with the narcotics challenge head-on. For that, we are requesting \$73 million above what State is asking for.

Finally, the supplemental includes \$1.4 billion for coalition support with the same authorities you previously provided us. The vast majority of those funds we anticipate would be used to reimburse Pakistan, Jordan, and other key cooperating countries that are helping us combat terrorism in this part of the world. Pakistan continues to patrol along the Afghan border in an area that they do not normally operate in, in fact that they historically never operated in. That is the tribal areas in the Northwest Frontier Province. We would use those funds to cover the incremental costs of the operations, operations they would not undertake without us asking them to do so.

Depending on how the situation on the ground develops, we could, at least in theory, use some of these funds to support foreign troop contributions in Afghanistan or foreign PRT participation as well.

Lastly, we have included \$48 million in military construction funds for repairs of an air field in Bagram. As you know, Bagram near Kabul is the hub of our military presence in Afghanistan. And we have also requested additional funds to support Operation Enduring Freedom elsewhere in the region, a number of bases including Diego Garcia, facilities in the United Arab Emirates, in Qatar, and elsewhere that provide the overall base of support for operations both in Iraq and in Afghanistan.

I thank you very much for the chance to make this statement and will be happy to answer your questions.

Chairman STEVENS. Thank you very much.

Mr. Rodman, on that money for the drug control, could you bring us up to date on what is going on there? I understand there has been a substantial buildup now in the growth of poppies in Afghanistan and the Department is now working with the Department of

State in a program to curtail that growth. Could you give us a summary of that activity?

Mr. RODMAN. It is a major problem and, as you know, Mr. Chairman, when we arrived in Afghanistan the British took responsibility for the counternarcotics effort and we thought that was appropriate. But it is clear as the years have gone by that the problem is more serious and that the United States needs to do more to support.

I think one thing we are doing is, as Dr. Zakheim said, is expanding our own role in the police training, and a lot of that goes, a lot of that effort, as he explained, will go into the counternarcotics effort. The money that the Department of Defense (DOD) is asking for, the \$73 million, is meant to supplement and complement the money that the State Department is providing, and we intend to work hand in hand with the State Department to be more effective.

Chairman STEVENS. I apologize, I had to sign those documents.

Can you tell us what we are doing? Are we buying equipment with this money for the Afghan people? Is it just for the civilian side or is this for the Afghan military? How are you interfacing with what the State Department is doing in that regard?

Mr. RODMAN. It is training. What we are providing is more advanced training. The State Department, the INL money, provides for basic police training, a lot of which is dedicated to the counternarcotics effort. Our support is intended to be sort of postgraduate training for some of these graduates, to give them the more specialized training in the counternarcotics area. So it is complementary to what the State Department is doing in that respect.

Dr. ZAKHEIM. I can give you details, dollar details, Mr. Chairman. Out of that \$73 million, \$59 million is directly to Afghanistan, \$15 million for equipment, \$10 million for training, \$7 million for one-time capital investment in infrastructure, \$14 million for one-time investment in command, control, communications, computer and intelligence systems, \$8 million for intelligence, surveillance, and reconnaissance support, and a one-time \$5 million program for a new intelligence fusion center. That is directly to Afghanistan.

Then we have got another \$14 million for states that border Afghanistan because, as you know, there are people going back and forth across those borders all the time: \$5 million for equipment, again \$3 million for one-time infrastructure investment, and \$6 million from the C<sup>4</sup>I systems, again a one-time investment.

So that is the detail of that \$73 million.

Mr. RODMAN. If I may, I can supplement that a little bit. I think some of the DOD money for the counternarcotics is also going to cover personal equipment for security forces, to help construct training facilities, border checkpoints, and improve communications and command and control for the counternarcotics effort, in addition to the training piece.

Chairman STEVENS. Have our efforts been at all successful in reducing the level of that crop increase?

Dr. ZAKHEIM. One of the reasons, Mr. Chairman, that we have asked for this money is that, as you well know, the trajectory of

their production has gone all the way up. They may well be by now again the world's leading producer of illegal drugs.

The lead for this effort was undertaken by the United Kingdom and we played a supporting role and still play a supporting role. If our troops are in the middle of an operation and we come across drugs, then we destroy them. But that is not our primary focus.

So what we are doing here is injecting funds that in Afghan terms are quite significant, to allow Afghans to take on a much larger share of this load. Ultimately it is the Afghans that have to deal with their problem, but we want to help them.

Chairman STEVENS. Good.

General Pace, Senator Inouye and I had an interesting experience at K2. I would like to have you tell us what are the living conditions there now. We had a report that many of our forces were still in tents and had rather rudimentary facilities. Is that going to be changed by this supplemental?

General PACE. Sir, not directly by this supplemental. But you are absolutely correct, the quality of life in Karshi-Kanibad is not what we would like it to be. My last visit there was just before yours, sir. We do have troops living in tents there, it is dusty, it is dirty. The commanders on the ground have undertaken a program to improve the facilities long-term, to begin to air condition some of the tents, to tamp down the dust, and to create a better environment for our troops. That will be a long-term program and there is not money in this supplemental for that.

Chairman STEVENS. Well, does the rest and recuperation portion of this bill cover those people that are in Afghanistan, particularly up there in Uzbekistan?

General PACE. Sir, I will check to make sure my answer is accurate. I believe that the answer to that question is no, sir. The rest and recuperation part of this bill was for the troops in Iraq to be able to get a 15-day break during their 1-year period. The troops in Karshi-Kanibad—I am going to get corrected right now, sir.

Dr. ZAKHEIM. I think it is both.

Chairman STEVENS. I wondered whether it was both because I know that some of those people in Afghanistan have been there for a long time and that would be a good place to test it, would be on the Afghanistan people, if it is possible.

General PACE. I am sorry, I thought you were talking about Karshi-Kanibad, sir. I misunderstood your question.

Chairman STEVENS. Thank you very much. I will be back with more questions. Senator Byrd.

Senator BYRD. You are asking for several authorities. I want to think about these pretty carefully. Several were asked for last year and were rejected by the Congress. I think we ought to be very careful about giving additional authorities to the executive branch. I do not care whether it is Republican or Democrat. Well, I do care, but with respect to giving them authorities I do not care which one it is. I am against it. I am for the legislative branch of government first, last, and all the time, recognizing that we do have two other branches.

But I want us to be very careful, Mr. Chairman, about extending authorities, especially new authorities, either in this area or in the Iraqi area. I think that for over 200 years now we have fought

wars, we have fought small ones and we have fought big ones, and we have gotten along very well with the authorities that were there, especially in coming through World War I, World War II, and the other wars that we fought in the 20th century, and we did not change the authorities. We have lived with about the same authorities all along.

But now comes the efforts in this administration to have these authorities changed, which means that more and more legislative power and constitutional power, if they can get it, flows to the executive branch. And once it flows there, we will never get it back, you can be sure of that, because a Presidential veto would require, as we all know, a two-thirds vote in Congress to overcome.

So I want us to guard, Mr. Chairman. I hope our staffs will go over very carefully these authorities that are being asked for and any that are being asked to be extended and any that are being asked to be enlarged. I hope we will very zealously guard the authorities and powers of the legislative branch.

I would have more time on these, but I have a whole page of the authorities here and I will not take the time to go into all of them. But looking down here at a few of them, the President proposes to increase the Secretary of Defense's authority to transfer funds—that gives me problems—to transfer funds among accounts in fiscal year 2004 by \$5 billion. Such transfers would be subject to advance notification: Hello there, we want to transfer this; okay, we have notified you and that is it. Such transfers would be subject to advance notification.

In the fiscal year 2003 supplemental, Congress only gave the Secretary an additional \$2 billion transfer authority. I think that a \$5 billion transfer would be excessive, so I would be opposed to that.

Here is another proposal: It would permit DOD to transfer up to \$500 million to pay for unauthorized military construction projects in fiscal year 2004, with a requirement for 7-day advance notification: Hello there, next week on this very day, we expect to transfer these; that is it, thank you, goodbye.

A similar authority was approved for 2003 in the fiscal year 2003 supplemental at a level of \$150 million. Well, this time they want to triple that and more. This authority would potentially allow the United States (U.S.) to establish bases in Iraq, in Afghanistan, and in the former Soviet states. Well, \$500 million in transfer authority for military construction (MILCON) is excessive. As I say, only \$150 million was in the supplemental.

Now, the proposal would permit the use of any foreign contributions for any purpose—are you hearing me out there? I think I am coming through all right.

Dr. ZAKHEIM. Yes, I hear you very clearly, Senator, absolutely.  
Senator BYRD. Good.

The proposal would permit the use of any foreign contributions for any purpose, without subsequent approval by Congress or advance notification of Congress. Now, that is really, I think, kind of outlandish, to expect that. Congress rejected this proposal in the fiscal year 2003 supplemental, limiting the authority to expenditures on the repair of the oil infrastructure.

Next, blanket authority is sought for DOD to use fiscal year 2004 operation and maintenance (O&M) funds for supplies, services, transportation, and other logistical support to coalition forces supporting military operations in Iraq. This request was rejected in the fiscal year 2003 supplemental. Well, that was rejected last year—this year. We are talking about 2004 operations and maintenance funds. That was rejected. It was rejected in the fiscal year 2003 supplemental.

I think that on behalf of the people—it is their money. As I have heard it said so many times with respect to these tax cuts, that it is the people's money. Well, it is the people's money here, and I think that Congress had better try to be tight-fisted, especially when it comes to giving additional authority to the executive branch.

The President once again seeks an authority rejected in the fiscal year 2003 supplemental that would give the Secretary of Defense his own foreign aid budget. Well, I like Secretary Rumsfeld. I am always glad to see him appear before the committee. I wish he would appear before the committee more in conjunction with the requests in this bill. But he is not going to be able to do that. I think we ought to reject that again. We do not need another foreign aid budget, and we do not need another foreign relations department.

The President also requested \$15 million for the DOD Secretary that can be used upon the certification of the Secretary for confidential military purposes. Now, I do not know. If we give \$15 million now, it will be \$50 million next time, then \$100 million, then it is gone, out the window.

\$1.4 billion is requested for fiscal year 2004 for DOD to support coalition forces, primarily Pakistan and Jordan, with a 15-day advance notification requirement. Similar authority was approved in the fiscal year 2003 supplemental. I would not approve it this time. I would oppose it.

The President's proposal would extend for calendar year 2003 the increases in imminent danger pay and the family separation allowance that were approved by Congress in the fiscal year 2003 supplemental. Effective on January 1, 2004, these increases are proposed to be replaced with an increase in the hardship duty pay allowance from \$300 to \$600 per month. Now, that sounds all right to me.

Now, let us see. I did not ask you for any comments on that because I know we are going to hear the executive branch line, and I can understand that. I am just flat-out opposed to more authorities to the executive branch, in this administration, or in the previous one, or in the next one.

Now, the President has requested \$1.4 billion in this supplemental for coalition support. Are we talking about the 32 nations that are in the coalition?

Dr. ZAKHEIM. No, sir. No, we are talking here about the money for places like Pakistan and Jordan that essentially have the ability to carry out certain missions to support us, but do not have the finances to do it because their own budgets are stretched and we are asking them to take on new tasks.



Senator BYRD. Of these funds, how much is related to the mission in Afghanistan and how much is related to Iraq?

Dr. ZAKHEIM. Right now the overwhelming proportion is actually related to Afghanistan. We have been reimbursing the Pakistanis at the rate of about \$70 million a month, so right there you have accounted for about \$850 million out of that \$1.4 billion. In addition, we have reimbursed some other countries for approximately another \$35 million or \$40 million or so.

Now, some of it has been related to Iraq. For example, that is how we funded the Polish division that is there. That cost about \$300 million, give or take. So that is the bulk of the money. But clearly the largest proportion would again be for Afghanistan.

Senator BYRD. Are there any efforts underway to increase the number of foreign troops in Afghanistan?

Dr. ZAKHEIM. Right now, as you know, the North Atlantic Treaty Organization (NATO) has taken over command of the International Security Assistance Force in Afghanistan, what is called ISAF. There are currently 8,000 foreign troops in Afghanistan, in addition to the Afghan National Army that we are training. If you add those to it, it is approximately 9,000, and we have approximately 9,000.

Senator BYRD. Does the United States pay other countries to contribute troops to fighting al-Qaeda?

Dr. ZAKHEIM. We have not been paying to my knowledge, no, sir, with some exceptions where they are providing direct support to our operations.

Senator BYRD. Can you give us an idea of what we are talking about, how much money?

Dr. ZAKHEIM. Oh, sure. As I said, when the Pakistanis patrol their side of the border and hunt down al-Qaeda types and they are running up costs that they would not have to run if we were doing this, then we reimburse them. Of course, if we did it we would probably have a lot less success and it would cost us a lot more, and not only in dollars but possibly in lives.

Senator BYRD. Would you supply for the record how much we are paying other countries, and what countries and how much to each, to contribute troops to fighting in Afghanistan?

Dr. ZAKHEIM. Certainly, sir.

[The information follows:]

The United States has provided limited financial support to enable foreign countries to contribute troops to Afghanistan. The United States provided approximately \$277,000 to transport an Engineering Unit from Thailand into Afghanistan. This is the only instance where the United States has provided financial support to enable foreign nations to contribute troops to fight in Afghanistan.

Senator BYRD. Mr. Chairman, is that red light flashing, is that against me? Is that my time?

Chairman STEVENS. That is 10 minutes, yes, sir, but we are not rushed for time. Senator Inouye is next.

Senator BYRD. Senator Inouye, I have had a chance to say a good bit and ask a good bit. I will yield now for another Senator.

Chairman STEVENS. Senator Inouye, do you have any questions?

Senator INOUE. In the past few days, Dr. Zakheim, we have learned that we are hoping to develop another multinational division to go to Iraq, and that one of the potential contributors to this division will be Pakistan. I have been thinking to myself one of the

problems we have in Afghanistan is the inability on our part, together with Pakistan, to close the border between Pakistan and Afghanistan. It is common knowledge that the al-Qaeda go back and forth.

Why are we asking the Pakistanis to send troops to Iraq when we need them more on their border?

Dr. ZAKHEIM. Let me start if I may, Senator, and then perhaps General Pace can comment on the military realities. We think Pakistan, first of all, is very capable and has the capability to be a very effective peacekeeping force in Iraq. Secondly, I suspect that what we need from Pakistan in the border area is a certain commitment and effort and would not necessarily be affected by the numbers of troops. I think our judgment is that they can spare the troops for Iraq if they so choose. And we have been cooperating with them, with a degree of effectiveness in the border area against al-Qaeda and Taliban on the Afghan border.

So my sense is that we think they can do both missions if they so choose.

#### MIDDLE EAST BORDER ISSUES

Senator INOUE. Do you believe that the borders are secure?

Dr. ZAKHEIM. No, it is not secure, but the terrain is horrendous and it is something that we and the Pakistani government need to redouble our efforts in. But it depends on intelligence. It may not be a function of the numbers of troops.

General PACE. I might be able to help a little bit on that, Senator. There is a tripartite commission between the Afghan government, the Pakistani government, and our commander on the ground working the potential border issues. Clearly it is up to the Pakistan government to determine what they can and cannot give. The military estimate is that if they were to contribute forces to Iraq that they would still have sufficient forces to defend Pakistan and to work with the Afghans and the United States along the Afghan-Pakistan border. But that is their choice, but our military estimate is that they have sufficient troops to do both, sir.

Senator INOUE. General Pace, we have been told that troops that have served in Afghanistan are now serving in Iraq. How many of these troops have done double tours?

General PACE. Sir, I will have to take that question for the record. I do not know how many have done both countries.

[The information follows:]

The number of troops that have served in Afghanistan are now serving in Iraq: Army—20,571; Marine—1,598; Air Force—120; and Navy—14,274.

#### PERCENTAGE OF U.S. TROOPS—RESERVES/NATIONAL GUARD

Senator INOUE. Of the 9,000 American troops in Afghanistan, what percentage are Reserves and National Guard?

General PACE. There is about 1,700 out of about 9,000, sir. So about 22, 25 percent.

Senator INOUE. We have been told it was more than that, but you think it is less than 20 percent?

General PACE. Today, sir, there is about 1,700 out of the 9,000. It goes up and down as units come and go.

Dr. ZAKHEIM. It is 98.

General PACE. Sorry.

Dr. ZAKHEIM. It is 9,800 now.

General PACE. 98, excuse me.

The next unit going in will be an active duty Marine, U.S. Marine battalion, so those numbers should not change.

Senator INOUE. Dr. Zakheim, we started off the global war on terrorism in Afghanistan and many of the letters that I receive suggest that we have forgotten Afghanistan. Would that be a just criticism?

Dr. ZAKHEIM. No, it would not be at all. We have made tremendous progress there. I think I am correct in saying that Afghanistan has the most stable government since President Karzai took over that they have had in the previous 25 years. In addition, we have continued to put money into that country and to do it in a very targeted way. Afghanistan was a devastated country—23 years of internecine warfare, no infrastructure to speak of, and before they went to civil war and before the Soviet invasion they were essentially a backward country anyway.

So that in terms of absorptive capacity, we have been putting in pretty much what can be put in, and the international community has been supportive as well. We are talking about approximately \$5 billion worth of multi-year pledges. But we ourselves are going up to approximately \$2 billion just for this year because of the \$1.2 billion that we are providing them, \$800 million in the supplemental and \$400 million that we are moving around from within programs.

So I do not think by any stretch of the imagination could we say that we are ignoring, forgetting, or otherwise overlooking the place.

Senator INOUE. If we are making that progress as we claim, why are the Talibans back again?

Dr. ZAKHEIM. I think in part it has to do with the nature of their source. The Talibans are essentially a Pushtu ethnic group. The Pushtu tribes border both sides of the Afghan-Pakistan border. On the Pakistani side of the border, the central government traditionally has had very little control. Their troops are in there really now for the first time since Pakistani independence.

On the other hand, you have madrassas, many of which, these religious schools, are breeding grounds for extremism, and that is where the Taliban get their recruits. So President Musharraf has a very difficult balancing act to perform. On the one hand he is trying to control this extremism. On the other hand he has to be certain that he can maintain stability in his own country.

Pakistan is made up of basically four different ethnic groups, of which the Pushtus are one. So you have this kind of breeding ground. The Pakistanis are helping us to deal with it. It is not a simple matter and of course, as you all know, Senator, this is a problem that is endemic not just to Afghanistan, but to the entire region.

Senator INOUE. At yesterday's hearing we were advised that the bulk of those who are doing much damage in Baghdad, terrorist groups, come from Afghanistan. Would the number of forces we have there be sufficient to close that border?

Dr. ZAKHEIM. Iraq does not really border Afghanistan. I believe the Secretary said that we have got a pretty good handle—and I

will ask both Mr. Rodman and General Pace to correct me and add to what I am saying. But I believe we have a pretty good handle on the borders with Jordan, Turkey, Saudi Arabia, and Kuwait.

But Iraq's borders are as long as our border with Mexico and there are two countries there where it is not as clear that we have as good a handle. One is Syria and the other is Iran, and most of our difficulties are stemming from those two areas.

But I defer to you gentlemen for additional points.

General PACE. Sir, I would say that anyone who sat here and told you we could close the borders would not be accurate. We cannot close the borders. We can do better. We are doing better. We are working very closely with Jordan and Saudi Arabia on border security. But we have not and would not be able to seal the borders, if I understood your question correctly.

Senator INOUE. My final question, sir. We are making progress, as you have indicated, but not enough to cut our troop levels there?

Dr. ZAKHEIM. In Afghanistan? Our troop levels, as I believe General Pace indicated, have already gone down. We roughly have about as many people as the international community does, the NATO-led force. I will defer to General Pace as to what the prospects are.

#### AFGHAN SECURITY

General PACE. Sir, I think as you know we have transformed into stability operations. As you know, there is not a pure military solution to the problem in either Afghanistan or Iraq. What we are able to do in Afghanistan is to provide a stable environment. That will be done best by the Afghan people.

We have trained now the 11th battalion of the new Afghan army, butly graduated. We intend to have about 12,500 total in that centrally controlled Afghan army by June of next year for the elections. So it is not a matter in my mind of having more coalition members in Afghanistan. It is very much a matter of the Afghan government, the Afghan police force, the Afghan National Army, growing over time as they are, so they can provide the security for themselves. The Provincial Reconstruction Teams that Dr. Zakheim mentioned, these teams of about 80 to 100 that are in four locations now, expanding to eight by December of this year, are very, very good linkages between the central government in Kabul and the regional governments out in the provinces.

So the answer in my mind is not more United States or coalition, but more security overall, provided by the Afghans themselves.

Senator INOUE. You are telling us that militarily you believe that our mission can be accomplished with the funds requested?

#### FUNDING AFGHAN TROOP TRAINING

General PACE. I need to make sure I understand your question, sir. One more time, please?

Senator INOUE. As a leader in the military, do you believe that the funds that you are requesting would sufficiently cover your costs to carry out your military mission?

General PACE. Yes, sir, for the upcoming year. Right now the expenditure rate in Afghanistan is about just shy of \$1 billion a

month total and this request for supplemental I believe is just under \$12 billion. So for the current year upcoming, yes, sir.

Senator INOUE. Thank you, sir.

Chairman STEVENS. Senator Bond.

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

I have been very interested in what is going on in Afghanistan and was most impressed when I had an opportunity to meet President Karzai. You have talked about some of the challenges that we are facing there and also the schools, the roads, the health clinics that have been built. I would like to know, with the Iraqi—excuse me. With the Army divisions that we have trained and the police, how effective are they in disrupting terrorist activities or other lawless activities there?

Dr. ZAKHEIM. I will give you my literally eyewitness experience and I will defer to my colleagues. When I was down there last, which I guess was a few months ago, I went to one of our PRT's in Gardez and I saw these Afghan troops. They tend to patrol with our own, by the way. And I also saw some of the troops of the so-called warlords, and the difference between the Afghan National Army (ANA) troops and the warlord's troops is night and day.

I mean, it is not just that the ANA troops are well presented and that they have got good uniforms and so on, but they have a sense of operating as military people. I happen to have been out there to have watched the very beginning of one of these battalions training up and these guys were crawling on the ground and they could not keep their helmets on. Then when I go out there 6 months later, they are patrolling, they are being commanded by the non-commissioned officers (NCO's). You ask NCO's what are the problems that they face or what are the requirements that they need and they tell you things like better communications, the kind of thing that an NCO here will tell you.

So they are making tremendous progress. When they started out, the first battalion—they are supposed to have about 600 people per battalion. As I understand it, the first battalion, they had trouble getting 400. Now they are pretty much meeting the complement. These battalions are multi-ethnic. You see it on their faces. You can tell who is an Uzbek and who is a Tajik, and who is a Pushtu and so on.

So in terms of both ethnic integration, sense of unity, loyalty to the central government, and just professionalism, I as a non-military guy was impressed. And I will defer to my military colleague.

General PACE. Sir, clearly the new Afghan battalions are being very well trained, and in the last several operations that we have conducted under CJTF180, the U.S. command there, there have been battalions of the new Afghan army. They have done extremely well. They helped—without getting into too much specifics of today's operations, there are major operations going on today in which they are embedded. In the past couple of months they have participated with us in eliminating upwards of 200 enemy, in capturing over 50 tons of ammunition and supplies.

Senator BOND. 200? You say 200?

General PACE. Upwards of 200 enemy either killed or captured, sir, in the last couple of months, on operations that included very

capable units of an Afghan National Army. They are well trained and when brought into the field they are doing a very good job.

Senator BOND. And 50 tons of equipment?

General PACE. Yes, sir—50 tons of ammunition, sir.

Senator BOND. Of ammo.

General PACE. Yes, sir.

Senator BOND. To what extent are there still—what is the risk to U.S. soldiers and Afghan government, civil government supporters, from terrorist attacks now in Afghanistan?

General PACE. Sir, there is still threat. Collectively we sustain about one attack per day throughout Afghanistan. Most of those are indirect, mortar fire and the like. Some of them are improvised explosive devices designed either to explode on a certain timeline or to be remotely detonated. So there is threat, and we believe that some of the Taliban are beginning to puddle up again and to reorganize, and those are the elements that we are attacking as I sit here with coalition forces, to include Afghan National Army.

Senator BOND. Actually, when you get them to spool up, that is really the best time to deal with them, is it not, if you can catch them? We used to—there are people who used to use a little stick of dynamite to go fishing and the analogy I would think would be appropriate here. So we will hear, I suppose, some time shortly about how this is proceeding.

But I have said, I said yesterday, at the risk of repetition, that I thought this supplemental was absolutely imperative for Iraq in order for us to bring our troops home, the best investment we could make. And I am worried about the Guard and the Reserves and the Active who have been stationed over there, and if we have time I am going to ask some questions about that. But it seems to me to help build a stable society in Iraq it means turning on the lights, the water, the sewer system, and building a military force as well as a police force is the best way to bring our troops home and not have to spend as much or to expose as much.

To what extent can we draw down any further the forces in Afghanistan? And based on what you have seen with the trained Afghan military and police, what do you think this can do for the peace and stability in Iraq? Can we get the same results in Iraq that we have in Afghanistan and when might we be drawing down our remaining troops from Afghanistan?

#### DRAWDOWN OF TROOPS

General PACE. Sir, I can start on that. The estimate right now by the military commanders in Afghanistan is that the 10,000, just shy of 10,000, United States and just shy of 8,000 coalition forces that we have in Afghanistan right now are about the right force needed between now and June 2004, when the Afghan people have a chance to go to the polls and vote. We want to maintain that stability, and during the time that we are keeping our numbers constant we are looking to have another 20,000 plus Afghan police, another 6,000 plus Afghan National Army, to build up their police forces and their own capabilities.

Then when the new Afghan government is in place we will have a little bit better feel for what is possible in the future as far as drawing down.

I think the lesson for the folks in Iraq will be that as they watch what is happening in Afghanistan, as they see that this government brings forward a constitution, that this government in Afghanistan has free elections, that what we are telling them in Iraq is in fact true, that we want the Iraqi people to write their own constitution, we want the Iraqi people to have their own free elections, and I think that will impact favorably on the collective judgment of the Iraqi people.

Senator BOND. Dr. Zakheim, did you want to add something to that?

Dr. ZAKHEIM. I will simply say that we are clearly succeeding with the training of the Afghan National Army, and one of the reasons we are requesting the new authorities that we are requesting is precisely to build on that success. As you rightly said, Senator, the more we succeed in this regard, the more likely it is, as the General said, that at some point in the future we can move our own people out.

We are really anticipating relying very heavily on trained Iraqis, trained our way, to do a lot of this work.

Senator BOND. That was the point. From the experience you had in Afghanistan—

Dr. ZAKHEIM. Absolutely.

Senator BOND [continuing]. You are farther down the road in Afghanistan. We want some assurance that we are going to be farther down the road in Iraq if we can help—if we can speed up the rebuilding of the Iraqi military.

Dr. ZAKHEIM. There is no reason to believe that it would not be analogous. And by the way, the Afghan experience is very much an international cooperative effort. The British are training the NCO's, the French are training the officers, the Germans are training the police. And when you talk to the German trainers, the first thing they tell you is these guys are learning to work with one another regardless of ethnicity.

When you talk to the French—and they will not speak English to you, so I have to speak French to them—they will tell you that—

Senator BOND. C'est dommage.

Dr. ZAKHEIM. Exactly, c'est dommage.

They will tell you that they are dealing with people who are motivated, enthusiastic, and they are succeeding. And I do not know any reason why we should not be able to replicate that experience in Iraq, though we do need the authorities and we need the funds.

#### TROOP TRAINING AFGHANISTAN VERSUS IRAQ

General PACE. To just add onto that if I may, sir, in Iraq there are some significant differences with Afghanistan. Afghanistan did not have a standing, trained army; Iraq did. We can go into the society in Iraq and recruit men and women who have had previous experience. So the level at which we begin their training will be different. And the folks in Iraq are very well educated. They read, they write, they absorb education very quickly. So there is every reason to believe that we will be able to translate the lessons from Afghanistan quickly in Iraq.

Senator BOND. One quick question, the concern about the Guard and Reserves. There have been a lot of questions about that. What is your assessment of the morale and the retention of the Guard and the Reserves in the theater?

#### TROOP MORALE

General PACE. Sir, morale is superb. Just like any service member, Active or Reserve, what they want is some certainty. They would like to know when we send them how long they are going to be there. They would like to know when they are going to come home, and they would like us to not change that on them mid-stream, and we owe that to them and we have not done as good a job on that as we can.

But the individual soldier, whether he is a Reservist or a Guard or an Active duty, is absolutely superb. I have visited many of them and unless you ask them what place they came from there is no way of telling the difference between U.S. Army soldier one and U.S. Army soldier two as far as he was Active or Reserve. They are absolutely superb.

Senator BOND. Thank you, Mr. Chairman.

Thank you, General.

Chairman STEVENS. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

I realize as I have listened to this there have been a number of questions on Afghanistan. There is around \$800 million in the supplemental for reconstruction. I wish we had more information about this. I am concerned about what is going on there. I know General Pace is here and Dr. Zakheim is too.

The Iraq and Afghanistan population are not that much different. I think it is 22 and 25 million each. Of course, Afghanistan does not have oil resources. It is far poorer. It almost made me think after the bombing, the war, and everything else that we would be spending more on Afghanistan than on Iraq. And I realize what has been said about some help from other countries, but we have \$20 billion for reconstruction in Iraq and \$800 million for Afghanistan.

Security seems to be deteriorating in Afghanistan and I wonder if we have thought through the priorities. I remember an article last week in the Post titled "Key Security Initiatives Founder in Afghanistan." It described attacks by the Taliban. Yesterday's New York Times had an article entitled "Afghan Warlords Thrive Beyond Official Reach." It shows how there is no effective government, the warlords dividing up what they want, having shootouts almost right up to the—it is almost like going to meetings to talk about dividing things up and they are still blazing away at each other in what amounts to the parking lot.

General Pace, do the warlords control more or less territory now than they had last year?

#### AFGHAN RECONSTRUCTION

General PACE. Sir, they have the same territory. They have fewer troops under their direct command, as a result of President Karzai directing the changes of authority in several of the provinces. But the provinces are the same. The individuals, some have



changed out, but what is different, if I understand your question correctly, is that some of the governors no longer have direct command of the troops in their province.

Senator LEAHY. Well, and even the question of who has command or does not, President Karzai is the president of the country, but the fact is he can travel safely very few places in the country. I think many of us are impressed with his commitment and courage. I certainly am. But there is very little he can do. In fact, if we had not provided personal security for him I think it would be safe to say the man would not be alive today.

But whether they have more or less troops, is there effective, real control of more territory by the government, the legitimate government, today than there was 1 year ago, after all the money we put into it?

Dr. ZAKHEIM. I think the Minister of the Interior, Mr. Ali Jalalli, would tell you yes, and that is due to a number of things. The Provincial Reconstruction Teams have extended the presence of the central government throughout the country, and we will be setting up several more of those. In addition, the roads, the Kandahar-Kabul Road that nearly has the first layer of paving on it, extends the reach of the central government and provides security in that regard.

The very fact that, as General Pace said, President Karzai could remove some of these provincial governors shows the degree of power that he certainly could not have if he were indeed——

Senator LEAHY. How did he remove them?

Dr. ZAKHEIM. Essentially he did not have to do it by force. He did it by decree and by jawboning and I guess their knowledge that ultimately they would have to give way, and they did. I do not believe there has been any——

Senator LEAHY. Did we provide support to some of them, of whatever kind?

Dr. ZAKHEIM. Well, certainly not to my knowledge.

Mr. RODMAN. Senator, may I interject in this? What has happened in the last several months in this past year is President Karzai asserting his authority, with our backing, and demonstrating his own political mastery, and he has therefore I think expanded his control. Now, it is hard to measure in terms of geography, but in terms of——

Senator LEAHY. Well, after the fall of the Taliban during the war, did our forces cooperate with or support these regional warlords?

Mr. RODMAN. We did in the war against the Taliban.

Senator LEAHY. Did we afterward?

Mr. RODMAN. Excuse me?

Senator LEAHY. I know we gave the Taliban Stinger missiles when they were fighting the Soviets that we now worry about, and then we sided with some of the corrupt warlords to fight the Taliban. Today we are talking about billions of dollars to retrofit our passenger planes because of the concern we have for some of the Stinger missiles we gave to the Taliban back then.

But I am talking about now, the present, and after the fall of the Taliban, did any of our armed forces cooperate with any of these warlords?

Mr. RODMAN. The Bonn Agreement was a political bargain among all the forces in Afghanistan, including those that we now call warlords. So what we started with in Bonn 2 years ago was a political bargain among them all. But the other part of Bonn was to gradually strengthen the authority of the central government, so that instead of being a flat management—

Senator LEAHY. So is that a yes?

Mr. RODMAN [continuing]. That the central government would gradually assert authority over the country.

Senator LEAHY. Is that a yes or a no?

Mr. RODMAN. Excuse me?

#### AFGHAN CENTRAL GOVERNMENT

General PACE. Sir, I might be able to help here. The answer is yes. When they were anti-Taliban forces before the war, the answer is yes. When they were warlords, the answer is yes. And now that they are provincial governors, the answer is yes. We have had special operators out in the provinces working with these governors who are recognized by President Karzai, and we also have the Provincial Reconstruction Teams which we have discussed previously in this hearing that are also partly United States and some other countries.

So yes, sir. Whether you call the man a warlord or the governor or the anti-Taliban leader, he is the same person. Dostum and Atta in Mazar-e-Sharif, Ishmael Khan in Herat and the like, those are recognized government leaders by President Karzai and we are working with them, sir.

Senator LEAHY. Fine, thank you.

Dr. ZAKHEIM. And some of them have government ministries as well. They are twin-hatted.

Senator LEAHY. You may have discussed this before I came in. There are what, 10,000 troops in the Afghan National Army now, is that about right?

General PACE. There are 6,600 fully trained and two more battalions in training, with a goal of 12,500 by June, sir.

Senator LEAHY. And the request is \$220 million for training and equipping this army?

General PACE. In the supplemental, I believe that is correct, sir, yes.

Senator LEAHY. Now, we have been there 2 years. I think it was yesterday or the day before one of the witnesses from the administration said that in Iraq the administration says it could have 30,000 to 40,000 soldiers trained by the end of next summer. So it takes a couple years to train around 10,000 Afghans and in about 1 year we can train 30,000 to 40,000 in Iraq. What is the major difference?

General PACE. A fair question, sir—

Senator LEAHY. I am not a military person, you are, and that is why I ask you.

#### AFGHAN GROWTH OF THE CENTRAL GOVERNMENT

General PACE. A great question, sir. In Afghanistan you have a country that has not had a strong central government. In Afghanistan you have had regional warlords with ethnic-specific groups of

individuals who are armed fighting against each other. So what we have had to do to assist President Karzai is to first assist him in recruiting individuals from every ethnic background who could then come and be trained as part of a joint force, so to speak, a joint ethnic force, as opposed to each individual sector of the country having its own separate army.

So that whole process of recruiting and then training as the central government has grown in stature and influence has taken time.

In Iraq you have 400,000 individuals who used to be under arms in a centrally run armed forces, and we believe that because of that history in Iraq, very different from Afghanistan, that we will be able to cull out and recruit from that 40,000 and rebuild three divisions in Iraq by about this time next year.

#### TERRORIST MOVEMENT

Senator LEAHY. General Pace, you know I have the utmost respect for you and admiration for you. I do not want to create problems for you now that you are back at the Department of Defense, and Dr. Zakheim and I have known each other and worked together for years. I may want to delve into this more with you, because I am concerned.

Of course we want to get the terrorists who struck at us. Primarily they have been from Saudi Arabia and we have gotten precious little cooperation until very, very recently from Saudi Arabia and we still have funding for some of al-Qaeda coming out of Saudi Arabia now to Pakistan and of course now to Afghanistan. Now I gather that a lot of them are going into Iraq.

So I would hope that we can do everything we should in Afghanistan, because a lot is at stake. Thank you, Mr. Chairman.

Chairman STEVENS. Thank you.

Senator CRAIG.

Senator CRAIG. Thank you, Mr. Chairman.

#### FORCE PROTECTION PROCEDURES

General, gentlemen, thank you again for your time here today as we work our way through these situations and this supplemental request. I guess the thing that has concerned me a great deal is the somewhat—well, the ambushes, the sniper fire if you will, rocket fire that has gone on on a selective basis, that is certainly taking life out there.

We know the kind of armaments that are spread across the country of Iraq at this moment because of the amount that you have all reported rounding up and collecting and the caches found and all of that.

In this supplemental I understand there is a certain amount of funding included for things critical to protect our soldiers as it relates to these front line sniper attacks, if you will, the ambushes, the shoulder-fired missiles. We have heard about this kind—of such things as the protective body armor, the up-armored Humvees. I guess, could you give us some details as to the steps you are taking, the equipment that you are procuring to ensure adequate force protection in these kinds of engagements?

General PACE. Sir, I can talk to the procedures we are undergoing and perhaps Dr. Zakheim can talk to the dollars that are being applied.

Senator CRAIG. Please do.

General PACE. As you know, the protective armored vests that we have recently been procuring—

Senator CRAIG. I have been seeing some of them.

General PACE [continuing]. Protect the soldier extremely well, not only from the .556 round that comes out of a M-16, but also the heavier caliber round that comes out of the AK-47 and some of the machine guns that are employed over there. These vests will in fact stop that kind of a round.

We had a procurement need before the war which has been satisfied except for about 41,000 sets of this armor, all of which is to be delivered by the end of November this year. So from the standpoint of protective, individual protective plates, thanks to the Congress moving that money forward for us, we have been able to purchase at the rate that industry has been able to produce it for us.

With regard to the armored Humvees, as we swap out forces over the next several months and the heavier tanks and equipment comes home they will be replaced and they are being replaced as we speak by approximately 1,600 to 1,700 of these armored Humvees, which give you protection from the types of arms that I am talking about, but also give you quicker mobility. You need to have some speed and agility in the cities, as opposed to the ponderous, heavy, heavy weapons that we needed to win the fight in the first place.

With regard to how much money is being spent, sir—

Dr. ZAKHEIM. On the body armor, the inserts, the ceramic inserts, we are spending about \$390 million. We have got a total of \$5.6 billion for procurement and research and development. The research and development is classified, but on the armored Humvees in particular, we are going to buy 747 new ones, we are going to take 300 more from stock.

We would have put in more money if we could actually produce more in 2004. In fact, our original estimate was that we could only produce about 590. The Army came back to us and said: No, we think we can produce about 150 more. And we said fine. So we are going to go literally to produce as much as we can and we are funding them.

Senator CRAIG. In the body armor, you are saying you are getting as much as can be produced. With this acquisition, in relation to the troop force that is there and the circumstances that require this kind of armor, are we assuming or can we assume that most who are out there in the line of fire will have this kind of armor?

General PACE. You can assume that, sir, and in fact this will buy the body armor that the entire United States Army and the entire United States Marine Corps need for their troops, so you do not have to swap out when you get there. Every soldier, every marine, who is in a front-line unit will have this available to them so that if we have to go do something else they will also have the protection they need.

Senator CRAIG. Good.

Dr. ZAKHEIM. I owe you a number, Senator. It was \$177 million for the Humvees.

Senator CRAIG. Okay, all right.

May I have a little more time?

Chairman STEVENS. Yes.

RAPID FIELDING INITIATIVE (RFI)

Senator CRAIG. General Pace, the supplemental request includes funding for the Rapid Fielding Initiative, a program which procures commercially available items in an expedited manner so that our troops receive the equipment they need in a timely manner. Could you comment on the success of this program?

General PACE. Sir, the authorities that are embedded in that make it possible for us to quickly move, not short-circuit because that is not the right flavor, but to move quickly from identifying a need, seeing that it is available off the shelf, and purchasing it, and to streamline the numbers of boxes that need to be checked to be able to get that from where it is available to where it is needed. It has been very, very successful.

Senator CRAIG. Comparatively speaking in time, from point of determination of need to acquisition, how has this improved? Wherein lie the efficiencies?

General PACE. Sir, if I could take for record the exact examples so I can give you a real answer that is accurate. My sense is that we have been able to identify and field inside of months instead of inside of years.

[The information follows:]

Efficiencies gained by our Rapid Fielding Initiative (RFI) are the warfighting improvements derived by the Program Executive Officer (PEO) Soldier taking requirements directly stated by deployed or recently redeployed Soldiers, rapidly determining possible solutions, applying the needed testing, and then fielding the equipment in a very short time. End benefit is we are able to field upgraded equipment and increased capability to deployed Soldiers to assist in executing their missions.

The RFI has improved from years to months the delivery of needed equipment to the Soldier. An example is the new insulated boot (AF Flier). Soldiers in Afghanistan stated a need for a boot that could withstand the harsh terrain and also keep the Soldier warm at high altitudes. The desert boot (used in the Gulf War) was built for soft sand. When used in the Afghanistan terrain, the sole quickly deteriorated and the boot itself provided very little insulation from the cold. PEO-Soldier completed a quick review of commercial and other Services' boots. The top selections were tested against the Afghanistan requirement and the AF Flier boot met the need. It was fielded in little over a month from the original request. The AF Flier boot is now part of the RFI list issued to all deploying Soldiers.

Senator CRAIG. Those are significant terms, months versus years.

General PACE. They are significant terms, you are right. But I would like to be able to come back to you for the record——

Senator CRAIG. Please do.

General PACE [continuing]. And show you some examples of that, so that I do not just give you my gut feeling, which is based on the experience I have had in the past couple of years, but I wanted to give you an exact example.

Dr. ZAKHEIM. Senator, let me just add that at the heart of this is the ability to get something commercially off the shelf that is available.

Senator CRAIG. Right.

Dr. ZAKHEIM. And you know very well that if you are talking about something that is not procured that way, but through the usual government military specifications, then you are talking about volumes of times of what is being required, and about developing something specially. That takes far longer. I used to be in that business and it can take years.

Senator CRAIG. Well, I can tell you a good many of us who have watched our budgets over the years and have been frustrated that if it is a Maglite designed for the Army versus a Maglite designed for commercial use and they are both of quality and staying power, the one costs twice as much and takes twice as long to produce because somebody has spent a lot of time measuring and developing, design for thickness and sheen of color on surface, and all of that—really did not make a lot of sense.

So I am pleased to hear that you are out doing that. Obviously, there are situations and items, like an armored Humvee, that are not common on the streets of our country. Well, I have got a few of them running around out in Idaho, I think. But I can understand those kinds of specifications.

Thank you.

General PACE. Thank you, sir.

Senator CRAIG. Thank you, Mr. Chairman.

Chairman STEVENS. Senators, we determined on this hearing we would go by seniority. The next person in line would be Senator Harkin.

Senator HARKIN. Thank you, Mr. Chairman.

I have three things I need to cover with you. First, General Pace, in today's Washington Post it says that "Vice Chairman Peter Pace, the Vice Chairman of the Joint Chiefs of Staff, warned that more National Guard and Reserve forces could be activated if the third foreign division, 15,000 to 20,000 troops, is not secured within the next 6 weeks."

Please lay out some of the numbers and the timelines of the possible activation for our Reserve and National Guard forces? You say that an additional activation will be necessary if a third foreign division is not secured within the next 6 weeks. Does that mean that we will know in the next 6 weeks whether we will be activating more National Guard and Reserve forces?

#### INCREASE OF FORCES

General PACE. It would not surprise you, sir, to know that the context in which the answer was given and the context in which it appeared in the paper were not exactly identical. So let me tell you the answer I gave and give you the exact same answer.

I was asked specifically, would we need to use more Reserves and National Guard in Iraq, and my answer is this: We know that in the January, February, March time frame of this coming year, 2004, we are going to have to replace some or all of our current force in Iraq. How much of that force we need to replace is going to be based on a couple of things: first, the security environment; second, how many Iraqis have we been able to train in their police force, their border guards, their militia, their army, and their site protection forces. They have five different security forces being built as we speak. Then third, how much of what has been dis-

cussed amongst some 32 currently and going to potentially 46 nations, how much will those 46 nations provide to the coalition between now and next March?

So those are the three factors that have to be looked at. What I said then was, as we make the estimates of what the security environment will be like we look at what the total number of troops we think will be needed to take care of that security environment and we subtract out reasonable coalition contributions and expectations of Iraqi contributions, there will be a number left. We will then take that  $x$  number of divisions and look at our requirements worldwide and look at our rotation policies.

Then, if the recommendation to the Secretary of Defense is that we should bring on board a Reserve division, for example, then when you back up from the March timeline 3 to 4 months of training for that division before they go, plus 1 month of notification that they are going to be called to active duty, you have got 4 or 5 months. You then are looking at the October-November window for the appropriate time, if we are going to have to do it, to notify the National Guardsmen that: In about 30 days we are going to bring you on active duty, and about 4 months after we get a chance to train you properly we are going to send you to Iraq.

That is what that whole story was, sir.

Dr. ZAKHEIM. Can I give you the other side of that equation, because I was involved with it, and that is how long will it take to get an international division up and running. I worked with the Poles and with the Spanish and with the Central Americans in particular, and from the time that there was a commitment made by the Poles and the Spanish to send troops to the time that they fielded their force was about just over 3 months.

So that in theory at least, as long as General Pace knew in about whatever the period was that he outlined that someone was committed, you would have those forces there in about 3 to 4 months. That is how long it took.

Senator HARKIN. Well, so you gave the three types of parameters that you would have to look at. But those were criteria that if you do not know them, if you do not know all of those by October, then you are still going to have to put the word out about mobilization, right? You are going to have to put the word out on who has to be called up.

So if you are talking about a January, February, March rotation scheme, you must have some idea of how many troops you are talking about.

General PACE. Sir, we have.

Senator HARKIN. How many are we talking about?

General PACE. I know exactly how many divisions I am talking about, but I cannot speak about it in this forum. I would be happy to speak to you in a classified forum about it. We know exactly how many troops we have at three different levels of anticipated environment in which we are going to need to work. We have the commanders on the ground, General Abizaid is coming back in to the Secretary of Defense within the next several weeks with his estimate of what the security environment will be like and what he is going to need.

So the choice is going to be made by the Secretary of Defense when we come forward to him as to whether he wants to provide that force with active forces or reserve forces. If he decides to go with reserve forces, then we need to tell those reservists that they are going to be activated. And that process should take place within the next 4 to 6 weeks.

Senator HARKIN. Okay, within the next 4 to 6 weeks. It would seem to me if you are going to put the word out to activate Reserves and National Guards, you would have some idea now what the number needed will be. I am just trying to get a handle on this. What I am hearing is that there is a distinct possibility—no, more than a possibility a probability that in the next 4 to 6 weeks more Reserves and National Guard will be called up and activated. Is that right?

General PACE. No, I am not saying that.

Senator HARKIN. There is not even a probability?

General PACE. Let me tell you what I know for a fact. It is a fact that there will be at least three brigades of Reserve and National Guard called up to active duty. Those individuals, those units, already know that. They were told that a couple of months ago.

Then there is a potential in the future, and what we need to lay out for the Secretary of Defense so he can make a reasonable judgment is what we think the security environment is going to be like and then if he goes with active forces, what he has left for other contingencies around the world, and if he were to decide to go with a reserve force that he would have to activate them relatively soon.

It is potentially true that you would get to the point where you would say to yourself for the sake of strategic security that you would tell reservists that they were going to be activated, activate them, and then get to the point 3 to 4 months down the road where you did not have to employ them. That is all a matter of risk and risk mitigation that we have to work through for the Secretary.

#### ACTIVATION OF FORCES

Senator HARKIN. So I should tell National Guards and Reservists that they will know in 6 weeks whether or not they are going to be activated?

General PACE. We will be able to tell within the next 6 weeks for this particular iteration of troop movements whether or not we are going to activate more than have already been told, that is true, sir.

Senator HARKIN. We just do not know.

General PACE. And the Guard and Reserves will be part of that process, and their leadership will be consulted, as they have been in the past.

Senator HARKIN. I do not know how much time we have left, but I want to get into a bit on Afghanistan. People wonder why we have so many questions about where the administration is heading in Afghanistan. I see that in fiscal year 2003 we spent \$815.9 million on reconstruction projects in Afghanistan. On March 17 of this year, at a donors conference in Brussels the administration announced it would spend another \$820 million in Afghanistan. On July 27, the Washington Post reported that the administration would provide \$1 billion to Afghanistan reconstruction projects. Fi-



nally, yesterday Secretary Rumsfeld tells us that the administration now plans to spend \$1.2 billion on reconstruction in Afghanistan.

AFGHAN SUPPLEMENTAL RECONSTRUCTION

The administration has gone from a request for \$820 million to \$1 billion to \$1.2 billion. This is why we are concerned that the administration will keep coming back for more and more money for Iraq. That is what is happening in Afghanistan. What happened to the administration's July plan not to ask for additional moneys for Afghani reconstruction?

Dr. ZAKHEIM. I cannot really comment on press reports. I can just tell you what I know, which is that \$1.2 billion that the Secretary referred to actually comprises two parts, and maybe this will help you. \$400 million is simply money that is being moved around—

Senator HARKIN. From existing accounts. I know that.

Dr. ZAKHEIM. Exactly.

Senator HARKIN. Then there is \$800 million from new money.

Dr. ZAKHEIM. And the \$800 million is the new money.

Senator HARKIN. I understand that.

Dr. ZAKHEIM. No, but that is my point.

Senator HARKIN. I have been on this committee a long time, Dr. Zakheim. I know what appropriations processes are like.

Dr. ZAKHEIM. All I am trying to say, Senator, is that I do not know again the context of the press reports, but the original—

Senator HARKIN. Can I stop you right there. Forget about the Washington Post. On March 17 the administration said it would spend \$820 million. Yesterday Secretary Rumsfeld said \$1.2 billion. That is not a press report.

Dr. ZAKHEIM. But that includes \$400 million of programs that are being moved around. That is my point, sir.

Senator HARKIN. Okay, so you are moving them around. You are moving them from one place in the Department of Defense budget to Afghanistan.

Dr. ZAKHEIM. Yes.

Senator HARKIN. So in March we were told \$820 million would be spent on programs. Now we are told \$1.2 billion is needed. I do not care where you are getting the money from.

Dr. ZAKHEIM. Okay. The overall approach is to accelerate—

Senator HARKIN. You are playing little word games here with me.

Dr. ZAKHEIM. No, I am not trying to, sir—is to accelerate what we are doing in Afghanistan, and the reason we are trying to accelerate is so that we can do as much as we can on the ground before June.

Senator HARKIN. Conditions have changed, the \$800 million is now \$1.2 billion. Conditions have changed, so now you want to put more money in. That is a straightforward answer to my question.

When we look at what is happening in Iraq and we look at the money that you are asking for in this supplemental request, this \$20 billion, again I wonder, where are the end of your requests. I asked this question yesterday and I am going to ask it again in terms of the military. We have \$119.9 million for power plants and

distribution systems. You said yesterday that these facilities were needed for our troops, water and wastewater treatment facilities. I was told that these would be semi-permanent. That was the phrase you used yesterday.

Dr. ZAKHEIM. Yes, sir.

Senator HARKIN. Semi-permanent.

Dr. ZAKHEIM. Yes, sir.

Senator HARKIN. Well, I was thinking about that and I do not know what "semi-permanent" means. I just do not know. I asked someone on my staff and they said: Well, you know, up until the 1960's we had some wooden buildings down here on the Mall that were built during World War II as semi-permanent buildings.

Now, again what I am getting at here and the thrust of my questions is, we hear from the Secretary and I guess from you that we have this plan of turning Iraq back to the Iraqis, but it looks like what we are building here are permanent types of structures, not semi-permanent. It seems like these are permanent types of things, which raises questions about how long you are planning to stay in Iraq. Is your vision for us to stay in Iraq? That is all I am getting at.

Dr. ZAKHEIM. As to the buildings themselves I can tell you what I have seen with my own eyes. There is a difference between the kinds of tents that the people are living in and buildings that will have some air conditioning and some water and so on. They are clearly not what I think we would consider permanent in the sense of say the kinds of bases we would have, say, in Europe. So I think there really is a distinction there.

Maybe the General could expand on that.

General PACE. Sir, I do not know how long we are going to be in Iraq.

Chairman STEVENS. The Senator's time has expired.

Senator HARKIN. That is the most honest answer I have ever heard yet. Thank you, General.

Chairman STEVENS. Senator Murray is recognized for 10 minutes.

Senator MURRAY. Thank you very much, Mr. General, and thank you to all of you for coming here to talk about the administration's plan for funding. I think we all agree that we need to bring stability to Afghanistan, as we are discussing today, and Iraq. But we want to make sure we are making the right investments and that is why I think these hearings are so important.

General, on September 7 President Bush said that: "We will help Iraqis restore basic services, such as electricity and water, build new schools, roads, and medical clinics. This effort is essential to the stability of those nations and therefore to our own security." Secretary Zakheim stated today that this funding would fund the construction of about 130 schools and 90 hospitals, among other things; and yesterday Secretary Rumsfeld said these projects are helpful in securing the support of the people, therefore an instrumental part of our security plan.

#### IRAQI POST WAR TIMELINE RECONSTRUCTION

General Pace, could you share with this committee what the effect has been of these kinds of investments in terms of our recep-

tion in the area, for troop morale, for how the people in those countries view us?

General PACE. Yes, ma'am, I can try. There was a poll that was published yesterday that basically said that the Iraqi people believed that currently their conditions were worse off than they were before the war, but that overwhelmingly they believed that they had to go through this process to get to what they really believe would be a better future.

I believe part of that is because they do now see that, while security is being provided, basic security is being provided by the coalition forces, that in fact the electrical power grid is coming back on line, that water is being produced, that schools are being rebuilt and repopulated, and I think about 90 percent of the schools are in fact up and operating and about the last 10 percent are being rebuilt. So there are many, many areas in which what the Coalition Provisional Authority, Ambassador Bremer and his team, are doing to assist the Iraqi people in gaining self-governance, that that expectation of a better tomorrow in fact makes the Iraqi people more willing to work with those security forces, who understandably they would rather not have in their country. They would rather we not be there. We would rather we not be there, and collectively we can get to the point where they are prepared to take over their own security and they are prepared to take over their own government.

Senator MURRAY. You can understand why I am asking this, because our constituents are asking us why we are building schools and hospitals. I think what I hear you saying, and I want you to be clear to me, you are saying that we will see a reduction in violence and terrorism if people there see an improvement in their social and physical infrastructures, like schools and health care clinics; is that correct?

General PACE. My short answer would be yes, ma'am. My longer answer would be that there is about—there were about 400,000 Iraqi young men who had arms who were part of the Iraqi army. That is what they are trained to do. They are going to give us a little bit of time here to see whether or not there is going to be a job for them, if there is a future for them. If they do not see prospect of a better future, they are going to revert to what they know how to do. They will take up arms again and they will potentially be those who we have to fight against.

If you do not give people hope, they are going to revert to basics. I truly believe that schools and hospitals and roads and electricity and water and the like give people a hope of a better future and they are then willing to be a little patient with the military operations that are going on around them.

Senator MURRAY. Mr. Secretary, did you have something you wanted to add to that?

Dr. ZAKHEIM. No, I think it covers it quite well.

Senator MURRAY. Okay. Well, if we draw that conclusion for Iraq and Afghanistan, would it be fair to say that perhaps it is an approach we should take in other countries where there is highly developed terrorist infrastructure? If you are saying to me if they do not have schools and hospitals and health care clinics that terrorists will be much more attractive to them—is that my under-

standing of that? And if that is the case, should we be looking at doing that in other countries that support terrorism or have highly—have a lot of terrorist infrastructure in them?

TERRORISM WORLDWIDE

General PACE. I believe that part of the solution to terrorism worldwide is what your U.S. military can do for you, but military operations will not solve the terrorist problem. It is the society and environment from which the terrorists come, and anything that can be done to change the education processes in those societies, to give the people a better standard of living that allows them to want to be part of that society instead of wanting to take it down, is a benefit. I hope that answers.

Mr. RODMAN. May I add? It is a good question. I can say that, for precisely the reason you have given, the United States since the war on terrorism has begun has given priority to a couple of key countries that are on the front line—Pakistan, Turkey, Jordan, and I am sure there are others. But these have become priority countries for assistance, and not only in the military field, but precisely in order to help them be successful as moderate members of the Muslim world and so on, because the battle is not just a military battle.

Senator MURRAY. I appreciate that very much.

General, I have another question. I asked it yesterday about Afghanistan and I want to ask it today, too, because I am very concerned about it. That is a report by the Human Rights Watch that Afghan army and police troops in both southeast and Kabul city are breaking into homes, robbing families, raping women and young girls, kidnapping Afghans, holding them for ransom. The thought—what I am hearing is that because soldiers are targeting women and girls, many of them are now staying indoors, especially in the more rural areas of the country, and it is making it really impossible for them to attend school or go to work or participate in any kind of activities. In many places, the human rights abuses are driving many Afghan families to keep their young girls out of school.

I am very concerned about those reports and I wanted to ask how the investments you have in your proposal to us will specifically help the vulnerable populations like women in the security plan.

General PACE. Ma'am, I will start and I will let Dr. Zakheim talk to the dollar part. But I want to make sure I got it right. The accusation from whoever it is is that the --

Senator MURRAY. It is the Human Rights Watch, correct.

General PACE [continuing]. That the Afghan National Army—that the Afghan National Army?

Senator MURRAY. Correct.

General PACE. Regardless of who, it is totally unacceptable. But if it is folks that we have trained, it would make it doubly egregious. I do not know the answer to that question, ma'am. I will find out. I would like to take that for the record to find out what we do know about that. I can tell you that that is not what we are teaching the Afghan National Army. That is totally counter to—

[The information follows:]

Although I do not have any first hand knowledge of the human rights violations you refer to, I do not doubt the veracity of the report. These activities do not occur where coalition soldiers are present, though, because perpetrators of these acts know we will not permit it.

I think it is important to note that there are several types of military forces in Afghanistan. Many provincial Governors, and in some cases, simply warlords, have their own military forces, termed Afghan Militia Forces. These militia forces operate in a very decentralized manner working for and being paid by their commanders and warlords to whom they have patronage.

The Afghan National Army we are training is a disciplined, well-trained army under the command and control of the Central Government of Afghanistan. As of today, we have trained 11 battalions and we plan to train up to 70,000 in the next few years. We know of no instances where the ANA has acted in this way and we have U.S. soldiers with each ANA unit.

I am told the Afghan Militia Forces and corrupt police are the perpetrators of these acts. These soldiers are generally underpaid and in many instances poorly led and undisciplined. As yet, the Afghan Government has little influence or control of these forces.

It is for this very reason we are training the Afghan National Army (ANA) and the Germans are training a police corps. The building of these important elements is critical to extending legitimate government control of Afghanistan and enabling the militia forces to be disarmed, de-mobilized and reintegrated into the Afghan society. Once we do this, a professional police corps and National Army can perform the necessary security sector responsibilities in a manner expected of these organizations by the Afghan people.

Senator MURRAY. That is not my question. I am just very concerned—in fact, I was just handed the story here and it says that “Human Rights Watch believes that human rights conditions in Afghanistan, which of course had improved dramatically with the collapse of the Taliban, are now in a state of deterioration, and that families are now living in a constant state of fear, most of the country is in the hands of warlords and gunfighters.”

That is who I was talking about, from the Human Rights Watch, who are saying that that kind of fear and that kind of world that they are living in is now keeping a lot of families, keeping their young girls home. We just talked about the importance of making sure that they are educated and participating in society, and I want to know specifically what is in this plan if we are going to make an investment that is going to make sure that those families are not living in a constant state of fear.

As I said at the beginning, we are asking to spend a lot of money in reconstruction. We want to know that it is the right kind of investments that will bring about stability, rather than just throwing money at a plan and hoping a year from now things are going better. We know in Afghanistan we have been there several years. This is what we are seeing now. So let us make the right investments now, and that is why I am asking the question.

Dr. ZAKHEIM. Sure. Basically, as I understand it the abuses have been done by some of these in effect warlords’ troops.

Senator MURRAY. Right.

Dr. ZAKHEIM. So therefore you get back to the basic problem of how do you deal with them, and they are being dealt with in a number of ways. Some of them are political, some of them are things we are funding. For example, we are going to be working with the Japanese on disarmament and that whole program to disarm some of these warlords’ people, to get them other jobs, obviously goes to the heart of some of this.

A second area is the Afghan National Army itself. The more you have an army that is properly trained in proper ways by us, by the British, by the French—

Senator MURRAY. How much money is in this for training of the Afghan army?

Dr. ZAKHEIM. Well, we have got for the ANA—

General PACE. \$220 million.

Dr. ZAKHEIM. That is right, \$220 million for the Afghan National Army, plus we have asked for authority to spend another \$300 million out of the Afghan Freedom Support Act. So that essentially we could train literally as many as we could get our hands on and properly do it. We are training battalions. The goal, as I believe General Pace said, is about 12,000 troops. So that is another aspect of this.

A third aspect obviously is the work of ISAF. If you are in Kabul, you have seen that there are some women who even go around without burkas on. There are girls schools. I mean, it really depends on where you are and what the overall security environment is. So we are attacking this from a number of different vantage points and that is a significant amount of the funding that we are either asking for, either in authority or in direct dollars, to go to the heart of the problem.

Of course, as you know, it is not just the women. As you say, there are others who are vulnerable; if you are from the wrong ethnic group, if you are Shia for example. Clearly, what we have to do is create a security environment for basically ordinary folks, and that goes to the heart of what the ANA training is all about.

Senator MURRAY. Well, according to the New York Times 45 women presented President Hamid Karzai with their own Afghan Women's Bill of Rights in Kandahar. It is a document that guarantees an education, health care, personal security, support for widows, with the freedom to vote, speech, and with guarantee of right to orphans, disabled women, and widows.

I hope—and my time is up, but I hope that we have the right kind of funding in here to make the social and physical investments in a country to allow young women the opportunity to be educated and participate, because I guarantee you a year from now if we are sitting here having these hearings and we have invested a vast sum of our taxpayer dollars into bringing security and we are still seeing young women who cannot go out of their homes and are not being educated and continuing disruption and fear in their lives, it will leave a lot of us wondering if we have made the right investments. So that is why I am asking these questions today.

Dr. ZAKHEIM. We have worked with the State Department, Senator, to actually build schools. I visited an all-girls school and it really is quite amazing to see these young girls and their teachers learning modern subjects, and some girls as old as 16 in the equivalent of the sixth grade because they are trying to catch up.

Again, what is needed is a central government that has the reach to pursue the education programs. That is a lot of what we are trying to do here, to enhance the power of the central government through the PRT's, Provincial Reconstruction Teams, through the training of the Afghan National Army, and through the programs that allow the central government to deliver services.

The central government is clearly committed to this. That is the kind of Afghanistan they are looking forward to. Again, a lot of what we are doing now, that \$1.2 billion, is precisely to create conditions in that country so that what you are talking about does not happen and the education of women, the education of minority groups of whatever kind, the dealing with the disabled in a 21st century way, can in fact take place.

Senator MURRAY. Thank you.

Thank you very much, Mr. Chairman.

Chairman STEVENS. Thank you very much.

#### EQUIPMENT REPLACEMENT

General Pace, I would like to get back to some of the aspects of the bill. For instance, my staff has told me that we have funds in here to replace equipment that has been destroyed or left behind in Afghanistan, Iraq, such as a multiple launch rocket system, language transition systems so that our troops can better communicate with the Iraqis, robots or explosive ordnance equipment to destroy bombs and unexploded ordnance, spare parts for equipment to reduce cannibalization of existing assets in order to keep some of the equipment moving. You have already discussed the Army vehicles for the Marine Corps.

My real question is what is the immediacy of this? How quickly is that equipment required, and is it equipment that will be sent to Iraq if it is replaced?

General PACE. Sir, some of the things you mentioned are in fact new, off the shelf capabilities. Some of the classified things that you just touched on—you did not say anything classified, but some of the systems that you are talking about are in fact in a classified mode. Those are new buys, but they go to the heart of being able to do things better in an improvised explosive device, remote-controlled detonation environment.

Then you have the things that we have been using up, the tank treads and the multiple launch rocket systems like you said. These replenish our inventories. As you know, Senator, thanks to the Congress we have replenished almost all of the precision munitions that were dropped from the air because we have not been dropping that many and we have been able to build in our industry. But we are continuing to use up ground systems in Iraq and that is what this bill covers. It covers the day to day consumption of what in total is about \$4 billion per month in total consumption, not all of hardware, but over the course of month in and month out.

Chairman STEVENS. To all of you, I was surprised not too long ago when Senator Inouye and I went over to Dover to see a C-17 parked there that was being cannibalized for parts. How extensive is cannibalization in these two theaters of Afghanistan and Iraq?

General PACE. Sir, cannibalization is not serious. What is in this bill is the ability to replenish the spare parts that we have been consuming. We were very fortunate that Congress before this war had helped us build our spare parts bins, and we have used up a good number of those. We are not to the place where we need to be cannibalizing a lot of our good equipment, but this is what this supplemental is about. It is making sure that we can buy the

spares as opposed to taking a good part off of a good machine just because there is no spare parts available.

Chairman STEVENS. Well, again, how immediate is that requirement?

General PACE. Sir, it is immediate right now. We need to spend the moneys for the spare parts now to stay ahead of the problem that you say could take place.

Chairman STEVENS. Secretary Zakheim, we have money here to recapitalize the force, given attrition of the equipment in both Afghanistan and Iraq. To what extent—I think this includes \$2.8 billion for depot maintenance, another \$5.3 billion for new equipment. The General and I have been just talking about some of that. But again, what is the immediacy of that requirement? That is almost, what, \$8 billion in here.

Dr. ZAKHEIM. The clear answer is that we are looking at the systems that we used in Iraq and the expectation that—as the General has said and as has been indicated frequently—that they are pretty beaten up, and the real question is how much can we do in depot maintenance, because the bill may well be larger than that.

We feel that the \$2.8 billion in depot maintenance in particular, which would amount to about a 25 percent increase whether we use private facilities or public facilities or some split between the two—it is going to be 25 percent—is doable. The replacement units that we are getting, the procurement that we are undertaking, is for systems, essentially replacements or some upgrades, that we can implement in fiscal year 2004. I suspect the bill will be higher than that as systems come home. They are taking a pretty stiff battering out there just from use.

Chairman STEVENS. Some of that we will have to take care of after they get home. But I am worried about what is over there now and the immediacy of it. Do you think the industrial base will accommodate the expenditure of this money and time to get it to these people who need it over there now?

Dr. ZAKHEIM. Yes. One of the governing rules of how we put the supplemental together was that we could expend these funds in fiscal year 2004 and that the industrial base was up to the capacity of doing so.

Chairman STEVENS. Roughly how long does it take, the administrative process to make this money available after the President signs the bill?

Dr. ZAKHEIM. Oh, it will be—it could be made available very quickly, sir.

Chairman STEVENS. On Afghanistan, I am told that four Afghan aid workers were murdered in southeastern Afghanistan earlier this month and Afghan de-miners working the Kabul-Kandahar Road have come under periodic assaults. What is the security situation there with regard to those who are carrying out this type of work?

General PACE. Sir, we have had some of the individuals working on that road attacked. We have, “we” being the coalition commander there, Lieutenant General Vines, has allocated not only some of his own resources as far as intelligence collection is concerned, but we have also been able now to take some of the newly



trained Afghan National Army individuals and move them down into that region.

So it is just like a border, sir. It is a very long highway. It is not defensible every stretch of the way. But where they are working is being better defended. The Afghan National Army is now involved and we are allocating additional intelligence resources to overwatching that highway.

Chairman STEVENS. Are you using the de-mining equipment that was used in the Persian Gulf War in advance of troop movements, the one that dragged the chains out in front of equipment so that it would set off the mines ahead of time?

General PACE. Sir, we can use that kind of equipment on roads, we can use that kind of equipment in static areas where we are going to be. But as the troops patrol day to day, no, sir, we do not use that. And we are not coming in contact with large minefields. The attacks from the enemy right now are mortar type indirect fire weapons that are, fortunately, not very accurate and some explosive devices that have been set up, like boobytraps, but not large minefields, sir.

Chairman STEVENS. We discussed yesterday the location of, well, really munitions in remote areas of Iraq. Does that exist in Afghanistan, too? Do we have remote caches of military supplies, particularly ammunition, in Afghanistan?

#### REMOTE CACHES OF MILITARY SUPPLIES

General PACE. Sir, absolutely. We know in Iraq, for example, that there are several thousand locations that we know of for sure. In Afghanistan, as I mentioned, within the last 2 months we have found another 50-plus tons of ammunition secreted in caves and the like. So there is no doubt in my mind that there are many, many more locations like that that we do not know about yet.

Chairman STEVENS. And the road you mentioned from Kabul, does that go by Bagram? Is that the road that I was on?

General PACE. The road you probably were on, sir, if you went from Kabul to Bagram, that would not be it, sir. It is the road that goes from Kabul down to Kandahar, which is much further south.

Dr. ZAKHEIM. It is south and west, sir.

Chairman STEVENS. What is the condition of the road system now there for civilian use in the area where we are operating?

General PACE. The roads now, sir, have been graded and filled in and basically crushed rock, and we are in the process now of beginning to pave some of the roads. But for the most part it is crushed rock.

Dr. ZAKHEIM. But as I said, I believe, in my opening statement, sir, that nevertheless reduces by a factor of as much as six the time it takes to go from point A to point B, just having the crushed rock.

Chairman STEVENS. Are we moving out towards Iran in terms of the roads that are over there on that border?

#### IMPROVE INFRASTRUCTURE—HIGHWAYS

General PACE. There is a request, sir, not specifically toward Iran, but you end up going that direction when you go from Kandahar to Herat, and that road to connect those two major cities is a reason to build that road, sir.

Chairman STEVENS. Will this supplemental cover that road?

General PACE. Yes, sir.

Chairman STEVENS. That was mentioned by some of the people I talked to who had come back as being one of the areas that absolutely needed some ground transportation.

General PACE. That is correct, sir.

Dr. ZAKHEIM. Yes.

Chairman STEVENS. You will proceed with that under this supplemental?

Dr. ZAKHEIM. Yes.

General PACE. Yes, sir.

Chairman STEVENS. Thank you very much.

Senator Byrd.

Senator BYRD. Dr. Zakheim, you indicated in your earlier statement, as I recall, that it used to require 30 hours to go from Kabul to Kandahar.

Dr. ZAKHEIM. Yes, sir.

Senator BYRD. 30 hours, and now it takes 6? How many miles is that?

Dr. ZAKHEIM. It is 450 kilometers. 450 kilometers, so that is, what, about—how many miles?

Mr. RODMAN. 300 miles.

Dr. ZAKHEIM. 300 miles, give or take.

Senator BYRD. That is somewhat like it used to require to go from Williamson in Mingo County, West Virginia, to the eastern panhandle or to Washington, D.C., about 30 hours, maybe longer, from some parts of West Virginia to here. Now one can go in 6 hours from McLean, Virginia, to Charleston, West Virginia. That is the way it was when I was starting out in West Virginia, driving roads. There was not a divided four-lane highway on the West Virginia map in 1947.

But we now have well over 1,000 miles of divided highways. So we have been a long time in West Virginia in getting some of our infrastructure opened up. I think it was 1965 that we had the Appalachian Regional Highway System planned and beginning to move. So we have been from 1965 until 2003 and we still have not built some of those roads. That is true for other parts of Appalachia with respect to the Appalachian Highway System. So Afghanistan is not by itself when it comes to needing highway infrastructure.

General Pace, the West Virginia National Guard has served extensively in Afghanistan and in Iraq. Last year, one special operations soldier, Sergeant Gene Vance of the West Virginia National Guard, lost his life in Afghanistan. Our Adjutant General, General Allen Tackett, needs help from the Pentagon, but he is not getting it. He says there do not seem to be answers to his questions about deployments of his troops.

Where would you say, General Pace, is the breakdown in communications?

General PACE. Sir, I do not know, but I will find out.

Senator BYRD. General Tackett is asking questions about our National Guard troops, but not getting answers. So I ask you, what needs to be fixed? Do you have any idea at this point?

General PACE. I do not, sir, but I will find out and I will make sure that I understand what the General's needs are and that we

reopen that line of communications if somehow it has gotten broken.

Senator BYRD. Very well. So would you please report back to my office and to this committee about what actions you will take to improve communication between the Pentagon and our National Guard commanders? Would you do that?

General PACE. Yes, sir.

[The information follows:]

I have looked thoroughly into both of the questions you asked me during my hearing before the Senate Appropriations Committee on September 25.

First, let me address the death of Sergeant Gene Vance. As you noted during the hearing, Sergeant Vance died while performing special operations in Afghanistan. We are deeply saddened at the loss of Sergeant Vance, who sacrificed his life serving honorably in America's war on terrorism. Major General Tackett, the Adjutant General from West Virginia, indicated Sergeant Vance's wife continues to request additional information concerning her husband's death. He has provided Mrs. Vance with as much as he is permitted in the interest of operational security, as has Sergeant Vance's commander in Afghanistan. The sensitive nature of Sergeant Vance's work in Afghanistan precludes General Tackett from releasing further details of his death to Mrs. Vance.

Your second question pertained to the broader issue of communications between the Pentagon and National Guard commanders. As you know, Lieutenant General Steve Blum has recently assumed duty as the Chief, National Guard Bureau. Secretary Rumsfeld and General Myers directed General Blum to continue to improve communications among the Guard, the Army and Air Force Secretaries, the Office of the Secretary of Defense, and the Joint Staff. General Blum has taken that message to heart, and what he characterized as good and open channels of communication are getting better. Major General Tackett concurs with this assessment.

Senator BYRD. Very well. How soon do you think we might hear from you?

General PACE. Within a week, sir.

Senator BYRD. Very well.

Now, let me ask a couple of questions on behalf of Senator Feinstein. DOD materials suggest that, including the 2004 supplemental request, the fiscal year 2004 request, in the 3 years since September 11, 2001, DOD will spend a total of about \$35 billion for Afghanistan, or Operation Enduring Freedom, including \$10.8 billion in fiscal year 2004. The cost in 2004 is almost as high as in fiscal year 2003 and fiscal year 2002, when DOD conducted combat operations.

For how many years does DOD anticipate that this \$11 billion cost will continue?

Dr. ZAKHEIM. I do not know that I can answer that. All we know is what we anticipate for this year, sir.

Senator BYRD. So you anticipate this \$11 billion cost will continue?

Dr. ZAKHEIM. That is the—the request, as you know, Senator, is for approximately \$11 billion. We are spending approximately \$950 a month right now—million, that is.

Senator BYRD. How much a month?

Dr. ZAKHEIM. About \$950 million a month right now, sir.

Senator BYRD. Close to \$1 billion a month?

Dr. ZAKHEIM. Yes, sir.

Senator BYRD. When would DOD expect these costs to decline?

Dr. ZAKHEIM. I guess that is a function of the environment there. General Pace?

Senator BYRD. General Pace?

## DRAWDOWN OF U.S. TROOPS

General PACE. Sir, I do not know specifically. It will decline when we can remove some of our 10,000 troops or all of our 10,000 troops. That will be dependent on many things, to include the free and fair elections that are coming up next June, the continuing standup of the Afghan National Army, the continuing standup of their border police and other police so that over time they will be able to not only rule their own country through free and fair elections, but also be able to provide their own security, which will allow not only the 10,000 United States, but the 8,000 coalition who are there, to go home, sir. When precisely that would be, I do not know, sir.

Senator BYRD. Why is the cost of operations in Afghanistan about as high today as they were during the war? Should not the cost be decreasing by now?

Dr. ZAKHEIM. One of the reasons, Senator, is that I believe we have more reserves there now than we did during the war and the cost of reserves on active duty average out to about \$123,000 per reserve a year, whereas the active duty costs are simply the additional costs, the special pays that we pay them when they are in combat. But the base pay is something that they receive whether they are in Afghanistan or anywhere else. So that accounts for a part of the difference, sir.

Senator BYRD. If we expand the International Security Assistance Force beyond Kabul, can we expect costs for U.S. military operations to increase?

General PACE. I do not think that would be true, sir. As you know, right now NATO has taken over the ISAF mission. The NATO commander has a responsibility to report back in October-November time frame his estimate of what it would take NATO to expand beyond Kabul. If they were to do that, then the United Nations would also have to vote to change the resolution under which the ISAF exists.

So if there were to be an incremental increase in costs because of ISAF expansion, it would come as a result of U.S. participation in U.N. or U.S. participation in NATO, but not as a direct result of some additional burden on U.S. forces that are currently there. In fact, I would argue that over time an expanded ISAF capability would in fact help us decrease the burden that we have right now.

Senator BYRD. The second question by Senator Feinstein: DOD's request says that \$10.8 billion covers the cost of sustaining U.S. forces in Afghanistan. Press reports cite U.S. troop levels of about 8,000 to 10,000. That suggests that the annual cost per troop in Afghanistan would be about \$1 million per troop per year. That figure is about four times as high as the annual cost per U.S. troop in Iraq of about \$260,000, based on DOD's estimate of monthly costs of \$3.9 billion for Iraq and troop levels of 180,000.

Why is the cost per troop in Afghanistan so much higher?

Dr. ZAKHEIM. Again, I think it has a lot to do—we will get you for the record the exact answer, but I believe a significant factor again is the higher proportion of reserves in Afghanistan as a proportion. But I will get you the answer for the record, Senator.

[The information follows:]

The question above is based on the assumption that only 8,000 to 10,000 troops are financed through the request. In fact, there are now 9,850 U.S. troops on the ground in Afghanistan and that number is expected to remain fairly constant. However, there is a total of 44,856 total U.S. personnel planned in support of OPERATION ENDURING FREEDOM (OEF) and funded from the supplemental request. The press reports only included Army personnel on the ground. They failed to include the Navy and Air Force personnel in the country or off shore, and those in the AOR directly supporting OEF, or the reach back support personnel assigned to OEF in the United States. When the total 44,856 personnel assigned are considered the average support cost is much more similar to the costs experienced in Iraq. In addition, it should be noted that the \$10.5 billion requested in the supplemental for OEF includes much more than personnel and personnel support costs. It also includes all military operations (flying hours, steaming days, ground OPTEMPA), all logistics, inter-theater airlifts. And all other DOD programs and support within Afghanistan. Personnel and personnel support costs account for approximately \$5.8 billion of the total amount requested. Further, during fiscal year 2003 a larger percentage of reserve component and guard personnel have been employed in Afghanistan than in Iraq. This increases costs substantially because a mobilized troop's annual incremental cost to DOD is six and one-half times that of an active duty member assigned to a mission. That, coupled with the many remote areas in Afghanistan where U.S. forces operate and the lack of infrastructure to support U.S. forces, substantially increases the logistics support expenses.

Senator BYRD. Very well.

I was in Kabul 48 years ago. Where were you then, General?

General PACE. I was 9 years old, sir. So I am not sure where I was, but I was having a great time.

Senator BYRD. All right, so you are 57.

General PACE. I am now, yes, sir. Just a baby, sir.

Senator BYRD. Okay. I believe that completes my list of questions as far as Afghanistan is concerned. Thank you, Mr. Chairman.

Chairman STEVENS. Thank you.

Thank you, gentlemen. I do thank you also, and I want you to know that we look forward to putting together our trip to Iraq and possibly to Afghanistan some time after the next period of Senate business following this recess. We would hope to go some time in November. So I look forward to planning with you that kind of a visit. It depends, of course, on my colleague Senator Inouye, when he is prepared to go. It would be at his—I should put on that right there, I am sorry. I am not sure you heard me.

Dr. ZAKHEIM. Yes, we did. We heard.

Chairman STEVENS. I look forward to going to the area with Senator Inouye, both to Iraq and if possible Afghanistan, some time in the late October, early November period. We have not been there for over a year and I think we should make that trip. But we will be in touch with you.

We do thank you for your courtesy. We do not have any further hearings scheduled on this matter at this time.

Senator BYRD. Mr. Chairman, before you go out, if I may be pardoned for interrupting you.

Chairman STEVENS. Yes, sir.

#### ADDITIONAL COMMITTEE QUESTION

Senator BYRD. I do have some further questions. I will submit them to the record. I need to go back to my office and help my wife with her nebulizer. So I just elect to turn those in for the record.

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

## QUESTION SUBMITTED BY SENATOR ROBERT C. BYRD

*Question.* Please provide your estimate for obligations for Operation Iraqi Freedom, Operation Enduring Freedom, and Operation Noble Eagle by quarter for fiscal year 2002, for fiscal year 2003, and projections for fiscal year 2004.

*Answer.*

[In billions of dollars]

	1st Quarter	2nd Quarter	3d Quarter	4th Quarter	Total
Fiscal year 2002: <sup>1</sup>					
Operation Iraqi Freedom .....	2.242	2.596	3.169	2.951	10.958
Operation Enduring Freedom .....	1.174	1.183	1.485	1.844	5.686
Fiscal year 2003: <sup>1</sup>					
Operation Iraqi Freedom .....		10.346	15.447	16.622	42.415
Operation Enduring Freedom .....	2.601	3.107	3.233	3.396	12.337
Operation Noble Eagle .....	750	1.523	1.871	2.131	6.275
Fiscal year 2004: <sup>2</sup>					
Operation Iraqi Freedom .....	12.400	13.300	10.400	9.200	45.300
Operation Enduring Freedom .....	2.000	2.100	1.900	1.700	7.700
Operation Noble Eagle .....	1.800	1.800	1.600	1.600	6.800

<sup>1</sup> Actual obligations.

<sup>2</sup> Excludes \$5.3 billion appropriated for classified programs.

## CONCLUSION OF HEARINGS

Chairman STEVENS. Yes, sir.

Senator BYRD. Thank you.

General Pace, thank you. Thank you, Dr. Zakheim.

General PACE. Thank you.

Dr. ZAKHEIM. Thank you, sir.

Senator BYRD. Thank you, Mr. Rodman.

Mr. RODMAN. Thank you, Mr. Chairman.

Chairman STEVENS. Thank you very much. We appreciate your courtesy.

The committee stands in recess.

[Whereupon, at 4:27 p.m., Thursday, September 25, the hearings were concluded, and the committee was recessed, to reconvene subject to the call of the Chair.]

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