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Before the Committee on Appropriations

Department of Defense Appropriations

Fiscal Year 2007

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H.R. 5631

PART 2

DEPARTMENT OF DEFENSE
NONDEPARTMENTAL WITNESSES

Department of Defense Appropriations, 2007 (H.R. 5631)—Part 2

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

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

SECOND SESSION

ON

H.R. 5631

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, AND FOR
OTHER PURPOSES

PART 2

**Department of Defense
Nondepartmental Witnesses**

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CONTENTS

TUESDAY, MARCH 7, 2006

Department of Defense	Page 1
WEDNESDAY, MARCH 15, 2006	
Department of Defense: Department of the Navy	19
TUESDAY, MARCH 28, 2006	
Department of Defense: Department of the Army: Office of the Secretary	107
WEDNESDAY, MARCH 29, 2006	
Department of Defense: Department of the Air Force: Office of the Secretary ..	179
WEDNESDAY, APRIL 26, 2006	
Department of Defense:	
National Guard	243
Reserves	303
WEDNESDAY, MAY 3, 2006	
Department of Defense: Medical Health Programs	353
WEDNESDAY, MAY 10, 2006	
Department of Defense: Missile Defense Agency	437
WEDNESDAY, MAY 17, 2006	
Department of Defense: Office of the Secretary	479
WEDNESDAY, MAY 24, 2006	
Nondepartmental Witnesses	535

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

TUESDAY, MARCH 7, 2006

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

The subcommittee met at 2:38 p.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senator Stevens.

DEPARTMENT OF DEFENSE

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

**ACCOMPANIED BY VICE ADMIRAL MARTY CHANIK, DIRECTOR OF
FORCE STRUCTURE, ASSESSMENTS AND RESOURCES, JOINT
CHIEFS OF STAFF**

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. I am sorry to be a little bit late. We have several conferences going on at the same time. Our co-chairman has indicated he cannot be with us now. But I do welcome you here, Ms. Jonas, with your colleagues. I understand you are joined by Admiral Marty Chanik from the Joint Chiefs. Admiral, you are the Director of Force Structure, is that right?

Admiral CHANIK. Yes, sir, the J-8 on the Joint Staff, which is Director of Force Structure Assessments and Resources.

Senator STEVENS. Thank you. Well, it is good to have you both here and we look forward to your testimony. I am sorry that we have these conflicting things going on right now. There are conferences going on, caucuses on the questions of lobbying and the basic problems that we face as far as rule changes in those areas.

As we meet here, our men and women remain engaged in critical missions. We just had a whole series of briefings about the budget aspects of defense and I think we all know that you have \$67.5 billion for defense activities on this bill. That is a 6 percent increase as I understand it for this year. Included in that is \$423.2 billion for Department of Defense (DOD) programs under the purview of our subcommittee.

PREPARED STATEMENT

We will make your statements part of the record completely as well as Senator Inouye's in the record, and hopefully we will be joined by others.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Mr. Chairman, it is indeed a pleasure for me to join you once again as we begin our oversight hearings of the fiscal year 2007 defense budget. For the sake of those who are here today, I want to point out that this is the twenty-sixth year that Senator Stevens has served the Defense Subcommittee as either its chairman or ranking member.

His record of accomplishment during this period is unmatched. His knowledge of defense matters remains unparalleled elsewhere in the Congress. His dedication to the men and women in the military is inspirational. And, his fairness to members on both sides of the aisle is a model that all of us should emulate.

So, Mr. Chairman I just want to reiterate what a pleasure it is for me to be able to join you once again as we formulate the subcommittee's recommendations for defense spending in the coming year.

The budget request before this subcommittee is \$422.6 billion, an increase of \$23.8 billion—not including supplemental funding for wars and natural disasters.

It includes small percentage increases for our military pay and health care programs, and relatively large increases for procurement and day to day operations.

I find it curious that a major emphasis in this year's request is to try to rein in personnel and health care programs at a time when the Defense Department is having such a difficult time encouraging young people to join the military.

I also find it interesting that the Defense Department has decided to terminate the C-17 program when we are flying the wings off of our airlift fleet in the gulf. This is even more surprising when one learns that airlift is the Air Force's top unfunded priority this year.

So to, I was surprised to learn that DOD planned to eliminate the second engine supplier for the Joint Strike Fighter after we have invested more than \$1 billion to ensure we would have competitive pricing in what is expected to be a multi-thousand aircraft program.

I hope to learn more about these subjects, and the DOD recommendations today.

Finally, Mr. Chairman, I want to join you in welcoming our witnesses here today. Ms. Jonas and Admiral Chanik we appreciate all that you do for the nation in your current positions. We understand the challenges that you face in trying to meet our nation's military needs with limited resources. The chairman and I and this subcommittee face the same challenge as we prepare our committee's recommendations. We thank you for being here today, and look forward to your testimony.

Senator STEVENS. I am really quite interested in the conversation we are going to have today because we have talked about it a little bit on a personal basis, Ms. Jonas, but the sustainability of these budgets is beginning to worry me considerably.

Would you like to summarize your statement? We have all the time in the afternoon, so I am not setting a limitation on any time. The whole statement, though, is in the record as though read.

SUMMARY STATEMENT

Ms. JONAS. Thank you very much, Mr. Chairman. I will just hit a few highlights of the budget if I might. We thank you for having us here today. I thank you for the opportunity to discuss the President's fiscal year 2007 budget request for the Department of Defense, and I would also like to thank this subcommittee for their strong support of the men and women of America's armed forces and their families.

So let me just briefly summarize. The President's fiscal year 2007 budget request is \$439.3 billion. This is a 7 percent increase over the 2006 enacted level of \$410.8 billion. This subcommittee has jurisdiction over \$422.6 billion, which includes operation and maintenance, procurement, research and development, and military personnel.

The budget supports the President's 2005 national security strategy and the long war against terrorist extremists and the findings and recommendations of the 2006 Quadrennial Defense Review (QDR). The budget is aligned with the QDR, the strategic priorities, and invests in capabilities and forces the Nation needs to prevail in irregular warfare operations, to defend the homeland, and to maintain America's military superiority. Of course, this budget supports strongly our men and women in uniform and their families.

In the area of prevailing in irregular warfare operations, the budget substantially increases the size and capabilities of the special operations forces. We invest \$5.1 billion in 2007 and \$28.7 billion over the fiscal year 2007 to 2011 program period. Some highlights in that area include an additional 14,000 special operations forces (SOF). That is a growth of 4,000 forces in fiscal year 2007. In addition, we add SOF battalions, we increase funds for the Marine Corps Special Operations Command, and we establish a Special Operations Forces Unmanned Aerial Vehicle Squadron, and we increase the number of Navy SEAL teams as well.

In addition, we are increasing our joint combat power and the budget provides \$6.6 billion in 2007 and \$40.6 billion over the program period to complete the conversion of 48 regular Army brigades to 70 modular brigade combat teams. We also continue the modernization and integration of ground forces. The Future Combat System is fully funded in this budget, \$3.7 billion in the fiscal year 2007 period.

In addition, because understanding the nature of the battle space on a minute to minute basis is critical to the success of our forces, the budget provides \$1.7 billion in fiscal year 2007 and \$11.6 billion over the program for unmanned aerial vehicles to increase our intelligence-gathering capabilities and enable persistent real-time intelligence.

In addition, we equip our forces with language and cultural skills that they need for the 21st century mission, and the budget highlights an investment of \$181 million for fiscal year 2007 to expand our language training for both general and special operations forces.

The budget also invests significantly in defending the homeland against 21st century threats, including global terror networks and rising states with nuclear weapons. The budget provides \$1.7 billion to develop countermeasures against advanced biological and other weapons and to tag, track, and locate and render-safe nuclear weapons.

The budget also includes \$10.4 billion in fiscal year 2007 to produce and field additional ground-based and sea-based interceptors to defend against intercontinental and theater ballistic missiles, and \$900 million in 2007 and about \$9.3 billion over the program to dramatically increase and extend satellite communications capabilities to our deployed forces around the world.

In addition, we want to maintain our military superiority and our ability to deter or defeat conventional forces of other nations, and the Department maintains a robust procurement program. The budget invests \$84.2 billion in 2007. Just as a point of reference, this is twice what it was in 1995, so that is an important area of

investment for us. This includes funds to improve our joint air support capability, maintain and improve joint air dominance, and improve our maritime capabilities, including \$4.7 billion to purchase additional aircraft, such as the Apache, the Chinook, Blackhawk helicopters, and the V-22 Osprey.

We include \$10.4 billion over the 2007 period to acquire more capable weapon systems also, such as the F-22, the F/A-E and F, and the first procurement, notably, of the Joint Strike Fighter in this budget.

In the shipbuilding area, we provide \$11.2 billion in fiscal year 2007. This includes seven ships, two DD(X) destroyers, two littoral combat ships, one Virginia class submarine, one amphibious assault ship, and the logistics ship, the T-AKE. So that is an important feature also of our investment program.

Importantly, I would like to focus also on what we are doing for our service members and their families, because everything we do depends on their success and their dedication and skill. So in the area of military pay, the budget provides 2.2 percent over the enacted level of 2006. But importantly, we also include for certain enlisted, senior enlisted members, \$263 million in this budget to provide them additional increases over the 2.2 percent increase. So for example, an E-5 with 8 to 12 years of service might receive 2.5 percent in addition to the 2.2 percent. So that is an important piece. Certain warrant officers would receive as much as an 8.3 percent increase. So it is very important here.

We also increase the basic allowance for housing to ensure no out-of-pocket housing costs for military families living off base. An average rate of 5.9 percent will be experienced by most family members.

As many of you know, we have spoken about health care over the past years and our budget provides \$39 billion to provide health care for our military personnel and families. That includes the personnel and infrastructure associated with providing care. Of that portion, \$21 billion is associated with the defense health program, which is a \$1 billion increase over the 2006 level.

We are very concerned about this area because over the last 5 years our military health care costs have nearly doubled, going from \$19 billion in 2001 to \$37 billion enacted in 2006. Unless action is taken to address this rising cost, the current program is projected to increase to \$50 billion by 2011 and would go to \$64 billion by 2015.

So we are very concerned about these and we have proposed in this budget an increase to the fee structure and cost share. When the TRICARE program was established by Congress there were certain cost shares established. In 1995, as Congress established the program 73 percent of the cost was paid by the Department of Defense and 27 percent of the cost of the care was provided by the beneficiary. Today those cost shares have gone to 88 percent for the Department of Defense and 12 percent for the beneficiary.

So the budget is proposing to make some slight increases to that cost share for beneficiary. I do have also with me Dr. Bill Winkenwerder if there are further questions on that in testimony.

So, Mr. Chairman, we appreciate your support of this budget. We believe the budget sustains the President's commitment to defend

the United States, especially against catastrophic terrorism, and provides for the security of the American people. It continues his strong support of service members and their families and it supports the continued shift in emphasis away from static posture and forces of the last century to highly mobile expeditionary forces needed to prevail against adversaries ahead.

As you know, sir, we also have in front of the Congress a \$65.3 billion supplemental, and I know that is not the subject of today's hearing, but we would be happy to answer questions on that as well.

PREPARED STATEMENT

So thank you, sir, for your support and the subcommittee for its support of our men and women in uniform.

[The statement follows:]

PREPARED STATEMENT OF TINA W. JONAS

Mr. Chairman, members of the Committee, thank you for the opportunity to discuss President Bush's fiscal year 2007 budget request for the Department of Defense.

I would like to begin by saying thank you to the Committee for your continued strong support for the men and women of America's Armed Forces and their families. I will briefly summarize some of the more important elements of the request.

The President's fiscal year 2007 budget request for the Department of Defense is \$439.3 billion. This is a seven percent increase over the fiscal year 2006 enacted level of \$410.8 billion.

This Committee has jurisdiction over \$422.6 billion, which includes operation and maintenance, procurement, research and development, and military personnel.

The budget supports the President's 2005 National Security Strategy, the long war against terrorist extremists, and the findings and recommendations of the 2006 Quadrennial Defense Review (QDR).

STRATEGIC PRIORITIES

Like the QDR, the fiscal year 2007 budget supports the Department's continued shift in emphasis—away from the static posture and forces of the last century to the highly mobile and expeditionary forces needed to prevail against any adversary in the years ahead.

The budget is aligned with the QDR's strategic priorities and invests in the capabilities and forces the Nation needs to:

- Prevail in irregular warfare operations, including wars of long duration, like the global war on terror;
- Defend the homeland, especially against catastrophic terrorism and other advanced threats;
- Maintain America's military superiority, to ensure our ability to deter or defeat threats from other nation-states; and
- Continue the Department's strong support of our military men and women and their families.

PREVAIL IN IRREGULAR WARFARE OPERATIONS

To prevail in irregular warfare operations, the fiscal year 2007 budget substantially increases the size and capabilities of Special Operations Forces, investing \$5.1 billion in fiscal year 2007 and \$28.7 billion over the fiscal year 2007 to 2011 program to:

- Fund an additional 14,000 Special Operations Forces (Special Operations Forces will expand from 50,000 in fiscal year 2006 to 64,000 by fiscal year 2011. This is a growth of 4,000 in fiscal year 2007);
- Increase the number of SOF battalions by 33 percent (Active duty battalions will grow from 15 to 20 by fiscal year 2012);
- Fund a new Marine Corps Special Operations Command;
- Establish a SOF Unmanned Aerial Vehicle Squadron; and
- Increase the number of Navy SEAL teams to provide added maritime capability.

To increase Joint combat power, the budget provides \$6.6 billion in fiscal year 2007 and \$40.6 billion over the program, to complete conversion of 48 regular Army brigades to 70 modular Brigade Combat Teams.

To continue the modernization and integration of ground forces, and produce a swifter, smarter, and more lethal force, the budget provides \$3.7 billion in fiscal year 2007 and \$22.4 billion over the program for the Future Combat System.

Understanding the nature of the battle space on a minute-to-minute basis is critical to the success of our forces. The budget provides \$1.7 billion in fiscal year 2007 and \$11.6 billion over the program for unmanned aerial vehicles to increase U.S. intelligence-gathering capabilities and enable persistent, real-time intelligence—24 hours a day, seven days a week.

In addition, to equip our forces with the language and cultural skills they will need for 21st century missions, the budget invests \$181 million in fiscal year 2007 and \$760 million over the program to expand language training for both general and special operations forces.

DEFEND THE HOMELAND

To defend the homeland against 21st century threats, including global terror networks and rising states with nuclear weapons, the fiscal year 2007 budget provides:

- \$1.7 billion in fiscal year 2007, and \$9.3 billion over the program to develop countermeasures against advanced biological and other weapons, and to tag, track, locate and render-safe nuclear weapons;
- \$10.4 billion in fiscal year 2007 and \$47.5 billion over the program to produce and field additional ground and sea-based interceptors to defend against intercontinental and theater ballistic missiles; and
- \$0.9 billion in fiscal year 2007 and \$9.3 billion over the program to dramatically increase and extend satellite communications capabilities to our deployed forces around the world.

MAINTAIN U.S. MILITARY SUPERIORITY

While the focus in the years ahead will be on irregular warfare operations rather than another major conventional war, the United States must maintain the ability to deter or defeat the conventional forces of other nations.

The Department continues to maintain a robust procurement program. The budget invests \$84.2 billion in fiscal year 2007. This is an increase of \$8 billion over the fiscal year 2006 level.

To improve joint air support capabilities, maintain and improve joint air dominance, and improve the maritime capabilities of the joint force, the budget invests:

- \$4.7 billion in fiscal year 2007 and \$27.1 billion over the program, to purchase additional Apache, Chinook, and Black Hawk helicopters as well as the V-22 Osprey;
- \$10.4 billion in fiscal year 2007, and \$61.3 billion over the program, to acquire more capable weapons systems—such as the F-22, the F/A-18 E/F, and the first procurement of the Joint Strike Fighter; and
- \$11.2 billion in fiscal year 2007 and \$77.5 billion over the program for seven new multi-mission, multi-capable ships: two Destroyers (DDX), two Littoral Combat Ships (LCS), one Virginia Class Submarine (SSN), one Amphibious Assault Ship (LHA(R)), and one Logistics Ship (T-AKE).

SUPPORTING SERVICE MEMBERS AND THEIR FAMILIES

Because success in everything we do depends on the skill and dedication of the men and women who safeguard the freedom we enjoy every day, the fiscal year 2007 budget continues the Department's strong commitment to provide a high quality of life for those who serve and their families.

MILITARY PAY

One demonstration of that commitment is military pay. Since 2001, basic military pay has increased 29 percent. In fiscal year 2007, basic pay will rise another 2.2 percent over the fiscal year 2006 level.

That means an Army Sergeant (E-6) with 14 years of service, for example, will earn \$779 more in fiscal year 2007 than he or she did in fiscal year 2006, and \$8,893 more than in 2001.

A typical Air Force captain (O-3) will earn \$1,188 more in fiscal year 2007 than in fiscal year 2006, and \$11,347 more than in fiscal year 2001.

To ensure no out-of-pocket housing costs for military families living off-base, the budget increases the basic allowance for housing by an average rate of 5.9 percent.

MILITARY HEALTH CARE

High-quality health care is another important benefit for service personnel and their families. The Department's health care program, TRICARE, provides one of the best health care coverage programs in the Nation.

The budget provides \$39 billion in fiscal year 2007 to provide health care for military personnel and their families. This includes \$21 billion for the Defense Health Program—a \$1 billion increase over the fiscal year 2006 enacted level.

In fact, over the past five years, the full cost to provide military health care has nearly doubled—from \$19 billion in fiscal year 2001 to \$37 billion enacted in fiscal year 2006. Unless action is taken to address the rising cost of care, the current program is projected to increase to \$50 billion by fiscal year 2011.

Clearly, these rising costs cannot be sustained over the long term. Therefore, to place the health benefit on a sound fiscal basis for the long term, the Department is proposing to rebalance the share of costs between individuals and the government. The budget proposes to adjust the cost share for working-age retirees under 65. This change will not affect active duty service personnel and their families, except for minimal changes to pharmacy co-payments for family members.

In 1995, as established by Congress, 73 percent of the cost was paid by the Department of Defense; 27 percent of the cost was paid by the beneficiary. Today, 88 percent of the cost is paid by the Department of Defense; and just 12 percent by the beneficiary.

The budget proposes to gradually adjust these shares to less than the 1995 cost-share level.

DEPARTMENT OF DEFENSE FISCAL YEAR 2007 BUDGET

The Quadrennial Defense Review is the result of an extensive, year-long review of U.S. military capabilities and forces. The QDR identified strategic priorities for added investment, and the fiscal year 2007 budget initiates the process of funding those priorities.

The budget sustains the President's commitment to defend the United States, especially against catastrophic terrorism, and provide for the security of the American people. It continues the Department's strong support of service members and their families, and it supports the Department of Defense's continued shift in emphasis—away from the static posture and forces of the last century, to the highly mobile and expeditionary forces needed to prevail against any adversary in the years ahead.

SUPPLEMENTAL

The President recently submitted a request for a fiscal year 2006 supplemental appropriation. The Department of Defense's portion of this request is \$65.3 billion, which will fund ongoing military operations in Afghanistan and Iraq, and other incremental costs of the global war on terror.

The Department appreciates the Committee's prompt passage of previous supplemental requests, and we request your support for this one as well. Approval of the supplemental request will enable the Department to fund war-related costs for the rest of this fiscal year.

Senator STEVENS. Thank you very much.
Admiral, do you have any comments to make?

BUDGET

Admiral CHANIK. Chairman Stevens, just a couple comments that I will add to Ms. Jonas's if that is okay. First, sir, I thank you for the opportunity to be able to speak to you today in reference to the President's fiscal year 2007 budget request for the Department of Defense.

What I will do, since Ms. Jonas has pretty much captured the essence of the budget, is just add a couple words. From a warfighter's perspective, we believe that this is a budget that represents a balance of near-term risk versus long-term risk, that the services and the Combatant Command (COCOMs) worked hard on to weigh current readiness, the global war on terror, and investments in transformational initiatives for the future fight.

We think it provides a budget for the armed forces that allows the armed forces to be fully capable of executing our national military strategy and that it supports the chairman's priorities of winning the war on terrorism, of accelerating transformation, of strengthening joint warfighting, and of improving the quality of life for our troops and their families.

As Ms. Jonas mentioned in her opening statement, we think it provides, continues to provide, strong support for today's fighting forces, that it invests in the capabilities we need to have to prevail in irregular warfare operations and in defense of the homeland.

What I would like to underline and reemphasize, because she did speak to it in quite a bit of detail, are the thoughts on the proposal with reference to the health program. We think that this proposal takes some vital and important steps in renorming some of those fees for a superb military health care system. I would like to underline the fact that this affects those retirees under the age of 65 primarily and does not affect our active duty service personnel and their families. But as you have heard, the Chairman, the Joint Chiefs, and the Secretary are all behind this important proposal.

I will close by thanking you and your subcommittee for your continued support to our men and women in uniform. As you are well aware, they are doing tremendous work around the world in some very difficult circumstances, and they certainly appreciate what you and your subcommittee and what Congress provides to them.

I look forward to your questions, sir.

Senator STEVENS. Thank you both very much. I am saddened that I am here alone today.

I think we will face substantial controversy when we get to the floor with this bill, primarily by people who want to add to it. I will ask you some questions about that. I think what I will do is, with your consent, would be just submit some of these questions, the ones that should be, just as matters for the record. I will submit them to you and ask you to respond to them. I do not know if Senator Inouye would have similar ones, but if he does we will do that.

Ms. JONAS. Certainly.

Senator STEVENS. I am going to make a rule from now on, we are not going to seek answers to questions from Senators who do not attend the session unless there is a reason such as the good co-chairman has today. But I do believe more people should come to these hearings and should pursue their questions here before they present amendments on the floor.

END STRENGTH OF ARMY GUARD

We heard about a recent agreement that you are going to fund the Army Guard at a strength of 350,000 soldiers for 2007. Is that in the budget? Is that amount covered by the budget?

Ms. JONAS. Senator Stevens, what is in the budget is an amount for 333,000. If I can explain, that is the amount, the number, that they were currently at. The Congress has authorized 350,000. In prior years they have not made their number and so that has resulted in a little bit of funds available for other purposes and so we have reprogrammed those.

But it is the Army's intent to fund the number that the Guard can reach. So we will make sure that that is done. We will work very closely, Mr. Chairman, with that.

Senator STEVENS. Are you going to do that through reprogramming, or how are we going to get to that figure?

Ms. JONAS. In the past, sir, when we have had an overage—and this has happened in prior years—we have reprogrammed funds. We did so last year when they did not reach the 350,000. I think there was about \$347 million available. But my expectation is that we would work with the Army to reprogram funds.

SPECIAL FORCES

Senator STEVENS. A similar question with regard to the special forces capabilities. It is our understanding that there is going to be a significant increase in those forces capabilities. Are any of those capabilities funded in this request?

Ms. JONAS. Yes, Mr. Chairman. As I noted in my testimony, we increased about 4,000, by about 4,000 in this 2007 budget and about 14,000—

Senator STEVENS. I heard that, but is the money in here for that?

Ms. JONAS. Yes, sir. We are about \$1 billion over where we were for special forces last year.

Senator STEVENS. You are going to increase them by 13,000 over 5 years and there is 2,000 in this year's budget?

Ms. JONAS. We are increasing the number by 4,000 in fiscal year 2007 and 14,000 over the program period, sir.

COSTS OF THE WAR

Senator STEVENS. We have discussed the problem of sustainability and I mentioned that. Now, it is our understanding, my staff tells me, that this bill before us now funds military operations at the current level, which is roughly \$6.8 billion a month as we understand it, for the global war on terror. If that is correct, are we not looking at a supplemental just going in for that portion of this operation, these operations of the Department?

Ms. JONAS. Mr. Chairman, the request before the Congress right now for the supplemental, the DOD portion of it, which excludes the intelligence funding, is \$65.3 billion. So the rate that you are discussing, the \$6.8 billion what is referred to as a burn rate, was what we had for the prior year, for fiscal year 2005. We expect there to be some increase due to increases in fuel costs. Our personnel are going to be a little bit more expensive because of the addition of death benefits, for example. There also is a little bit of inflation.

In addition, we have costs for reset, what we call reset and reconstitution. So it will be a little bit higher than \$6.8 billion, we expect, in fiscal year 2006.

Senator STEVENS. I am told again by my staff that there is some sort of an amendment that we are going to look at which deals with a bridge, a \$50 billion bridge. Bridges, I do not like to talk about bridges, coming from where I come from. But this one is from A to B.

Why do you need a bridge in addition to this bill?

Ms. JONAS. The bridge fund or the request for fiscal year 2007—we have got in front of you a 2006 supplemental and what the administration is proposing for 2007 is an additional bridge fund of \$50 billion. We will provide—

Senator STEVENS. \$50 billion?

Ms. JONAS. For 2007, sir.

Senator STEVENS. Will that be the supplemental for 2007?

Ms. JONAS. It will be, yes, sir, a portion. We do not know exactly how much we are going to need, but the administration wanted to make sure, so that it could count against the overall budget concerns of the Congress, that we would at least have some of that counted for deficit projection purposes.

Senator STEVENS. How soon do you need the 2006 funding?

Ms. JONAS. Mr. Chairman, we believe that we need those funds by the end of April, no later. We do not have sufficient operation and maintenance (O&M) dollars to get us through May.

Senator STEVENS. The supplemental that there was a hearing on this morning, we have got a hearing every day this week, I think, that is for 2006, right?

Ms. JONAS. That is correct, sir.

Senator STEVENS. Are we going to include any portion of the 2007 bridge in that one?

Ms. JONAS. No, sir.

Senator STEVENS. Do we expect that, though, to come in before the end of this fiscal year, to have a bridge to 2007?

Ms. JONAS. That is our expectation, sir.

Senator STEVENS. And am I led to believe that is \$25 billion?

Ms. JONAS. \$50 billion.

Senator STEVENS. No, you have got that \$50 billion already, do you not?

Ms. JONAS. Sir, we have \$50 billion from the prior—actually, we have \$45 billion from your prior action, so the bridge supplemental that you recently approved and we are executing.

Senator STEVENS. That is for 2006?

Ms. JONAS. Yes. And so in addition to that, we are asking for the \$65.3 billion which is before you now for fiscal year 2006.

Senator STEVENS. You are anticipating \$50 billion for 2007?

Ms. JONAS. Correct, sir.

Senator STEVENS. When are we going to start folding these into the regular bill?

Ms. JONAS. Mr. Chairman, I will answer that in the way that the Secretary has. He is fully open to doing it either way. The concern that many of us have is that we cannot provide the type of detail that is normally wanted by the Congress. For example, when we develop the request before you we actually plug in the deployment orders into our cost modeling, so that provides a level of exactness that you cannot get with some of the types of projections on the \$50 billion.

But I certainly understand your concerns, Mr. Chairman. I know the Secretary does. But that would really be something that needs to be worked out, I think, between the congressional leadership and the Office of Management and Budget with respect to the use of supplementals.

Senator STEVENS. Well, I am concerned because some of the things that are in the regular bill for 2007 are related to the war on terror, are they not?

Ms. JONAS. Yes, sir.

Senator STEVENS. And the \$50 billion is exclusively, theoretically, for the war on terror?

Ms. JONAS. Yes, sir.

Senator STEVENS. But when we were in Iraq and we went out to Fallujah and we saw the trucks that were there being up-armored, that money was paid for out of the supplemental, right?

Ms. JONAS. Yes, sir.

Senator STEVENS. But it was really a routine matter that is going to go on all over the Department, but just those in Iraq were paid for out of the supplemental?

Ms. JONAS. I would have to get to your specific, at what you were looking at specifically. But we have equipment that—

Senator STEVENS. I am just using that as an example.

Ms. JONAS. Yes, sir.

Senator STEVENS. I think these things blend—we think we are controlling expenses, but up here we have got a feather pillow that just goes wherever you want to put it and it does not make any difference what we try to do to try to get some control over some of these expenses.

Ms. JONAS. Yes, sir. We try to the best that we can to track what is spent in theater. We do have reporting to the Congress that we provide. As a general matter, the overhaul and the wear and tear on the equipment that is being used in theater is being funded or rehabbed out of supplemental funds. Maybe Marty wants to talk to this a bit, but we are doing the best we can to try to give the Congress some clarity on that, sir.

CONTRACTING

Senator STEVENS. Well, who makes the decision when to out-source an activity? Admiral?

Admiral CHANIK. Yes, sir. Can you clarify that question? I am not sure I have exactly what you mean when you talk about outsourcing activity.

Senator STEVENS. They have got enormous contracts over there, food servicing, repair of vehicles, so many different things that we saw. Who makes the decision that those things cannot be done by people in uniform in the regular course of appropriations?

Admiral CHANIK. Sir, I will have to get back to you to see exactly who does that. That certainly is the commander in theater and his staff that is going to work through those issues and determine the best way to provide the requirements to support the soldiers, the sailors, airmen, marines on the ground. So they will work through that staff. They certainly have multiple regulations they comply with to go through that.

But who exactly in that chain in the logistics side, we can certainly provide that for you if you would like, sir.

[The information follows:]

When determining outsourcing needs, the combatant commander allows Service components to create outsourced logistical support in their respectively assigned areas, consistent with Service regulations and authorities. Service components then

develop and tailor outsourcing initiatives in their respective areas of responsibility (AORs). For example, there are more than 40,000 contractors in the U.S. Central Command (USCENTCOM) AOR performing functions in the combat support and combat service support arenas. Specific support functions currently contracted under the Logistics Civil Augmentation Program (LOGCAP) include: (1) Theater Transportation Mission; (2) Corps Logistical Service Support; (3) Army Oil Analysis Program; (4) Embassy Support, Baghdad; (5) Test Measurements Diagnostic Equipment; (6) Base Operations for U.S. Personnel; and (7) Subsistence (Dining Facilities operation).

Senator STEVENS. We are getting more and more questions, as I said to Ms. Jonas, from Members of the Senate about the outsourcing and who makes the decision and who decides what the level of commitment will be and where does that money come from. I really think you are going to have to help us get some details here on how these decisions are made and what level of control there is over out-sourcing as compared to the control we have over regular expenditures through the Department's normal procedures.

Admiral CHANIK. Yes, sir. We can certainly do that. I can assure you that in theater when they look at the alternatives of how to supply a particular capability, whether it is out-sourced or whether it is organic to the forces in theater, they will look at that and determine what is the best way to achieve what they need to achieve in the time that they have to do that at the best cost. They will have a certain set of rules to go through that. But we can get you more detail, sir, and provide that to you.

[The information follows:]

The combatant commander allows Service components to create outsourced logistical support in their respectively assigned countries. Service components then develop and tailor outsourcing initiatives in their respective areas of responsibility consistent with Service regulations and authorities. Specifically, outsourcing initiatives are regulated by set guidelines. These regulations include: (1) 10 USC 129a, which authorizes the Secretary of Defense to use civilian contracting if it is financially beneficial and consistent with military requirements; (2) Department of Defense Directive 1100.4, "Guidance for Manpower Management", which directs that assigned missions shall be accomplished using the least costly mix of personnel (military/civilian/contractor) consistent with military requirements; (3) Department of Defense Instruction 3020.37, "Continuation of Essential DOD Contractor Services During Crises", which states that DOD components shall rely on the most effective mix of the total force, cost, and other factors, including contract resources necessary to fulfill assigned missions; and (4) Army Regulation 700-137, which established policies, responsibilities, and procedures for the implementation of the Logistics Civil Augmentation Program (LOGCAP). The LOGCAP objective is to preplan for the use of civilian contractors to perform selected services in wartime to augment Army forces.

FUNDING FOR VETERANS

Senator STEVENS. One of the questions we have been asked so far or told so far is going to be raised is the adequacy of funding for veterans under this bill. I am told there will be an amendment to add funds for veterans. What funding is already in this bill that covers veterans activities?

Ms. JONAS. The Department of Veterans Affairs does provide the funding for that. I am unaware of any funding in the supplemental for that. We can certainly get back to you for the record, sir.

[The information follows:]

The Department of Veterans Affairs provides the funding for veterans benefits. The fiscal year 2007 President's Budget request for the Department of Defense does not include any funding for veterans benefits. However, the Defense portion of the President's fiscal year 2006 supplemental appropriations request for ongoing

military and intelligence operations in support of Operation Iraqi Freedom, Operation Enduring Freedom, and selected other international activities does include about \$0.9 billion in funds to reimburse the Department of Veterans Affairs for casualty and disability benefits. These funds are included in the amounts requested for the Department's military personnel appropriations and include \$0.4 billion for reimbursement of Servicemembers' Group Life Insurance (SGLI) claims and \$0.5 billion for reimbursement for claims associated with the SGLI Traumatic Injury Protection program proposed by the President and enacted as part of Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (Public Law 109-13).

Senator STEVENS. We understand that, but I understand that this bill will be the target of additions for funding of veterans, particularly those that are coming out of this current involvement in Iraq. Is there any money for veterans in the supplemental to your knowledge?

Ms. JONAS. Sir, I would have to get back to you for the record. Not to my knowledge, sir.

FUNDING FLEXIBILITY

Senator STEVENS. I am told that the services have expressed concerns about the lack of flexibility to fund emerging requirements or cash flow for combat operations if the basic allowance for housing and facilities, sustainment, restoration, and modernization funding are pro-rated in the Military Quality of Life and Veterans Affairs appropriations bill. As you know, this comes about because of the separation in the House now.

Is there a problem there? Can you give us your assessment of the impact of this change in terms of the operations of the Department?

Ms. JONAS. Certainly, Mr. Chairman, it will change the way we have to work with the Congress and it may limit our ability to transfer funds between certain accounts. For example, the sustainment accounts we will not be able to access for reprogramming or cash flowing purposes. So there are some limitations, but we will work carefully with the Congress to make sure that we can meet the requirements. But it does cause some constraints that we have not experienced in the past and will limit our flexibility to a degree.

Senator STEVENS. I will submit the balance of that question, then. That is really a technical question as I see it. I do not know how we are going to get through—this is the first year when that separation is going to take place.

We did have to make a reduction overall on the bill last year of a 1 percent reduction. Have you determined how that impacts your budget with regard to the various functions, such as military personnel?

Ms. JONAS. Yes, Mr. Chairman. It has caused some difficulties in the military personnel accounts. For example, we are working through an issue with the Navy right now in trying to execute this budget. We expect to have to reprogram some funds. So that has caused some little bit of difficulty in certain accounts.

Senator STEVENS. Are those attributable to the war on terror or are they routine impacts on the overall bill because of the 1 percent?

Ms. JONAS. My understanding is that these are routine impacts. You mentioned the basic allowance for housing, for example. Those surveys to assess how much we actually provide are done later in the budget year and so that has also caused a little bit of a difficulty for the Navy. But the 1 percent has caused us some issue within the baseline.

Senator STEVENS. What kind of detail do you provide—now, we have gone through 2005 and we had both the basic bill and the supplemental in 2005. Have you filed either with OMB or with the authorization committee an as-spent type of budget? Do we know how that money was actually spent?

Ms. JONAS. Yes, sir, we do provide, I believe, to the committees on a routine basis—and I will have to check with my folks—

Senator STEVENS. I do not mean—I mean a closeout for the year. Can we compare how we thought the money was going to be spent and how it was actually spent?

Ms. JONAS. Yes, sir. That can be done, and we do provide what are called 1002 accounts. It is an accounting report of how funds were spent, sir.

Senator STEVENS. We will submit the rest of the questions, Ms. Jonas and Admiral. But I have got to tell you, as I said, I left that budget discussion and the projections out into the future on how this current trend is adjusted, assuming we do complete our actions in Iraq and still have the war on terror. The presumption is that we would have a bill that would cover the Department's operations and we would no longer have supplementals; is that a reasonable assumption?

COSTS

Admiral CHANIK. Yes, sir. I think we have certain costs, obviously, as you are well aware now, with the efforts in Afghanistan, the efforts in Iraq, and those bring costs associated with them. Once those drop off, then I think that we have a much better chance of getting away from supplementals.

I would also mention to you that one of our assumptions, as I think you are well aware, is that as we reset and reconstitute the force based on all that we have done in Iraq and Afghanistan, that there are still some dollars associated with that and that we will be requesting some supplementals to help in that reset of the force since we cannot really quantify that at the moment.

But that is something that the chiefs have brought up in some of their testimony, that there will be some costs directly attributable to what we have done in Iraq and Afghanistan, even when those drop down to a steady state normal operating pace.

Senator STEVENS. Well, we are going to schedule some discussions with the Armed Services Committee. I have the feeling that one of the reasons that we do not have people here is they really do not know what questions to ask. We are getting just these gross figures and gross demands and we are not really getting a handle on what controls there are on either.

If you look at the trend line I just looked at from 2001 to now, the total amount for the Department is more than double what it was in 2001. We are lacking in the capability to assess the rationale for those increases and to determine whether they are actually

necessary. I really think we are going to be in for some real problems, particularly on this year's amounts, because we are looking at the bridge amount and then we are looking at another supplemental for 2007 once we are in that. It is very difficult for us to tell people, yes, we have gone over these accounts and these are accounts we understand, because we do not have the detail to know what they are.

Ms. JONAS. Sir, we would be happy to provide as much detail as this subcommittee needs to assess the request in front of you. I will say, as we mentioned earlier, what I am concerned about is the cost, the rising cost of personnel. If you think about what we are spending on healthcare, for example, we are spending \$2 billion more than Germany spends for its entire defense budget, on healthcare.

We have mentioned the issue of other benefits that are important for our families that get added. But as you look at why our costs have increased over time, I would suggest that in the personnel area that is one area.

Certainly in the area of acquisition there are studies that have been undertaken on acquisition and we need to do what we can to control overruns, cost overruns on weapon systems. That is a key area.

But you should know, with respect to accountability and understanding what we are doing with funds, just to give you an example, the Defense Contract Audit Agency reviews \$320 billion worth of contracts annually. They do 40,000 audits annually. So they are just one of the audit entities that we have working in the Department.

I understand your concern and the Congress' concern about how funds are spent, accountability for those large increases that you noted, and we do take it seriously and we have got some terrific, dedicated professionals working on that, sir.

Senator STEVENS. I look forward to some discussions because the real—some of the questions that are coming at us, particularly in the area of out-sourcing—when there is out-sourcing, when these functions are performed by military personnel or by civilian personnel in the Department, there are guidelines and there are precedents as far as what is spent. When it is out-sourced, we have had questions about what is the level of control on a contractor spending money to do the functions that otherwise would have been done by the military. It does not appear to be within the budget that the military would have done the job.

Admiral?

OVERSIGHT

Admiral CHANIK. Sir, the only thing I guess I can add to that, I think as we mentioned earlier perhaps we need to be able to come back or take a question for the record to give you more detail that you want on that. I know it is certainly an area that the services are very concerned about. In fact, there is going to be established an inspector general, an inspector general office, in Qatar to help in terms of oversight on some of these issues. So it is getting a tremendous amount of attention to review the rules and regulations of how these decisions are made and how the out-sourcing occurs.

But I think the best thing is if we can take some questions for the record, sir, and we will come back with some better detail than that general comment.

Senator STEVENS. All right. Well, just look at it this way. We will have dealt with \$120 billion this year for which we have no justification at all. It is emergency spending in supplementals. Those are the areas that we are going to get the questions on and I believe that those are the areas where questions ought to be raised.

As Ms. Ashworth said, we do not have justification books on them, nor do we have any post-expenditure explanations that I know of. I think we are going to start getting questions we cannot answer, and once we cannot answer them we do not get a bill.

So I hope that you will really consider what information we can have about how this money is going to be spent and what controls there are on its being spent, okay?

Ms. JONAS. Absolutely, Mr. Chairman. My understanding is that we provide quarterly reports on the expenditure of the funds.

Senator STEVENS. That is in gross. We have got that. Yes, we have got, we spent x billion dollars.

Ms. JONAS. Okay. I believe that we provide account-level detail, but we will provide this subcommittee whatever it needs to properly assess the proper expenditure of funds and the requests before you, sir.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. Again, I am sad that the other people are not here. We will submit the questions and will ask Senator Inouye if he wishes to submit any.

Thank you very much.

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

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

BASIC ALLOWANCE FOR HOUSING

Question. The Services have expressed concern about the lack of flexibility to fund emergent requirements or to cash flow combat operations if Basic Allowance for Housing and Facilities Sustainment, Restoration and Modernization funding are appropriated in the Military Quality of Life and Veterans Affairs Appropriations bill for fiscal year 2007. Please explain the impact this change will have on budget execution with the Department?

Answer. The reorganization of the Department of Defense (DOD) and the Military Construction Appropriations Bills poses significant financial management challenges for the Department. As proposed, the reorganization moves the following programs out of the DOD Appropriations Bill into a new Military Quality of Life and Veterans Affairs Bill:

- Facilities Sustainment, Restoration and Modernization (FSRM) (Currently, generally funded as part of the Services' Operations and Maintenance appropriations.)
- Defense Health Program (DHP)
- Environmental Programs (Currently funded in transfer accounts; most of the funds are transferred to the Services' Operations and Maintenance accounts for execution.)
- Basic Allowance for Housing (BAH)

Splitting the Operation and Maintenance and Military Personnel appropriations into two bills: creates suboptimal tradeoffs within each of the separate bills; constrains the Department's ability to react to emergent execution requirements; and adds additional administrative burdens on both DOD and congressional staffs.

The Military Construction Appropriations Bill does not include general transfer authority. Year of execution cost increases for BAH or medical care would require the Department to submit supplemental appropriations requests to the Congress.

At a minimum, DOD must have the authority to: transfer funds between and among the appropriations included in the final Acts; increase DOD's General Transfer Authority; and transfer from/to the Foreign Currency Fluctuation appropriations to offset foreign currency losses resulting from a decline in the market value of the U.S. dollar.

Providing authority to transfer funds between and among the appropriations included in the final Acts and increasing DOD's General Transfer Authority, will help mitigate, but not solve issues 1 and 2 above. For example:

—*DOD Contingency Operations.*—The new bill structure will make it more difficult to finance contingency operations, such as Operation Iraqi Freedom and Operation Enduring Freedom, because historically Commanders use Facilities Sustainment, Repair and Modernization (FSRM) funding to cash flow critical war fighter needs until a supplemental is received.

During fiscal year 2005, the Department cash flowed significant percentage of the FSRM funds to finance operational requirements. Any delay in enactment of the supplemental will make it more difficult to execute the Global War on Terror (GWOT).

—*BAH.*—Annual funding of BAH fluctuates based on a number of factors, including the number of military personnel, grade structure, dependency rates and the availability of military housing. In addition, to provide Service members with the most accurate allowance possible, BAH rates are set outside of the budget cycle.

—At present, due to the large size of the military personnel appropriations (over \$100 billion), the Department has managed BAH fluctuations within the current appropriation structure.

—If transfer authority between appropriations and across appropriations Acts is not provided, DOD would have to seek supplemental funds to avoid any pay problems for our military members and their families.

—Even if transfer authority is provided, DOD would need to formally reprogram funds causing delays and possible pay problems if shortfalls are realized late in the year. It also increases the risk of pay errors due to payment of military personnel from duplicative accounting infrastructure required for BAH and other military compensation.

—None of the current military pay and accounting systems has the functionality to properly pay the BAH from a separate account. Time to make the changes depends on the system and the complexity of the change. At a minimum, it will require 6 months from the time when all requirements are known.

Question. I understand that rate changes in Basic Allowance for Housing have caused significant bills for the Services, particularly the Navy. Can you explain how the Department would fund these requirements if Basic Allowance for Housing is funded in the Military Quality of Life and Veterans Affairs Appropriations bill?

Answer. The current unfunded fiscal year 2006 estimate for the BAH program is over \$800 million. This is due to both an increase in inflation after the fiscal year 2006 President's Budget was submitted, and the impact of congressional reductions in fiscal year 2006.

How the Department would fund these requirements depends on the flexibility provided in the law for reprogramming funds. In the past, BAH shortfalls have often been financed from within the military personnel appropriations due to variances in force level execution (the number of personnel, or the mix of personnel by officer/enlisted and by grade).

If flexibility is provided to reprogram between the Defense Appropriations Bill and the Military Quality of Life Appropriations Bill, the Department would more than likely reprogram resources from the military personnel appropriations; if additional resources are required, other programs would be considered. If there is no flexibility to reprogram from outside the Military Quality of Life and Veterans Affairs Appropriations bill, and general transfer authority is provided to reprogram resources among Quality of Life accounts, then Facilities Sustainment, Restoration and Modernization (FSRM) funding would likely be the source. If no general transfer authority is provided, the Department would be forced to submit a supplemental appropriations request.

Even if transfer authority between appropriations and across appropriations acts is provided, the proposed realignment would require the Department to formally reprogram funds causing delays and possible pay problems if shortfalls are realized late in the year.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

CORROSION COSTS

Question. Since the return on investment is so great and the annual costs of corrosion so high, why is the Department of Defense reducing this budget and recommending only \$13 million for the corrosion prevention and control?

Answer. The Department of Defense agrees that significant funding for corrosion prevention and mitigation is warranted. The Congressional mandate manifested in 10 U.S.C. 2228 requiring the corrosion prevention and mitigation program has illuminated the problem and drawn the attention of a much wider audience throughout DOD. However, we must be judicious in determining the size of the investment. The Global War on Terrorism, international and national disasters, and other high priority competing programs have severely stretched the DOD budget. The DOD Corrosion Prevention and Control Strategic Plan, our long term strategy, depicts an integrated approach in preventing and mitigating corrosion of DOD's weapons systems and infrastructures. This approach entails R&D; training; outreach and communications; specifications, standards and qualification processes; policy and requirements; facilities; and cost of corrosion and other metrics. Funding specific projects with high and measurable ROIs is just one of the several approaches identified in our Strategic Plan to combat corrosion. Therefore, the current level of investment is appropriate as we continue to validate the projected return on the \$27 million investment in the fiscal year 2005 and the \$14 million investment in the DOD Corrosion Program. It is critical to our continued success to show quantitatively and objectively that the projected cost avoidance associated with our corrosion projects is real and demonstrable. We plan to continue supporting science and technology investment in corrosion understanding and prevention technologies to maintain a supply of transitionable research products for current and future forces.

Question. Can we expect to see an increase in corrosion funding in the future, so we can take advantage of potential savings?

Answer. We will evaluate the results of the cost of corrosion baseline study and the results of funded corrosion prevention and control projects with other Department requirements. The Under Secretary of Defense (Acquisition, Technology and Logistics) is evaluating the requirements in consideration for the next budget cycle.

SUBCOMMITTEE RECESS

Senator STEVENS. If there is nothing further, the subcommittee will stand in recess.

[Whereupon, at 3:19 p.m., Tuesday, March 7, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, MARCH 15, 2006

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

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens, Cochran, Burns, and Inouye.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

**STATEMENT OF THE HONORABLE DAVID C. WINTER, SECRETARY OF
THE NAVY**

ACCOMPANIED BY:

**ADMIRAL MICHAEL G. MULLEN, CHIEF OF NAVAL OPERATIONS
GENERAL MICHAEL W. HAGEE, COMMANDANT, MARINE CORPS**

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. My apologies, gentlemen. I had a visit from one of the youth commissions in my State, that had a few questions. I hope you've got the answers. We're pleased to welcome the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps today, to discuss the fiscal year 2007 budget.

Secretary Winter, Admiral Mullen, this is your first appearance before the subcommittee and the co-chairman and I, and our whole subcommittee welcome both of you.

The Department of the Navy budget request for fiscal year 2007 is \$127.3 billion. Approximately \$4.4 billion above the level we provided last year, excluding supplementals.

We look forward to hearing about your priorities for these funds, and about the current status of the Navy and the Marine Corps, and we're also interested in the recent four structure changes, such as stand up of the new Marine Corps Special Operations Command, and the new Riverine Force. We hope you will share with us some of the challenges facing the Navy and Marine Corps team. And such as the need to reconstitute the force after returning from operations in the war theatre.

As always, your statements will appear in the record in full, as though read. Let me turn to other Members here, to see if they have any opening statements.

Mr. Chairman.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. I thank you very much, Mr. Chairman and gentlemen. I join my chairman in showing our appreciation that you've joined us today to testify before this subcommittee. Mr. Secretary and Admiral Mullen, we welcome you for your first appearance before this subcommittee and General Hagee, it's always good to see you. Sir, welcome back.

Mr. Secretary, you and your military partners present a shared vision for the Navy and Marine Corps. One that seeks to modernize your forces while bringing the marines and Navy into a closer and more efficient partnership. Admiral, we recognize your requirement to modernize the fleet, to ensure that we do not continue to reduce the number of ships.

General Hagee, we also see the need to rebuild our marine forces as they return to duty from Iraq. We hope to learn today how you will balance these modernization goals, while still providing sufficient funding to steam your ships, train your pilots, support the quality of life programs, such as military healthcare that are very vital to retention.

Mr. Chairman, as you are aware, this is a challenging period for our military forces. They are being called upon increasingly to serve in harm's way. At the same time, the Defense Department has adopted policies which either reduce their forces, or increase commitments within the same force structure. We know these policies could strain our marines and Navy if they are not implemented with great care.

Gentlemen, this is a tough assignment. We appreciate that you've joined us today and look forward to the meaningful discussion on balancing the needs of our maritime forces within budget limits.

Thank you, very much. Mr. Chairman.

Senator STEVENS. Chairman of the full Committee.

PREPARED STATEMENTS OF SENATORS THAD COCHRAN AND CONRAD BURNS

Senator COCHRAN. Mr. Chairman, I'll be glad to put a statement in the record. Thank you very much.

Senator STEVENS. Senator Burns.

Senator BURNS. Same with me, Mr. Chairman. I think we want to hear from the witnesses today.

[The statements follow:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to welcome Secretary Winter, Admiral Mullen, and General Hagee to this hearing. We appreciate your cooperation with this committee as we review the requests for appropriations for the Navy and Marine Corps. We also appreciate the response to the needs of disaster victims in the Gulf Coast region in the wake of Hurricane Katrina. I'd also like to thank General Hagee for the Marines' outstanding support provided to Mississippi's 155th Separate Armor Brigade while they were deployed to the Anbar Province and attached to the Second Marine Expeditionary Force.

I join you, Mr. Chairman, in praising the performance of our military forces. They reflect great credit upon our country. We continue to keep them in our prayers as they maintain their legacy of sacrifice and service.

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Thank you, Mr. Chairman. Secretary Winter, Admiral Mullen, General Hagee.

First of all, I want to congratulate you for the tremendous service that your sailors and Marines are providing to win this war on terror. Our sailors and Marines are deployed all over the world. These great Americans are carrying the weight for our nation.

In fact the future of the Middle East rests in the battle tested hands of your young men and women who now serve all over the world. We have a unique opportunity to bring stability to an area of the world that has not known peace in generations. This opportunity will not come again. We must do everything we can to ensure that our courageous men and women have the tools they need to succeed around the world.

Senator STEVENS. Mr. Secretary, we're pleased to have your statement.

Mr. WINTER. The Chairman, Senator Inouye, members of the subcommittee—

Senator STEVENS. Can you pull that mic back toward you a little bit, Mr. Secretary? Thank you.

Mr. WINTER. Thank you for the opportunity you've given the Navy and Marine Corps team to appear before this subcommittee. But before I start, I would like to express my deepest sympathy to Senator Inouye and his family on behalf of the entire Department of the Navy. Sir, you have our deepest sympathies.

Now today, I'm joined by Admiral Mullen and General Hagee, and I could not ask for better, more honorable teammates. It is a true pleasure to work with them. Now each of us has provided a statement to this subcommittee and I appreciate the inclusion of those statements into the record.

These documents outline in detail, this Department's priorities. Our top priorities are clear. We must prosecute the global war on terror today, while deterring potential adversaries and reset the force for tomorrow.

Mr. Chairman, let me be blunt: We are a nation at war. Support for sailors and marines in the Iraqi theatre of operations is our most urgent task, and I am focused daily on what the Navy and Marine Corps can do to help achieve victory in Iraq and against terrorists elsewhere around the globe.

I am now in my third month as Secretary. Being a firm believer in the idea that there is no substitute for personal observation, I recently made my first visit to Iraq and to the 5th Fleet. I met with sailors and marines at a number of major naval bases in the United States, and overseas, and visited several leading shipyards on the east coast.

During my visit to Iraq last month, where I traveled throughout Al Anbar province from Falluja to the Syrian border, I spoke to hundreds of marines and sailors on an individual basis and the experience has left me with more pride and admiration for their courage and commitment, than I have thought possible. I was truly struck by their genuine enthusiasm and professionalism, and humbled by their achievement.

It is difficult to describe the feeling one gets, for example, after meeting a team of four marines in Al Taqaddum, southwest of Baghdad, standing in front of a mangled and broken Humvee—a vehicle destroyed by an improvised explosive device (IED) while they were patrolling in it just days before. But though the vehicle

was damaged beyond repair, all four marines were healthy, resolute, and determined—ready to go back out on patrol.

Mr. Chairman, the courage of those four marines is symbolic of the courage shown by countless others on duty in the global war on terror, and it is inspiring to all of us who serve our Nation.

There are countless unsung heroes—yes, heroes—doing extremely important work under demanding conditions on land and at sea, 24 hours a day, 7 days a week, all over the globe.

To highlight one other example, Navy sailors are guarding strategically vital oil terminals off the coast of Iraq, thereby protecting not only Iraq's, but the world's economy from attacks by terrorists. They know the importance of their mission and they take great pride in doing it well.

Now I would like to thank this subcommittee for its strong support for the Navy and marines. Your visits to forward deployed marines and sailors are essential, and they are deeply appreciated by those serving so far from home.

The same applies to visits to wounded heroes at Bethesda Naval Hospital, Walter Reed Medical Center, and other medical facilities. I know from my own visits with injured sailors and marines that your personal concern and support means a great deal to these young patriots who have sacrificed so much in the service of this Nation.

PREPARED STATEMENT

Thank you, Mr. Chairman. I look forward to your questions.
[The statement follows:]

PREPARED STATEMENT OF HONORABLE DONALD C. WINTER

*Providing the Right Force for the Nation Today . . . While Preparing for the
Uncertainties of Tomorrow*

INTRODUCTION

Mr. Chairman and members of the Committee, thank you for the opportunity to appear before you today. I recently had the opportunity to visit our forces in Iraq. This was my first visit to Iraq. I was truly impressed by the genuine enthusiasm and drive of our forces. Our Marines and Sailors believe in what they are doing and they are performing superbly in very challenging circumstances. From the Iraqi-Syrian border region to Iraq's off-shore oil terminals, our troops are making a difference in the transition of Iraq to a democratic nation. Our troops recognize they are making a difference and are proud of what they do. And, I am very proud of what they are doing to win the war. It is not an easy battle but one that, with the support of the American people and Congress, we can and will win. Your continued support of our Sailors and Marines has a profound, positive impact on our ability to provide matchless naval forces for the defense of the United States.

Throughout the world, the Navy and Marine Corps Team continues to answer the Nation's call and play a leading role in the Global War on Terror (GWOT). During 2005, the versatility and flexibility of expeditionary naval forces were repeatedly demonstrated while undertaking missions that ranged from major combat operations in Afghanistan and Iraq, to Humanitarian Assistance and Disaster Relief (HA/DR) operations in Indonesia and on our own Gulf Coast after Hurricanes Katrina and Rita.

Providing the right force for the Nation today, in a time of war, is not the only challenge. We must also prepare for the uncertainties of tomorrow that include future terrorists and other emerging asymmetric threats, as well as potential peer competitors. All of these will require Navy and Marine Corps forces capable of preserving America's longstanding maritime dominance.

Naval forces have inherent, unique warfighting capabilities that include global access, a non-intrusive footprint, persistent presence, and expeditionary power that al-

ways figure prominently in the President's deliberations during times of crisis. Far-sighted leaders in Congress, recognizing naval forces' unique strengths, deserve our thanks for the key resource decisions they have made in recent years.

This past year featured a long and impressive list of Navy and Marine Corps achievements in support of GWOT. Last year in Iraq, Navy and Marine Corps personnel proved critical to the achievement of wartime objectives. A Marine Expeditionary Force conducted operations in Al Anbar province, the heart of the Baathist insurgency, and was successful in ensuring security for the historic elections in January and December 2005. Marines also executed missions in Afghanistan and the Horn of Africa. Sailors were deployed to U.S. Central Command (USCENTCOM) in various missions ashore, requiring boots on the ground. Missions were performed by SEALs, Seabees, Military Police (MP), Explosive Ordnance Disposal (EOD), medical, intelligence, civil affairs, and other support personnel.

The flexibility and professionalism of naval forces were also on display in providing humanitarian relief to tsunami victims in South Asia, earthquake victims in Pakistan, and to our own citizens along the Gulf Coast. After Hurricane Katrina hit, naval forces responded with 23 ships, more than 12,000 Sailors and Marines, and 104 aircraft to evacuate more than 8,000 victims and deliver more than 2 million pounds of food and countless gallons of water. The zeal and professionalism with which Sailors and Marines rushed forward to save lives and provide comfort to the afflicted were brought under an international spotlight, proving once again that naval forces have the versatility to serve as first responders with global reach.

In carrying out these missions, from Kabul to Baghdad, and Indonesia to New Orleans, the Navy and Marine Corps performed superbly, taking advantage of their unique capabilities to engage the enemy or rescue those in distress, achieving objectives ranging from eliminating a terrorist enclave to building enduring relationships and gaining influence through our goodwill gestures. Faced with the strategic imperatives of providing the right force for the nation today, while simultaneously building naval capabilities for the challenges of tomorrow, the Department must continue on its course towards transformation and modernization. Funding technologies and weapons systems that will enable naval forces to enlarge their contributions to GWOT is our most urgent task. Investing in the ships, aircraft, submarines, and Marine Corps warfighting equipment and people to preserve this Nation's historic naval power to dissuade or deter peer competitors, to prevail in war, and to win hearts and minds, remains an enduring, fundamental strategic requirement.

Responsible and successful statesmanship requires matching strategic ends to available means. This requires trade-offs and hard choices in a security environment where errors or misjudgments can result in significant consequences. The Department of the Navy's portion of the President's Budget for fiscal year 2007 is the product of a realistic, rigorous assessment of naval requirements, resources, and priorities. It reflects both wartime exigencies and prudent investments, with a vigilant eye on the uncertainties of tomorrow.

As Navy and Marine Corps forces are actively engaged in combat operations in Iraq, Afghanistan, and stand ready around the globe, we have a solemn duty to ensure that our Sailors and Marines are trained, equipped, and prepared for all missions. The fiscal year 2007 President's Budget meets these requirements.

FISCAL YEAR 2007 BUDGET PRIORITIES

In support of the Department of the Navy's mission and as validated by the 2006 Quadrennial Defense Review (QDR), the fiscal year 2007 President's budget provides the right force for the Nation today, prepares for the uncertainties of tomorrow, and effectively manages the risk imposed by legitimate fiscal constraints.

The fiscal year 2007 budget includes \$127.3 billion for the Department of the Navy, an increase of \$4.4 billion over last year's baseline appropriations.

In fiscal year 2007, every appropriations category increases except for Research and Development (R&D). Military Personnel accounts increase due primarily to health care costs and retired pay. Operating accounts increase because of the rising cost of fuel, and to support higher readiness levels that overall generates a more cost-efficient use of valuable naval assets. Procurement accounts increase as we build the future fleet. The R&D accounts decrease as a result of programs transitioning from development to production. The following summarizes the fiscal year 2007 budget highlights for the Department of the Navy:

Personnel Salary and Benefits.—The fiscal year 2007 President's budget includes an increase of \$1.4 billion in military personnel spending which includes a basic pay raise of 2.2 percent for all service members, health benefits, a 5.9 percent increase in housing allowance, special pays, and targeted pay raises for warrant officers and

mid-grade/senior enlisted personnel. As a result of targeted pay incentives, the Navy and Marine Corps achieved nearly every active duty recruiting and retention goal with exceptions found only in highly technical specialties. To maintain momentum, the Navy and Marine Corps have increased funding for enlistment bonuses. Congressional support is appreciated for the re-enlistment bonus increases slated for selected technical ratings.

Operation and Maintenance.—The fiscal year 2007 President's budget increases Operation and Maintenance by \$2.1 billion. As part of a joint warfighting team, the Navy and Marine Corps will control the seas, assure access, and project offensive power and defensive capability to influence events at sea and ashore. The ability of naval forces to meet the Combatant Commanders' requirements is a function of their combat readiness. The Navy's Fleet Response Plan (FRP) produces adaptable force packages and better sustains readiness throughout a unit's operational cycle to ensure the availability of fully ready Carrier Strike Groups (CSG) and other fleet assets. The goal of FRP is to provide the Nation with 6 CSGs within 30 days, and an additional CSG within 90 days. Fiscal year 2007 funding will invest in future readiness for an experienced and trained fleet and will also provide better trained, safer, and more lethal Marines before they deploy. Marine forces preparing for combat operations also require additional training resources. Fiscal year 2007 funds will also pay to implement the following new joint capabilities, which reflect an increased role for the Department of the Navy in prosecuting GWOT:

- The Marine Corps Special Operations Command (MARSOC) will enhance interoperability, and provide greater flexibility and increased capability to conduct irregular warfare.
- Regeneration of a Navy Riverine Capability will fill a critical capability gap by extending operations into the "brown water" environment, and provide additional opportunities to build partner-nation cooperation.
- The Expeditionary Security Force will increase the effectiveness of shipborne security and maritime interdiction operations by supporting intercept and boarding capabilities in every CSG/ESG, as well as providing high end defensive capabilities within the Navy in support of force protection, harbor/port defense, and protection of maritime infrastructure.
- The National Maritime Intelligence Center, serving as the Nation's Global Maritime Intelligence Integration Center, will increase Maritime Domain Awareness (MDA) by strengthening interagency operations and enhancing partner-nation cooperation.

Shipbuilding Account.—The fiscal year 2007 budget for shipbuilding ensures that tomorrow's fleet will remain the world's preeminent. In fiscal year 2007, fourteen ships will be delivered to the Navy that include: four Amphibious Transport Dock ships (LPD)—(Hurricane Katrina impact may delay two ships to fiscal year 2008), three Dry Cargo and Ammunition ships (T-AKE), three Guided-Missile Destroyers (DDG), one Amphibious Assault ship (LHD), one Attack submarine (SSN), and one Oceanographic Survey ship (T-AGS). Also, the first of its class Littoral Combat Ship (LCS) will be delivered, built in less than two years. This is the payoff of previous years' investments toward buying naval capabilities for the future.

Aviation Account.—The fiscal year 2007 budget increases aviation procurement by \$1.2 billion to support the continued acquisition of critical programs including the Joint Strike Fighter (JSF), F/A-18E/F, EA-18G, MV-22, AH-1Z/UH-1Y, MH-60R, MH-60S multimission helicopters, and the Joint Primary Aircrew Training System (JPATS). Funding for 165 aircraft in fiscal year 2007 reflects an increase of 31 aircraft over fiscal year 2006, and a total of 1,150 new aircraft over the Future Years Defense Plan (FYDP).

Marine Corps Ground Equipment Accounts.—High Mobility Multi-Purpose Wheeled Vehicle (HMMWV), Light Armored Vehicle Product Improvement Program (LAV PIP), Lightweight 155 mm Howitzer (LW-155), High Mobility Artillery Rocket System (HIMARS), and the Assault Breaching Vehicle (ABV) are vital programs funded in this budget. The Expeditionary Fighting Vehicle (EFV) begins initial low rate production in fiscal year 2007.

Research, Development, Test & Evaluation (RDT&E) Account.—In fiscal year 2007, research and development decreases by \$1.8 billion, reflecting acquisition maturation and the transition to production. Additionally, there is a transfer of \$280 million from Navy R&D to Defense Wide R&D for Joint Forces Command efforts. Critical Shipbuilding programs include CVN 21, DD(X), LCS, Joint Highspeed Vessel and the SSN 774 Virginia-Class submarine. Critical manned aviation programs include the Joint Strike Fighter (JSF), P-8A Multi-Mission Maritime Aircraft (MMA), VH-71 Presidential helicopter replacement, E2D, EA-18G, and CH-53K.

Providing the Right Force for the Nation Today . . .

NAVAL WORKFORCE

Those of you who have visited forward deployed Navy and Marine forces, as I have recently done, know that naval forces include the best of America's young men and women. I am energized every time I have an opportunity to meet and talk with our Sailors and Marines. It is pure joy each time I reenlist or promote these true patriots. I deeply admire their willingness to continue their service and swear an oath of allegiance knowing the dangers and hardships they face. My visits reinforced the highest regard I already hold for the tremendously dedicated men and women who serve our Nation, in uniform and out, and for their leadership.

Commitment to the welfare and professional development of these Sailors and Marines is a top priority. I give the same emphasis to safety. The Department is making investments in protecting Sailors and Marines through accident prevention initiatives and with armor and specialized equipment. Our Sailors and Marines, civilians, and contractors deserve our very best efforts to maintain their continued safety and welfare.

The rising cost of naval manpower continues to drive the overall budget significantly. While the Department continues to increase performance efficiency through targeted manpower reductions, total manpower costs continue to rise. We must invest in this force so that it remains technically competent, properly equipped, and well trained.

Protect Sailors and Marines.—Protecting Sailors and Marines is a top priority. In response to growing force protection concerns in Iraq and Afghanistan, the Department has expeditiously acquired technology and hardware to equip Marines and Sailors for current wartime operations.

—*Personal Protective Equipment.*—Every Marine, Sailor, and Department of the Navy civilian is issued a complete set of body armor before going into Iraq or Afghanistan. They are outfitted with the Interceptor Body Armor System, including Outer Tactical Vests, Small Arms Protective Inserts (SAPI), ballistic helmets and ballistic goggles. Enhanced SAPI plates have been providing a significant force protection improvement, with 13,798 sets fielded. In June 2005 the Marine Corps identified the need for armor side plates. Delivery to the field began in November 2005, and to date 11,614 sets of body armor side plates have been shipped to theater, and an additional 9,000 sets will be fielded during the third quarter of fiscal year 2006. Other initiatives, such as an improved lightweight combat helmet, and lower face and body armor, are under development.

—*Vehicle Hardening.*—Since August 2004, all Marine Corps vehicles operating outside Forward Operating bases have been equipped with Level II armor or better. The Marine Corps worked hard to replace the first generation armor with this improved zonal protection.

—A fiscal year 2006 bridge supplemental of \$179 million is procuring the final 524 M1114s (Up-Armored Armament Carrier configuration of the HMMWV family) to fill the requirement for 2814 M1114s, by September 2006. The Marine Corps Systems Command and the Marine Corps Warfighting Lab teamed with the Army Developmental Test Command to test and rapidly assess various materials for use in vehicle hardening, to include improved ballistic glass, armor, and ceramics. These added armor capabilities have been incorporated into the next generation of vehicle hardening initiatives: the Marine Armor Kit (MAK) for the HMMWV, and the Medium Tactical Vehicle Replacement (MTVR) Armor System (MAS). MAK and MAS armor are replacing previous generations with an integrated, comprehensive (improved perimeter, top, and under-body) armor kit. A total of 2,660 HMMWV MAK installations were completed by November 2005. MTVR MAS kit installation is over 60 percent complete with an estimated completion date of May 2006 for the remaining vehicles.

—*Counter IED Technology and Equipment.*—The Department has aggressively developed technologies to counter the threat posed by Improvised Explosive Devices (IEDs) in Iraq and Afghanistan. I recently had the opportunity to visit our forces in Iraq. From first-hand observation, I can assure you that we are working the IED problem comprehensively and with a great sense of urgency. IEDs are a continuously evolving problem and we are constantly evolving our response. We are effectively addressing challenges associated with IEDs.

The Department of Defense (DOD) designated the Navy as the single manager for Explosive Ordnance Disposal (EOD) technology and training responsible for the development of Joint Service EOD technology. The Department has fully supported the Joint IED Defeat Organization with leadership as well as delivery to Iraq of a number of high and low powered jammers. The Office of Naval Research (ONR) is

focusing on long-term (5–10 years) research for solutions to countering the IED threat. Over 450 responses to their Broad Agency Announcement have been received and are currently being evaluated.

Recruit/Retain the Right Force.—With advances in the technology of weapons systems and platforms requiring personnel with highly specialized knowledge of computers and engineering, Navy and Marine Corps recruiters must target the top of the talent pool. Those who join and are subsequently trained to further develop their skills become increasingly valuable and are difficult to replace. Monetary incentives to recruit and retain are important, but not sufficient. Effective leadership and the sense that one is engaged in a noble, rewarding profession are even more important in motivating talented people to serve the Nation.

—*Pay Compensation Initiatives.*—Officer retention rates remain well above the historical lows of the late 1990s. The improvement is directly attributable to targeted incentive/critical skill pays established to address shortfalls. Despite the current positive retention trend, shortfalls remain in the Lieutenant Commander through Captain ranks in the Surface and Submarine communities. The use of continuation pay to target shortfalls will be continued.

—*Family Support.*—Military service places unique demands on families and communities. The fiscal year 2007 President's budget for family and community services supports my personal emphasis on our people. It improves recruiting and retention, and supports our personnel in times of crisis. Family support programs and services assist in achieving operational readiness and improve retention by caring for our families. The Marine for Life—Injured Support Program provides continuing care for the critically injured Marines and Sailors serving with Marines. A robust family support system is an essential element to maximizing every Sailor's and Marine's quality of service, and is my personal priority.

—*Housing Initiatives.*—Improving housing is a top priority as we recruit, retain, and improve the naval workforce. The complete elimination of inadequate military housing is our goal. The Department's housing strategy focuses on several areas including zero average out-of-pocket expenses for Sailors and Marines by raising Basic Allowance for Housing (BAH) in high-cost areas, completing construction of new housing units, and completing our successful program of privatizing military family housing. Additional initiatives include maintaining the "Homeport Ashore" program that constructs new housing for single, junior (E1–E3) personnel currently living onboard their ships, even while in homeport. Marine Corps improved housing for single Marines will be completed by fiscal year 2011.

—*Healthcare.*—Providing superb health care to Sailors, Marines, and their families is a critical part of the Department's support for personnel. The fiscal year 2007 budget includes an increase in funding to support healthcare accrual costs. Navy medicine is focused on supporting the deployment readiness of the uniformed services by delivering the right medical care for the fleet and Fleet Marine Force while providing for the health care needs of families and retirees. This health care includes improved post deployment care for returning Marines, Sailors and their families.

Shape the Force to Match the Need.—As the world gets more complex, the future force must continue with technology intensive training, but must also develop new skill sets as we move from the blue to the green and brown water environments. Advances in ship and systems designs will allow us to use technology to improve warfighting readiness, while skills like cultural awareness and foreign languages will enhance our effectiveness as we operate across the littorals and ashore. Future emphasis will focus on matching the right skills and experience to the right place at the right time, and providing the personal and professional tools needed to succeed.

Moving forward to execute a comprehensive strategy to enhance combat effectiveness in the 21st Century, the Department is designing a force that is aligned, shaped and developed to current and future mission requirements. In order to reduce and reshape the force, incentives and tools are needed to identify personnel in obsolete or overmanned skill sets. The Perform-to-Serve and Early Release programs are two examples that have helped create a more experienced, better trained, and smaller force.

OPERATIONS

Today, Sailors and Marines are postured worldwide, fighting the war on terror, deterring aggression by would-be foes, preserving freedom of the seas, and promoting peace and security. On February 15, 2006, 141 ships (50 percent of the

Battleforce) were underway of which 97 ships (35 percent) are forward deployed. Navy active strength totals 357,474 of which 5,298 are mobilized Reserves. Marines are forward deployed worldwide, including the combat zones of Iraq and Afghanistan. Marine Corps strength totals 179,139 with 7,040 mobilized Reserves.

Project Naval Power in the Global War on Terror.—Winning the GWOT is our number one strategic priority. Sailors and Marines are actively engaged in operations in both Iraq and Afghanistan, as well as in counter-terrorist operations in the Horn of Africa, the Philippines, the Persian Gulf, and elsewhere around the globe.

Currently over 26,000 Marines are serving in the CENTCOM Area of Responsibility (AOR), together with both sea- and shore-based Navy personnel in support of Operations IRAQI FREEDOM and ENDURING FREEDOM. Marines continue to conduct operations in the Al Anbar province of Iraq with counter-insurgency operations in the Euphrates River valley and other locations in Iraq. Training of Iraq forces is of particular importance. In Afghanistan, Marines provide a reinforced infantry battalion to the multi-national forces, and three Embedded Training Teams within the Afghan National Army. These teams train, mentor, and operate with their Afghan counterparts. Building up the capacity of our partners is critical to the strategy of countering extremist influence in the war on terror.

All together there are over 10,000 Sailors serving ashore throughout the CENTCOM AOR including more than 4,000 in Iraq, and an additional 2,600 in Kuwait that include SEALs, Seabees, MPs, EOD, medical, intelligence, legal, civil affairs, and other support personnel. Navy CSGs and ESGs continue to deploy in support of GWOT, conduct combat operations in Iraq and Afghanistan, execute counter-piracy missions, and provide humanitarian assistance and disaster relief such as the tsunami relief, Pakistani earthquake, and on our own Gulf Coast after Hurricanes Katrina and Rita. Additionally, there are approximately 400 Sailors in Afghanistan and 700 Sailors at the Guantanamo Bay Naval Station, where the Navy is scheduled to assume responsibility for the Joint Task Force in the Spring of 2006.

Improve Surge Capability.—The GWOT requires a naval force capable of surging to protect our interests throughout the world. The FRP is the operational framework that capitalizes on investments that have been made for higher readiness throughout a unit's operational cycle. By leveraging increased readiness under the framework of the FRP, the Navy has responded to support Combatant Commanders around the globe. The Navy today is meeting all commitments with trained and ready forces, and taking on new roles to address security challenges. The Marine Corps accounts for 4 percent of the DOD budget while providing 23 percent of the nation's active-duty ground forces. Currently, over 39,000 Marines are forward deployed conducting combat, peacekeeping, humanitarian assistance, and training missions worldwide. This investment in expeditionary combat power is more than just a good value; it is a product of focused, responsible stewardship.

Enhance Homeland Security.—The Navy has established a strong cooperative working relationship with the U.S. Coast Guard in support of maritime defense operations. The existing DOD/DHS Memorandum of Agreement (MOA) enables rapid provision of Coast Guard forces to the Navy in the event of a national crisis. The Services are currently working the modalities of inter-service cooperation cited in the Maritime Operational Threat Response plan of the President's National Strategy for Maritime Security. Additionally, the Department will remain prepared for CONUS consequence management with capabilities that include maritime and aviation assets for logistics, Search and Rescue (SAR), EOD, headquarters and communication platforms, medical, salvage, and Seabee construction support.

Increase Maritime Domain Awareness (MDA).—Protection of the U.S. homeland and critical interests around the world requires a strong commitment to enhancing MDA, a key component of an active layered maritime defense in depth. The U.S. Navy is a vital part of this initiative. The Presidential Directive for Maritime Security Policy calls for a national plan to achieve MDA. The Navy actively participates in the National MDA Implementation Team with U.S. Northern Command (NORTHCOM) and 19 other agencies to develop an investment strategy. The team is improving MDA through interagency cooperation, developing and strengthening relations with international partners, and accelerating investment in multinational coordination, such as the Automatic Identification System (AIS), and the Multinational Information Sharing System (MNIS). Proliferation Security Initiative (PSI) and the Container Security Initiative (CSI) are important tools in this effort. Additionally, the Navy and Coast Guard are exploring other focused technology areas including data fusion and anomaly detection capabilities to enable analysts and watchstanders to transform large quantities of data into actionable intelligence.

Provide Humanitarian Assistance/Disaster Relief.—The Navy and Marine Corps Team can rapidly respond to crises around the globe to provide combat power pro-

jection or humanitarian assistance and disaster relief. After the tsunami struck South Asia late last year, forward-deployed naval forces were the first on-scene providing life-saving assistance. Within a few days of the disaster, USS ABRAHAM LINCOLN (CVN 72), USS BONHOMME RICHARD (LHD 6) and supporting ships arrived off the coast of Indonesia, and commenced ferrying supplies ashore and evacuating critical patients to sea-based medical facilities.

During the relief operation, over 25 ships with embarked aircraft and landing craft, and the hospital ship USNS MERCY (T-AH 19), delivered more than 24 million pounds of relief supplies and treated over 6,500 patients. Recovery and relief in Pakistan following the devastating earthquake were led by on-station Navy and Marine Corps units. These kinds of missions show our nation's compassion and are just as important as showing our military strength.

When Hurricanes Katrina and Rita left a swath of destruction across our southern Gulf Coast, the Navy and Marine Corps Team responded. Ships of all types sortied from their homeports to the Gulf of Mexico. Navy and Marine Corps helicopters from air stations around the country quickly flew into New Orleans in the critical first few days following the storm to rescue thousands of stranded citizens. USS BATAAN (LHD 5), conducting training exercises in the area, was first to respond. USS IWO JIMA (LHD 7), our newest amphibious assault ship, transited from Norfolk and docked pierside in New Orleans to serve as a joint, interagency command and control center, a landing strip for a multitude of helicopters, and a base for rescue workers. USS HARRY S TRUMAN (CVN 75) sortied from Norfolk to act as an additional aviation platform for ferrying relief supplies. Navy and Marine Corps Reserve personnel used their amphibious training and equipment for rescue operations, and in many cases, were the first help to arrive on-scene. The hospital ship USNS COMFORT (T-AH 20) surged from reduced operating status in Baltimore to be on-scene in a few days. Bases at Gulfport and Meridian provided over 7,000 meals a day to evacuees, military personnel and relief workers. Marines flew 815 sorties and transported 1.1 million pounds of cargo and 5,248 passengers. A total of 446 rescue missions were flown, resulting in the recovery of 1,467 personnel. The Seabees built self-contained tent cities that housed 6,500 people each and included hot showers, hot meals and laundry facilities. Fleet and Family Support centers from unaffected Naval Stations moved into the area to set-up "safe haven" programs to help military families deal with the enormous stress that Katrina brought in her wake. All the efforts of the Sailors and Marines focused on helping others in time of need, regardless of geography or circumstance. Carrying on the proud tradition of naval service, they earned a particular sense of accomplishment in these noble missions.

Expand Presence and Capabilities into Littoral and Riverine Environments.—The Navy and Marine Corps are expanding the Nation's ability to extend combat power from the sea to the littoral regions of the world. These regions encompass large portions of the world's populace and hold many vital centers for transportation, commerce, and government. One key initiative, the Naval Expeditionary Combat Command (NECC), will combine a riverine and small boat capability with expeditionary training, security, and logistics, maritime civil affairs, Seabees, EOD, and Mobile Diving and Salvage. This realignment of existing force structure with new warfare initiatives will enhance maritime boarding operations, port security, foreign military training, and crisis/disaster response to create influence and capacity for near-shore and inland waterway operations.

EQUIPMENT

The Department of the Navy is committed to enhancing procurement programs to improve capabilities, efficiency, and productivity. The Department's strategy is to establish consensus for procurement among the Administration, Congress, and contractors to forge a new commitment to building a force for the future, while establishing a stable industrial base.

Simultaneously Reset, Recapitalize, and Modernize Equipment.—Combat operations in Iraq and Afghanistan and the increased operational tempo in support of GWOT are stressing equipment and diminishing pre-positioned stocks of hardware, munitions, and supplies.

Harsh environments, unavoidable maintenance delays, and battle damage are all taking their toll on equipment. The cost associated with resetting the force is above the baseline budget and will be covered with appropriate Supplementals.

Combat operations have subjected much USMC equipment to a lifetime worth of use in just a few years. Many systems are already at or beyond program service life. Examples include the M198 howitzer, HMMWV, EA-6B, CH-53D, CH-46E and

UH-1N. Service life extension programs and innovative forward deployed maintenance programs are helping keep current equipment combat-ready.

Enhance Procurement Programs: Improvements and Affordability.—The Sea Enterprise initiative is transforming naval business processes and driving efficiencies and effectiveness, essentially balancing the “Right Force, Right Readiness, and Right Cost.” Sea Enterprise is changing the Department’s business culture, improving productivity, streamlining processes, and harvesting savings to support higher priorities.

The Department is developing leaders with a better understanding of business strategies, cost control, program risk and rapid flexible design. As stewards of the Department’s acquisition and total ownership processes, the Systems Commands, Direct-Reporting Program Managers (DRPMs), and Program Executive Officers (PEOs) are responsible for furnishing high-quality yet affordable technologies, systems, platforms, training, and support to the operating forces.

To help guard against the danger of procurement fraud, the Department established the Naval Acquisition Integrity Office in the Office of the General Counsel. This office coordinates all parts of the procurement fraud program and provides training and guidance on procurement fraud matters.

. . . While Preparing for the Uncertainties of Tomorrow

SHAPE OUR 21ST CENTURY WORKFORCE

Future combat effectiveness and employment are dependent upon obtaining a force with the right skills in the right place at the right time. The active and reserve military components, civil servants, and the Department’s contractors must continue to adapt to different operating environments, develop new skills, and rebalance capabilities and people to remain prepared for the new challenges of an uncertain future. The Department of the Navy is working to increase efficiency by implementing force shaping tools to target manpower reductions, and by defining the skill-mix of the force to capitalize on new technologies and conduct new missions.

Ensure the Correct Endstrength.—To facilitate transformation, the Navy strength will decrease by 12,000 in fiscal year 2007 to 340,700. The budgeted Navy endstrength reflects a commitment to proper sizing and includes the following initiatives:

- “Sea Swap” rotational crews for smaller ships.
- Decommissioning of older, manpower intensive platforms.
- Improved use of technology to reduce shipboard manning and shorten training pipelines.
- Conversion of military to civilian, as appropriate. This includes the continued conversion of billets on selected Military Sealift Command ships and in medical facilities in rear areas or ashore.

The Marine Corps is realigning within its endstrength to ensure continued readiness to sustain combat capabilities. The Marine Corps is utilizing selected Marine Corps Reserve units and individual augmentees as necessary to maintain essential wartime capability. Baseline funded Marine Corps manning levels for Active and Reserve forces remain the same in fiscal year 2007 at 175,000 and 39,600 respectively.

Develop a Force with the Skills Required for the Future.—Future force attributes such as foreign language skills, cultural awareness, mastering technology and cyberspace, together with traditional warfighting skills will be critical to the Navy and Marine Corps. The Navy is expanding the Foreign Area Officer (FAO) program that will form a professional cadre of officers with regional expertise and language skills to provide support to Fleet Commanders, Combatant Commanders, and Joint staffs. The immediate mission for the community is to rapidly improve the Navy’s ability to conduct theater security cooperation, improve partner capacity in GWOT, and generate actionable intelligence. These personnel will work in complex environments in remote locations and will forge personal relationships that could be useful during times of crisis.

The Marine Corps Center for Advanced Operational Culture Learning (CAOC-L) is the Corps’ “one-stop” clearing house for operational culture and language training. Through focused training for the operating forces, individual training and Professional Military Education, distance learning, and professional reading, it promotes a grasp of culture and language as regular, mainstream components of the operating environment—the human terrain—throughout the full spectrum of military operations.

The Marine Corps is establishing a Marine Corps Special Operations Command (MARSOC) as a component of the U.S. Special Operations Command (USSOCOM).

MARSOC will enhance Marine Corps and USSOCOM interoperability and provide greater flexibility with increased capability to fight non-traditional threats. The mission of MARSOC headquarters will be to organize, man, train, and equip Marine Special Operations Forces. The command's subordinate units will provide training to foreign military units and perform specific special operations missions such as: direct action, special reconnaissance, counterterrorism, and foreign internal defense. MARSOC will be organized into three subordinate elements with an authorized strength of 2,600 Marines and Sailors. The current plan calls for IOC during the fall of 2006 and a full operational capability by 2010.

Active/Reserve Integration.—Active Reserve Integration (ARI) aligns Reserve Component (RC) and Active Component (AC) personnel, training, equipment, and policy to provide a more effective and efficient Total Force capable of meeting dynamic National Defense requirements.

The Navy is currently aligning RC and AC units to better meet Operation Iraqi Freedom and Operation Enduring Freedom requirements and the Navy's vision for our future force structure. RC Helo-Combat Support (HCS) forces will be integrated into AC Helo, RC and AC Explosive Ordnance Disposal (EOD) units are being integrated and two RC Navy Coastal Warfare Units (NCW) are being converted to AC. The Navy established integrated Operation Vigilant Mariner units providing vessel security, as well as Expeditionary Training Teams improving multinational capabilities.

The Navy is studying the role of the RC in future Navy mission areas of Riverine Warfare and Civil Affairs. Ongoing initiatives to meet Operation IRAQI FREEDOM and Operation ENDURING FREEDOM Provisional Unit requirements, AC and RC Sailors are working together to fill billets in Civil Affairs, Detainee Operations, Intelligence, and Reconstruction Team efforts.

Implement the National Security Personnel System (NSPS).—NSPS is a new civilian personnel system, designed to meet the DOD national security challenges of the 21st Century. NSPS will strengthen the ability to accomplish the Department's mission in an ever-changing national security environment. NSPS accelerates efforts to create a total force (active military, Reserve, Guard, civilian, and contractors), operating as one cohesive unit, with each performing the work most suitable to their skills. NSPS will provide a human resources system that appropriately recognizes and rewards employees' performance and the contributions they make to the Department's mission.

CHANGING THE WAY WE FIGHT

The Department of the Navy continues to transition to a force more capable of winning wars, deterring aggression, preserving the high seas, and securing the maritime domain, while ensuring access and sustainability of the Joint Warfighting Team in the blue, green, and brown water arenas. The Navy and Marine Corps team will continue to transform in response to a new force planning construct as articulated in the 2006 QDR. Naval forces will use the sovereignty of the sea and enhanced networked joint Sea Basing to operate without restrictions. The Department's Sailors, Marines, and Civilians will leverage innovative concepts, advanced technologies, and new business practices to increase warfighting effectiveness.

Meeting Future Challenges.—Naval forces will engage potential adversaries as far from the United States and our interests as possible, and during times of crisis will form the leading edge of America's response. The ability of our forces to embrace and prevail in a future characterized by unrestricted warfare and uncertainty will be essential to mission success. The enduring role as our Nation's sea-based force will require that the Navy and Marine Corps Team provide access, fight and win, and continually transform.

Strengthening Joint Concepts and Operations.—The Navy and Marine Corps Team is committed to strengthening and refining concepts and operations as part of the Joint fight. From combat operations in Iraq, to stability operations in the Horn of Africa, to counter-drug operations in the Caribbean, naval forces are increasingly working in concert with other uniformed services and government agencies. Joint acquisition of weapon systems and C4ISR capabilities will increase interoperability and effectiveness while reducing costs. The vision for joint maritime forces, to include the Coast Guard, is a networked fleet that is more capable of projecting naval power in the brown and green waters of coastal areas.

Enhancing Navy's Role in Ballistic Missile Defense (BMD).—National Security Presidential Directive 23 identifies the Navy's role in BMD. That role is to support and ultimately field the maritime elements of the BMD system to support detection, tracking, and engagement of ballistic missile threats in all phases of flight. The Aegis BMD system contributes to the overall plan by providing the capability for

Navy surface combatants, on-station near any area of concern, to detect missile launches, as well as cue and provide fire-control quality tracking information to ground-based interceptors. Additional capabilities to provide area defense by intercepting short- and medium-range ballistic missiles are being delivered to the fleet. USS LAKE ERIE (CG 70), the dedicated BMD test ship, has executed six successful flight tests of the SM-3 missile in seven attempts since 2002. The next test flight is scheduled for June 2006. The Aegis BMD capability has been installed on 12 ships: 2 cruisers (engagement capable), and 10 destroyers (long-range surveillance and tracking capable). By demonstrating the ability to track long-range ballistic missiles, and developing plans to demonstrate a sea-based engagement capability, the Aegis fleet has paved the way for the Navy to play a significant role in the nation's missile defense.

Define Future Force Structure/Capability.—The fiscal year 2007 President's budget supports a larger, more capable naval force structure to meet joint warfighting requirements, presence missions, and GWOT demands. The budget provides for an increase in overall force structure, as well as a significant increase in capability. The annual investments in this budget support the growth of naval forces across the FYDP and lay the foundation for the force structure outlined in the Annual Long Range Plan for Construction of Naval Vessels for Fiscal Year 2007. The plan is to build to a target force structure based on our best estimate of the requirements. The number of ships and types of ships in this target force structure will evolve over time. The Department intends to maintain near term stability to allow proper workforce, process, and capital end product planning. Based on Navy analysis, the capability required to support the QDR Force Planning Construct is about 313 ships of a mix as defined in the long range shipbuilding plan, providing capabilities that will make the fleet even more agile, fast, persistent, and lethal.

Surface Platforms.—The fiscal year 2007 shipbuilding plan supports the Navy's vision of a new generation of ships with higher speed, more persistence and precision, and reduced manpower and life cycle costs. The Navy's challenge is to build a fleet of the future that possesses the capability and capacity to meet joint demands for naval forces across the spectrum of operations from major combat operations to humanitarian assistance and disaster relief. The Department, through the Defense Planning Guidance, and QDR, has defined the required capabilities for the joint force through 2020. The fiscal year 2007 President's budget provides for seven new ships. The total number of new ships across the FYDP is 51, an increase of 3 ships from last year's budget projection.

—*CVN 21.*—Aircraft Carriers remain the premier asset for rapid crisis response and early decisive striking power in major combat operations. CVN 21 balances improved warfighting capability and quality of life improvements for the crew, with reduced acquisition and life cycle costs. Efficient nuclear propulsion, electromagnetic aircraft launch system, advanced arresting gear, and a three fold increase in electrical generating capacity will enable CSGs to provide forward presence, rapid response, endurance on station, and multi-mission capability. Construction of the lead ship (CVN 78) will cost \$10.5 billion, of which \$2.4 billion is non-recurring. Advanced procurement funding of \$784 million is requested in fiscal year 2007 for CVN 78 and CVN 79. New technology development is on track and component testing is in progress. Steel was cut on the first advanced construction hull unit on April 2005, with the lead ship due to be delivered in fiscal year 2015 to replace USS ENTERPRISE (CVN 65).

—*DD(X).*—The DD(X) is the Navy's next generation destroyer. It is designed as a multi-mission surface combatant tailored for land attack and littoral dominance by providing persistent volume fires with high survivability. Under the "Dual Lead Ship" strategy, Northrop Grumman Ship Systems and General Dynamics-Bath Iron Works will each build a lead ship to the common design. The funding for these ships will be split between the fiscal year 2007 and fiscal year 2008 budgets.

—*Littoral Combat Ship (LCS).*—The LCS will be a fast, agile and networked surface combatant with capabilities optimized to assure naval and joint force access into contested littoral regions. Two ships are currently under construction with delivery of the first LCS, designated USS FREEDOM, scheduled for fiscal year 2007. A total of 23 LCS ships will be procured between fiscal year 2007 and fiscal year 2011. LCS is designed with a speed goal of over 40 knots at full displacement in sea state 3 to help defeat anti-surface threats. It will possess inherent capabilities to conduct missions supporting special operations, maritime interception and homeland defense. The LCS sea frame is designed to be outfitted with reconfigurable payloads that can be changed out quickly. This modular design feature will provide the flexibility required to adapt to the uncertainty of the future.

- San Antonio Class Amphibious Transport Dock Ship (LPD 17)*.—USS SAN ANTONIO (LPD 17) was commissioned on January 14, 2006. LPDs 18 and 19 have been launched, and LPDs 20 and 21 keels have been laid and are in full production. Contract awards for LPDs 22–24 are expected in the 2nd quarter of fiscal year 2006. LPD 17 is an amphibious transport dock ship that functionally replaces the LPD 4, LSD 36, LKA 113, and LST 1179 Classes of amphibious ships for embarking, transporting and landing elements of a Marine force by helicopters, landing craft, amphibious vehicles, and by a combination of these methods. Its unique design will facilitate expanded force coverage and decreased reaction times of forward deployed Marine Expeditionary Units. In forcible entry operations, LPD 17 will help maintain a robust surface assault and rapid off-load capability for the Marine Air-Ground Task Force (MAGTF) far into the future.
- Maritime Preposition Force (Future) (MPF(F))*.—MPF(F) will transform the Maritime Prepositioned Ships-supported MEB from an ashore fighting unit to one that can operate continuously from a sea base without the need for support from land. The MPF(F) family of ships will advance the capability of seabasing to support a wide spectrum of Joint force operations.
- The fiscal year 2007 budget provides for procurement of one Dry Cargo and Ammunition Ship (T-AKE) in the National Defense Sealift Fund (NDSF). This will be the tenth ship of the class. The NDSF budget also includes funding for the development of future seabasing ships. The MPF(F) squadron of ships, a central part of the Sea Base operational concept, leverages current designs and production lines where possible. MPF(F) new construction commences in fiscal year 2009 and includes one T-AKE variant and one Mobile Landing Platform (MLP).
- Amphibious Assault Ship (Replacement) (LHA(R))*.—The President's budget for fiscal year 2007 includes \$1.1 billion for the LHA(R) program. LHA(R) will replace four aging LHA Class ships that will reach the end of their extended service life in 2011. The LHA(R) will be a modified LHD 1 Class, Amphibious Assault Ship variant designed to leverage capabilities inherent in the JSF and MV-22. A four-ship LHA(R) shipbuilding program is needed to maintain future power projection and forward deployed combat capabilities of the Navy and Marine Corps. As noted in the October 23, 2004 LHA(R) Report to Congress, the requirement for four ships is based on the current force structure (four LHAs being replaced by four LHA(R)s, with two of the four going to the MPF(F) squadron). LHA(R)s will include a significant increase in aviation lift, sustainment, and maintenance capabilities, spaces for a Marine Expeditionary Brigade, Amphibious Group, or small-scale Joint Task Force (JTF) staff, a dramatic increase in service life allowances for new-generation Marine Corps systems, and substantial survivability upgrades.

Submarines

SSN: Virginia-Class Nuclear-Powered Attack Submarine.—Exceeding expectations and meeting all mission requirements, SSN 774 completed its first deployment in 2005, 14 months before its planned November 2006 Initial Operating Capability (IOC). Fiscal year 2007 funds the fourth of five submarines under a multi-year procurement contract awarded in January 2004. A total of 10 ships have been ordered. Our intent is to increase the production rate to two attack submarines per year starting in fiscal year 2012.

SSGN: Nuclear-Powered Guided-Missile Submarine.—The first of four OHIO class Trident fleet ballistic missile submarine, USS OHIO (SSGN 726), completed the conversion process to launch Tomahawk missiles, completed sea trials, and returned to fleet service on February 7, 2006. The other three are scheduled to return to fleet service by September 2007. These submarines can carry up to 154 Tomahawk land-attack missiles and have the ability to conduct large-volume strikes with the surprise inherent in submarine operations. The SSGN has the capability to support a SOF contingent for an extended period of time, providing clandestine insertion and retrieval via built-in lockout chambers and dry deck shelters.

Aviation Platforms

The fiscal year 2007 budget sustains aviation superiority for the Navy and Marine Corps and emphasizes capability-based investment strategies, new warfighting concepts, and enabling technologies. The Navy and Marine Corps tactical air integration plan continues to reduce the total number of new aircraft needed to maintain naval air superiority. The fiscal year 2007 budget provides robust development funding for the F-35 JSF, MV-22, EA-18G, P-8A Multi-Mission Maritime aircraft (MMA), E-2D, CH-53K, VH-71 Presidential Support Helicopter, and JUCAV unmanned aircraft. The budget continues to maximize the return on investment, pri-

marily through the use of multi-year procurement contracts for the F/A-18E/F, EA-18G, E-2C, MH-60S/MH-60R, and KC-130J. Additionally, the fiscal year 2007 budget demonstrates the Department's continuing commitment to developing, acquiring, and fielding transformational Unmanned Aerial Vehicle (UAV) technologies for intelligence, surveillance, reconnaissance, and tactical missions. The budget includes funding for the Fire Scout for deployment on LCS ships, and the Broad Area Maritime Surveillance (BAMS) UAV.

F-35 Joint Strike Fighter (JSF).—The fiscal year 2007 President's budget requests \$2.28 billion for the JSF. The first flight of the Conventional Takeoff and Landing (CTOL) variant is scheduled for August 2006; the first operationally ready carrier-based JSF squadron enters the fleet in 2013. The JSF will provide the Navy and Marine Corps with long-range, stealthy striking power from CVNs, large deck Amphibious Assault Ships (LHA/LHD, LHA(R)), and airfields. JSF variants will provide Naval Aviation with a 21st Century multi-mission tactical strike fighter, replacing the AV-8B, F-14, and the older F-18A/B/C/D airframes. Jointly developed with the Air Force and 8 other countries, the JSF is in its 5th year of development. The Marine Corps is pursuing the STOVL (Short Take-Off/Vertical Landing) version, while the Navy will purchase a follow-on CV (Aircraft Carrier) variant. High commonality between the variants will reduce both acquisition and operating costs. It has been concluded that a single engine supplier provides the best balance of risk and cost. The maturity of technology as demonstrated with the engine development of the F/A-18E/F and F-22 indicate that sole source risks are modest and acceptable. Canceling development of the alternate source engine program will save \$1.8 billion through fiscal year 2011.

MV-22 Osprey.—The fiscal year 2007 President's budget contains \$1.5 billion for 14 aircraft. The MV-22 completed OPEVAL in 2005 and will reach its Initial Operating Capability (IOC) in 2007. Block A and Block B aircraft have been procured to support developmental testing, OPEVAL, training and initial fleet fielding. In full rate production, the aircraft procurement rate will ramp up to 37 aircraft per year. The program of record includes 360 MV-22s for the Marine Corps and 48 for the Navy. The demands of GWOT and modernization of our Expeditionary Warfare capabilities have increased the urgency to rapidly field the MV-22 Osprey. Its design incorporates advanced technologies in composite materials, survivability, airfoil design, fly-by-wire controls, digital avionics and manufacturing. The MV-22 is capable of carrying 24 combat-equipped Marines or a 10,000-pound external load, and has a strategic self-deployment capability of 2,100 nautical miles with a single aerial refueling. It is vastly superior to the CH-46E it replaces, with twice the speed, three times the payload, and six times the range. The V-22 Osprey, as a joint platform for the Navy, Marine Corps, and Air Force is providing significant opportunities for joint training, tactics development, and mission execution.

E/A-18G Growler.—The fiscal year 2007 budget includes \$0.9 billion for 12 EA-18Gs. The critical design review for the EA-18G was successfully completed in April 2005. The aircraft has completed its second year of system development and demonstration, is on cost, on schedule, and meeting performance standards. The EA-18G Growler will replace the EA-6B Prowler, providing full-spectrum electronic attack to counter enemy air defenses and communication networks. Many of the systems provided with the EA-18G will fulfill the Navy role in the Joint force in providing advanced technology to strengthen electronic warfare capabilities. As a tactical aircraft, its expanded flight envelope offers much greater speed, altitude, and maneuverability. The EA-18G will maintain a high degree of commonality with the F/A-18F, retaining the strike fighter and self-protection capabilities, while providing air-to-air self-escort to free other assets for strike-fighter tasking.

P-8A Multi-Mission Maritime Aircraft (MMA).—President's budget for fiscal year 2007 requests \$1.13 billion for continued development of the MMA program. The program has successfully completed the system requirements review, system functional review, preliminary design review, and has entered the detailed design phase. The MMA will replace the P-3C Orion aircraft, which has reached the end of its service life. The MMA's transformational architecture will integrate its onboard mission suite with UAVs, satellite systems, and other external sensors to assure maritime access.

E-2D Advanced Hawkeye.—The President's budget for fiscal year 2007 provides \$498 million for the E-2D Advanced Hawkeye program that replaces the older E-2C. Utilizing new state-of-the-art radar, open architecture processing systems, and other critical surveillance systems, the E-2D provides a two-generation leap forward in capability. The Advanced Hawkeye also adds improved surface and air search, air traffic control and communications, search and rescue coordination, and battle management capabilities. The E-2D completed critical design review in October

2005. The first test aircraft's flight is on track for fiscal year 2007, with Initial Operating Capability (IOC) expected in fiscal year 2011.

CH-53K Heavy Lift Helicopter Replacement.—The President's budget for fiscal year 2007 provides \$363 million for the continued development of the CH-53K program. The current Marine Corps heavy-lift aircraft, the CH-53E, has experienced significant operational wear, interoperability, and maintenance supportability challenges. In order to support the Marine Air-Ground Task Force (MAGTF) and the Joint Task Force (JTF) in the 21st century joint environment, the CH-53K will maintain the Marine Corps' heavy-lift capability. Major systems improvements include larger and more capable engines, expanded gross weight airframe and drive train, advanced composite rotor blades, modern interoperable cockpit, external and internal cargo handling systems, and improved survivability. The CH-53K will be capable of externally lifting 27,000 pounds, more than double the current CH-53E ability under similar conditions. Additionally, the CH-53K will be capable of carrying 30 combat-loaded troops. Initial Operating Capability (IOC) is planned for fiscal year 2015.

F/A-18E/F Super Hornet.—The President's budget for fiscal year 2007 provides \$2.3 billion for 30 aircraft. The F/A-18E/F Super Hornet continues to be the centerpiece of Navy combat aviation. Enhanced warfighting capability investments for the F/A-18E/F introduce a transformational radar, helmet-mounted sight, advanced targeting pod, and fully integrated weapons system. Significant improvements in combat range, payload, survivability, and growth capacity make the F/A-18E/F the dominant strike-fighter well into the 21st century. The F/A-18E/F is replacing the F-14 and early model F/A-18s. Lethality, flexibility, reliability, and survivability of the F/A-18E/F make it the right aircraft to fulfill a wide range of future missions.

MH-60R/MH-60S Seahawk Multi-Mission Combat Helicopters.—The President's budget for fiscal year 2007 provides \$915 million for 25 MH-60R and \$548 million for 18 MH-60S models. Successful OPEVAL of the MH-60R was completed in September 2005 and the first four helicopters were delivered to the fleet in December 2005. The MH-60S was approved for full-rate production in August 2002 and is currently undergoing scheduled block upgrades for combat and airborne mine counter-measure missions. The Navy plans to acquire 271 MH-60S models. MH-60R/S platforms are produced with 85 percent common components to simplify maintenance, logistics, and training.

KC-130J Hercules Tactical Tanker and Transport.—The fiscal year 2007 President's budget provides \$299 million for the procurement of 4 KC-130Js. The KC-130J is replacing the Marine Corps' aging fleet of KC-130Fs and KC-130Rs. The KC-130J will include warfighter modifications such as the addition of aircraft armor, upgrading the aviation survivability equipment suite, and improved in-flight refueling pods. Twenty-one aircraft have been delivered to date, with Marines making the first combat deployment of six KC-130Js in February 2005. The Program of Record for the KC-130J is 51 aircraft.

Unmanned Aerial Vehicles (UAV).—The Department is investing in a family of advanced UAVs. Systems such as the Fire Scout and the Broad Area Maritime Surveillance Unmanned Aircraft System (BAMS UAS) contain a variety of advanced sensors to give warfighters immediate actionable intelligence, and in the case of armed UAVs, the ability to strike targets that appear for a fleeting moment.

—*Fire Scout*—The President's budget for fiscal year 2007 provides \$38 million for 4 Fire Scout UAVs and \$105 million for Fire Scout development. The Fire Scout Vertical Takeoff and Landing Tactical UAV (VTUAV) is designed to carry modular mission payloads and operate using the Tactical Control System (TCS) and Tactical Common Data Link (TCDL). Fire Scout will provide day/night real time intelligence, surveillance, reconnaissance, and targeting as well as communications relay and battlefield management capabilities to support LCS mission areas.

—*Broad Area Maritime Surveillance Unmanned Aircraft System.*—The fiscal year 2007 President's budget provides \$26.4 million for the development of the BAMS UAS program. BAMS UAS is integral to the Navy's Intelligence, Surveillance, and Reconnaissance (ISR) recapitalization strategy providing a persistent, maritime, worldwide ISR capability. BAMS will consist of unmanned aircraft, payloads and ground/shipboard systems. The BAMS program will meet the Navy requirement for a persistent ISR capability, and address the enhanced maritime surveillance capability. Initial Operating Capability is expected in fiscal year 2013.

Marine Corps Equipment

Expeditionary Fighting Vehicle (EFV).—The fiscal year 2007 President's budget includes \$266 million for procuring 15 EFVs. The EFV will be the primary means

of tactical mobility for the Marine rifle squad during combat operations. As a self-deploying, high speed, armored amphibious vehicle, the EFV is capable of transporting 17 combat-loaded Marines from ships located beyond the horizon to inland objectives. The EFV program is in the Systems Development and Demonstration (SDD) phase of the acquisition process with IOC scheduled for 2010. The Milestone C Operational Assessment began on January 16, 2006, and is being conducted with four SDD vehicles (three personnel (P) variants and one Command & Control (C) variant). An additional five SDD vehicles are undergoing extensive Reliability, Availability and Maintainability testing to grow vehicle reliability in support of LRIP. Certain operational assessment phases will occur three months later than planned to synchronize with the return from Iraq of the unit designated to participate. This will result in the Milestone C Operational Assessment being completed in August 2006, and the Milestone C decision in December 2006. This schedule change does not breach the program baseline, and will not affect the fiscal year 2007 budget request.

Lightweight Howitzer.—The fiscal year 2007 budget provides \$94 million to procure 34 M777A1 Lightweight Howitzers. The M777A1, through design innovation, navigation and positioning aides, and digital fire control, offers significant improvements in lethality, survivability, mobility, and durability over the M198 howitzer. The Marine Corps received the first of 356 new howitzers in April 2005.

Internally Transportable Vehicle (ITV).—The ITV program is a Marine Corps-led joint program with the U.S. Special Operations Command to field an assault vehicle supporting expeditionary maneuver warfare and over-the-horizon amphibious operations. The ITV will provide MAGTF combat units with a vehicle that fits internally in the CH-53 and MV-22 aircraft. IOC is scheduled for September 2006, when a selected infantry battalion receives eight ITVs.

Light Armored Vehicle Product Improvement Program (LAV PIP).—The fiscal year 2007 budget includes \$26 million for the LAV PIP program, which will extend the service life through 2015, improve the readiness, survivability, and sustainability of these vehicles, and reduce the LAV fleet's operations and support costs. The extension program includes a block of vehicle upgrades, incorporating a next generation improved thermal sight system, and thermal and visual signature-reduction kits.

IMPROVING BUSINESS PRACTICES

Providing Sailors, Marines, and Department of the Navy civilians with high quality facilities, information technology, and an environment to achieve goals are fundamental to mission accomplishment. As the QDR states, this will demand a revolution in management, technology and business practices to reduce redundancies and ensure the efficient flow of businesses processes. The Navy and Marine Corps Team are implementing continuous improvement initiatives consistent with the goals of the President's Management Agenda. These improvements enable realignment of resources to increase our output and re-capitalize our force. The cornerstone of the continuous improvement effort is the implementation of industry proven Lean Six Sigma efficiency methodologies in day-to-day operations. The Department of the Navy will continually evaluate systems and processes to optimize their responsiveness.

Efficiently Implement BRAC 2005 Decisions.—The BRAC process has been a major tool for reducing the domestic base structure and generating savings. Continuing to balance the Department's force and base structures by eliminating unnecessary infrastructure is critical to preserving future readiness. The fiscal year 2007 budget reflects a fully financed implementation program that completes all closures and realignments within the statutory six-year implementation period. In fiscal year 2010 and beyond, annual savings exceed annual costs, and the Department will see a positive return on investment.

Actively Foster Department of the Navy Business Transformation.—The Department is transforming people, processes and systems, and aggressively adopting proven best commercial practices to support business transformation objectives. Initiatives will complement each other, resulting in better-controlled, integrated and automated processes that deliver more accurate, reliable, and timely financial management information. The goal of the Department's business process transformation is to provide reliable, accurate, and timely business intelligence, supporting resource efficiency and sound business decisions. It will involve building a modern, integrated, automated environment within the DOD architecture. The Department's business transformation continues to evolve, providing the framework within which future business processes will operate.

Since 2002, the Navy and Marine Corps have integrated their tactical aircraft to reduce excess capacity and provide equal or greater combat capability with fewer

resources. Efficiencies gained through integration, and investing in more capable aircraft (F/A-18E/F Super Hornets and F-35 Joint Strike Fighters) allows the Navy and Marine Corps to reduce the number of active and Reserve squadrons while continuing to provide flexible, responsive, and interoperable forward deployed combat air power. It also allows for reduction in the sustainment, maintenance and training requirements, providing Operations & Maintenance savings to be invested in more pressing areas.

The Department will continue to be aggressive in pursuing new business initiatives that will make the Navy and Marine Corps more efficient, effective and responsive.

Optimize Management of Naval Installations, including Environmental Stewardship

Building the Navy and Marine Corps' future shore infrastructure requires the "right bases" in the "right places" with the "right capabilities" at the "right price." The Commander of Naval Installations is providing the mechanism for senior Navy leadership to guide planning ashore in support of operations afloat through Navy Ashore Vision (NAV) 2030. This document develops the first set of guiding principles to help leadership plan and execute basing and investment strategies. NAV 2030 provides an agile foundation to size and locate ashore infrastructure. It capitalizes on innovation and effectiveness to sustain fleet readiness and reduce cost. Success in realigning and revitalizing the shore infrastructure is vital to our future Navy. We must capitalize on joint basing opportunities with our sister services to consolidate support delivery, reduce duplication, and improve operational efficiency while enhancing combat effectiveness.

Regionalization of Marine Corp installations will bring all Marine bases and stations, with the exception of recruit training depots, under the purview of five Marine Corps Installation Commands. This transformation will provide optimal warfighter support, improve alignment, enhance use of regional assets, return Marines to the Operating Forces, and reduce costs.

Utilize Information Technology to Improve Efficiency and Effectiveness.—Information Technology (IT) is critical to providing secure, accessible, timely and accurate information needed for the 21st century Navy and Marine Corps Team. By integrating national security, business and war fighting systems, we will reduce redundancies, inefficiencies, and time-critical delays across the Department. The use of standardized, open architecture protocols and equipment reduces costs, enhances flexibility, and improves network security. Today, the Navy and Marine Corps Intranet (NMCI) is serving over 600,000 users and supporting critical business and combat support applications. During fiscal year 2006/2007 we will complete the deployment of NMCI seats, transition legacy systems and servers to NMCI, shutdown the vast majority of our legacy networks, and seamlessly integrate the sea and shore networks to provide one secure high performance environment for our next generation of combat, combat support and business operations.

CONCLUSION

The Navy and Marine Corps Team is proudly serving our Nation, answering the call to protect America and her strategic interests. In preparing for the future we will not overlook the present. The fiscal year 2007 President's budget request is about both prevailing in today's wartime environment and bridging to a successful future. We are confident in our warfighting success and contribution to the joint force today and will improve it with the investments of this budget. As we commit to being responsible stewards of the American treasure, both in lives and in dollars, we set a course to do our share to win our Nation's wars and prepare to meet future challenges.

Our Sailors and Marines are bearing the burden of today's war. More than just forward deployed, they are continuing to make sacrifices in defense of liberty. They are performing superbly, bringing honor and renown to the naval service. These proud warriors deserve not only the accolades and laurels of a grateful nation, but our full measure of support as they continue to serve in defense of the United States.

In supporting the funding decisions outlined in the fiscal year 2007 President's budget request, the Congress will continue to provide the Department of the Navy the right force for the Nation today, while preparing for the uncertainties of tomorrow. We are grateful for the unwavering support that Congress has given the Navy and Marine Corps in the past, and we appreciate its clear intent to ensure our strategic readiness for any future contingency. Its continued support is critical to our nation's security and to our ability to meet America's global responsibilities.

On behalf of every Sailor and Marine in today's naval forces and the warriors who will serve tomorrow, I thank the Congress for its continued support of and confidence in the United States Navy and the United States Marine Corps.

BIOGRAPHICAL SKETCH OF HONORABLE DONALD C. WINTER

Donald C. Winter is the 74th Secretary of the Navy, sworn into office on January 3, 2006. As Secretary of the Navy, Dr. Winter leads America's Navy and Marine Corps Team and is responsible for an annual budget in excess of \$125 billion and almost 900,000 people.

Prior to joining the administration of President George W. Bush, Dr. Winter served as a corporate vice president and president of Northrop Grumman's Mission Systems sector. In that position he oversaw operation of the business and its 18,000 employees, providing information technology systems and services; systems engineering and analysis; systems development and integration; scientific, engineering, and technical services; and enterprise management services. Dr. Winter also served on the company's corporate policy council.

Previously, Dr. Winter served as president and CEO of TRW Systems; vice president and deputy general manager for group development of TRW's Space & Electronics business; and vice president and general manager of the defense systems division of TRW. From 1980 to 1982, he was with the Defense Advanced Research Projects Agency as program manager for space acquisition, tracking, and pointing programs.

The Secretary of the Navy is responsible for all the affairs of the Department of the Navy, including recruiting, organizing, supplying, equipping, training, mobilizing, and demobilizing. The Secretary also oversees the construction, outfitting, and repair of naval ships, equipment and facilities. The office is also responsible for the formulation and implementation of naval policies and programs that are consistent with the national security policies and objectives established by the President and the Secretary of Defense. The Department of the Navy consists of two uniformed Services: the United States Navy and the United States Marine Corps.

Dr. Winter earned a bachelor's degree (with highest distinction) in physics from the University of Rochester in 1969. He received a master's degree and a doctorate in physics from the University of Michigan in 1970 and 1972, respectively. He is a 1979 graduate of the USC Management Policy Institute, a 1987 graduate of the UCLA Executive Program, and a 1991 graduate of the Harvard University Program for Senior Executives in National and International Security. In 2002, he was elected a member of the National Academy of Engineering.

Senator STEVENS. Thank you. Admiral, do you have a statement?

Admiral MULLEN. Yes, sir. Mr. Chairman, Senator Inouye, Chairman Cochran, and distinguished members of this subcommittee, I thank you, as well, for the opportunity to appear before you today.

Senator Inouye, if I may sir, on behalf of the United States Navy, allow me to extend to you my deepest and most heartfelt sympathies for the loss of your wife Maggie. Please know that Deborah and I, as well as all sailors everywhere, keep you and your family in our thoughts and prayers. Her loss is this Nation's loss.

Mr. Chairman, I'm honored to appear here as a part of the Navy and Marine Corps leadership team, and it truly is a team.

General Hagee and I have known each other a very long time, all the way back to our days together at the Naval Academy. He's a friend, a mentor, someone I would gladly call shipmate, and I feel honored to have this chance to serve so closely with him again.

I'm also honored to be here alongside our new Secretary. Secretary Winter has certainly hit the deckplates running, as we like to say, and has already made a lasting impression on our Navy men and women. We are better for his leadership.

Mr. Chairman, I'd like to leave you with three thoughts this morning. First, your Navy's actively engaged across the globe. More than 100 of your ships and submarines, and over 36,000 sailors are forward deployed right now. More than half those men and

women—some 22,000—are serving in the Central Command theatre, and half of that number are on the ground in combat and combat support roles.

I too, have traveled much of these first 8 months as CNO, spending time with sailors at sea and ashore as well as their families. I've seen them take the fight to the enemies of freedom on the streets of Baghdad, the waters of the Arabian Gulf, and in the Horn of Africa, watched them build base camps in the vast open stretches of western Iraq, and stand watch over the sources of that country's burgeoning economy.

I stood next to them at the demilitarized zone (DMZ) in Korea, listened to them encourage one another as they rebuild cities and towns devastated by natural disasters overseas, and here, on our own gulf coast, and pinned medals on the chests of doctors and corpsmen who risked life and limb to save the lives and limbs of others.

Your sailors are chasing pirates, flying ground support missions from carriers and finding and apprehending terrorist leadership, while training our allies to do the same.

They will be pitching in even more. A Navy admiral takes command of the detainee operation in Guantanamo Bay this month. We will soon take command of the Joint Task Force in the Horn of Africa. Naval officers will soon lead 6 of the 12 U.S. led Provincial Reconstruction Teams in Afghanistan.

There's incredible talent in our Navy. Our sailors have character and resolve and hold themselves and their shipmates to high standards. I'm enormously proud of them and their families, and grateful for their service at this critical time in our history, and they are ready.

Second, we know we must work hard to stay ready. During my confirmation hearing last April, I identified three challenges facing our Navy: I need to sustain combat readiness, the need to build the right force for the future, and the need to transform our manpower and personnel system.

Everything I've seen these last 8 months has only convinced me further that sea power in this century is taking on a whole new meaning, and that these are exactly the right priorities.

What I seek is balance. We must be able to win the big and the small wars. Two challenges, one fleet.

Our fiscal year 2007 budget request, like the Quadrennial Defense Review (QDR) itself, helps provide that balance. It funds a continued increase in investment over the future years defense plan and boosts procurement by over \$2 billion over the last year, supporting the development of more capable and more efficient technologies, funds our operation and maintenance accounts, and through pay raises and other incentives helps us to attract and retain that wonderful talent of which I spoke.

Our long-range ship building plan submitted with this budget, likewise strikes a balance between near- and long-term requirements. The fleet today stands at 281 ships—not enough in my view to deliver the joint warfighting capabilities the combatant commanders will need over the course of this long war.

Our plan, centered on 11 aircraft carriers with a fleet of about 313 ships, affordably meets these needs for the good of the Navy,

for the good of the Nation and for the good of our allies and partners.

We get a good start in 2007, building 7 new ships across five classes—3 of them new classes, I might add, while moving the count up to 285.

And that brings me to point number three, Mr. Chairman. Only through your support and the continued, longstanding support of this subcommittee and the Congress can we really succeed.

In this very month of March back in 1794 Congress authorized the construction of six new frigates. It was a risky vote. Longer and broader than traditional frigates, the ships design by Joshua Humphries featured an oddly angled hull curving inward from the waterline, unusually flush decks, and several feet of extra beam. Critics deemed them ungainly. And yet they shone against the French in 1799, the Barbary pirates in 1804, and the British in the war of 1812. They ushered in a new age of fighting sail.

The greatest of them, the U.S.S. *Constitution*—moored today in Boston—remains our oldest commissioned warship and a symbol of both America's independence and her ingenuity.

The new warships we intend to build with your support, DD(X), CVN-21, Virginia-class attack submarine, and the Freedom-class littoral combat ships, will likewise usher in a new era of sea power and advance America's heritage of ingenuity in defense of liberty.

PREPARED STATEMENT

I thank you again for that support, for your time today, and for your commitment to the men and women of the United States Navy. They and their families are the best I've ever seen.

On their behalf, I stand ready to answer your questions.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL MICHAEL G. MULLEN

Mr. Chairman and members of the Committee, it is a privilege for me to appear before you today, and it is with pride and humility that I address you for the first time since becoming the Chief of Naval Operations in July of last year. In November of 2005 our service celebrated 230 years of honor, courage, and commitment to the ideals that make our country a beacon of freedom and democracy spanning the world's waterways. The greatest honor I will ever have is to serve and represent the Sailors and civilians—the people—who are your United States Navy.

During my confirmation testimony last April, I identified three challenges facing our Navy: the need to sustain combat readiness at a high level; the need to build a Navy capable of meeting the most demanding future threats; and the need to transform our manpower and personnel system to better serve and to be more responsive to our people.

Having now been in the job for a little more than six months, I have visited our Fleet, have observed numerous operations at home and overseas, participated in the comprehensive Quadrennial Defense Review, and met with the Chiefs of many foreign navies. This has helped shape my perspective of our Navy today and where I believe we need to go in the future. It has also validated the challenges I identified last April as the right priorities upon which we must focus. It is my belief that the QDR and our fiscal year 2007 budget are the first steps toward establishing this critical balance between maintaining current readiness, building a future Navy, and serving our people. Your Navy remains first and foremost a warfighting, seagoing service.

This budget:

—Sustains combat readiness—with the right combat capabilities—speed, agility, persistence, and dominance—for the right cost.

- Builds a fleet for the future—balanced, rotational, forward deployed and surge capable—the proper size and mix of capabilities to empower our enduring and emerging partners, deter our adversaries, and defeat our enemies.
- Develops 21st Century leaders—inherent in a strategy which, through a transformed manpower, personnel, training and education organization, better competes for the talent our country produces and creates the conditions in which the full potential of every man and woman serving our Navy can be achieved.

Our future Navy will ensure access and sustainability of the Joint Force in blue, green, and brown waters through globally distributed and networked operations. It will do so in partnership with the Marine Corps, and will be symbiotic with the Coast Guard, as envisioned in the President's National Strategy for Maritime Security. It will be a larger and more lethal fleet of faster ships, with capacity to overmatch our most capable adversaries, including any future strategic competitors, and to further develop our emerging and enduring partnerships worldwide. It will rely on Joint seabasing that will provide for sustained, air and ground anti-access operations in access-restricted environments. It will leverage both manned and unmanned capabilities. It will build upon the programmatic foundation of FORCENet and Sea Power 21.

Sea Power in this new century will require speed, agility, persistence, and dominance. To achieve this your Navy must deliver a balanced force of the right capabilities, the right mix, the right size, at the right cost.

INTRODUCTION

During my recent tour in Europe, as Commander U.S. Naval Forces and Commander, Joint Force Command, Naples I gained an extraordinary appreciation of the partnership of nations—not only through NATO's engagement in the Global War on Terror, Operation ACTIVE ENDEAVOR in the Mediterranean, and NATO's training mission in Iraq—but through the multitude of operations conducted daily with our Allies and emerging partners throughout the European Command Area of Responsibility. I also learned, first hand, that staying the course in post-conflict Bosnia and Kosovo had paid rich dividends as military presence was eventually transitioned to civilian infrastructures and maturing rule of law. Here, too, partnerships were the key, including multi-national militaries, non-governmental organizations (NGO), and interagency and international community players. Interoperability and timely communication remain critical. Throughout Europe, the Caucasus, and Africa I witnessed the true value of our Navy's work with emerging and enduring partners through the Theater Security Cooperation program. We are building confidence, trust, and lasting relationships that will most assuredly prevent future crises and conflicts.

In July of last year I took over a Navy in great shape, with Sailors and civilians at the peak of readiness and proud of their warfighting ethos. I set about defining the capabilities needed to remain strong and to prevail in this new century. It wasn't long, though, before hurricanes Katrina and Rita devastated our Gulf coast. I was reminded of the power of the sea, and was struck by the tremendous potential of "Sea Power." Our Navy answered the call just as we had after the Indonesian tsunami, where no other institution in the world was better equipped or more ready to respond than your Navy. In a powerful demonstration of the flexibility provided by the Fleet Response Plan, 23 ships sailed to the Gulf. The hospital ship USNS COMFORT, sister ship to the MERCY that had opened the world's eyes to America's compassion following the tsunami, was underway within 72 hours.

USS BATAAN was the first Navy responder, arriving in the vicinity of New Orleans one day after Katrina's landfall, coordinating helicopter rescue efforts with the Coast Guard and providing medical care to some 800 evacuees. HSV-2 SWIFT's high speed and shallow draft combined to make it an ideal platform for the delivery of relief supplies and the support of other platforms operating in the Gulf area, just as it had during relief operations in Indonesia. In both cases, SWIFT was able to reach ports inaccessible to other ships in the logistics force and played a critical role in the early delivery of supplies. More than 3,300 Seabees paved the way to hurricane recovery by clearing 750 miles of roads, removing more than 20,000 tons of debris, restoring 60 schools serving 40,000 students, and completing 453 utility projects.

The crew of USS TORTUGA essentially conducted a non-combatant evacuation in the flooded parishes of New Orleans—taking their boats inland to pull people out of dilapidated houses. The HARRY S TRUMAN, uncharacteristically carrying no strike aircraft, anchored off shore with 19 helicopters embarked and provided a ready deck for rescue helicopters that saved lives through dramatically decreased response times. USS IWO JIMA, pier side in downtown New Orleans, served as the

city's only functional airport, command center, hotel and hospital. I met with Vice Admiral Thad Allen of the Coast Guard aboard IWO JIMA shortly after he had taken command of FEMA's efforts—and he raved about the significant role the ship was playing in the crisis and the brilliant performance of her crew.

And this reminded me of a comment I had heard in Europe following our tsunami relief effort from an individual representing an NGO. She said, "Thank God for the U.S. Navy. No other institution in the world could have responded with that level of effort so quickly." And it struck me that our Navy really is like a "city at sea," offering hope and relief in times of crisis. We have seen it again, in the wake of the Pakistani earthquake, where Navy ships, aircraft, Seabees and medical personnel lent a helping hand and made a difference in winning hearts and minds in the Global War on Terror.

In September I addressed the International Sea Symposium—49 Chiefs of Navy and Coast Guard and representatives from 72 countries in Newport, Rhode Island. My topic was "Establishing a Global Network of Maritime Nations for a Free and Secure Maritime Domain." And while I asked the participants to imagine an international maritime force of 1,000 ships—the world's navies and coast guards working together to face the challenges of a new era—I realized this was becoming a reality before my very eyes. There were meaningful discussions taking place regarding regional cooperation in countering piracy, terror, and the proliferation of weapons of mass destruction. There were testimonials from NATO and ASEAN navies, and from South American and African navies. And it occurred to me that this is what Sea Power in the 21st Century is all about. The U.S. Navy has taken the lead as a global maritime force for good, and there are plenty of nations willing and eager to do their part.

But the Navy's capabilities extend beyond traditional missions of sea borne shaping and stability operations, conventional and irregular warfare, freedom of navigation, homeland security, and deterrence. In fact, the Navy is tackling new missions every day that don't involve ships. More than 10,000 sailors are currently on the ground in the CENTCOM AOR, 4,000 of whom are in Iraq. In March of this year, the Navy will take command of the detainee mission in Guantanamo Bay, Cuba. We recently took command of a new high security prison in Iraq. In April, a Navy Admiral will take command of the Joint Task Force Horn of Africa in Djibouti.

This is in addition to counter piracy operations off east Africa and a return visit to Southeast Asia and the South Pacific from Navy medical personnel aboard USNS MERCY. Soon, we will have a riverine capability that will extend the outreach of our newly established Navy Expeditionary Combat Command and Expeditionary Security Force into the world's shallow waterways. Whether extending a helping hand or fixing, finding and finishing our enemies, we are redefining the limits and meaning of Sea Power in the 21st Century.

Over the past two months, I have visited our Sailors at Guantanamo and in the CENTCOM AOR, spending time in Iraq, Kuwait, Bahrain, Djibouti and at sea in the North Arabian Gulf. I have also recently been to Japan, Korea, Guam, and Hawaii. In every respect, these were terrific trips, eye-opening and encouraging. Our people are doing amazing things. Their morale is high, their sense of accomplishment firm. I didn't speak with a single Sailor who didn't know how, or to what degree, his or her job contributed to the overall effort in this war. In fact, you would be hard pressed to find one who didn't believe what he or she was doing was the most important thing that could be done.

It was against this operational backdrop that we tackled the QDR, the most comprehensive review of its type since the first was produced more than a decade ago. For the first time, the QDR was conducted in a time of war. It represents an important step in a continuum of transformation that began more than five years ago. The Navy was an integral participant in the QDR process and I am confident in the course it sets for DOD and the Navy.

QDR 2006 has helped shape a Naval force with increased capability and capacity. Specifically it:

- Re-affirms the need for a forward deployed, rotational, and surge capable force to provide persistent awareness and decisive joint combat power when and where needed;
- Supports a modern, fast, and lethal fleet of ships able to fight in all waters around the globe;
- Expands capability to conduct conventional and irregular warfare, especially in littoral waters;
- Expects the Navy and Marine Corps team to project its combined air, land, and sea power from innovative "sea bases" of ships and personnel, regardless of access to land bases. This will better enable us to engage in missions ranging

from traditional combat and special operations to humanitarian assistance and disaster relief.

- Increases our ability to enhance the capabilities and capacity of partner nations.
- Improves DOD's contribution to the active, layered defense of our homeland, working closely with the United States Coast Guard and other agencies.
- Provides 60 percent of our submarines and six operational aircraft carriers to the Pacific.

In summary, the QDR and my own recent experiences, further support my three priorities and have helped shape the following eight tenets that guide my Vision for the 21st Century Navy:

1. America is and will remain a maritime nation.
2. We live in a challenging new era.
3. The Navy will remain rotational, forward deployed, and surge capable.
4. The level of maritime cooperation will increase.
5. New opportunities and security challenges require new skills.
6. Calculating the size of the force demands balance between capabilities, capacity, and fiscal reality.
7. The future fleet will be more capable, larger, and more lethal.
8. Sea Power 21 will remain the framework for our Navy's ongoing transformation.

NAVY'S VISION

Americans secure at home and abroad; sea and air lanes open and free for the peaceful, productive movement of international commerce; enduring national and international naval relationships that remain strong and true; steadily deepening cooperation among the maritime forces of emerging partner nations; and a combat-ready Navy—forward-deployed, rotational and surge capable—large enough, agile enough, and lethal enough to deter any threat and defeat any foe in support of the Joint Force.

SUSTAINING READINESS

Taking a Fix

Current Operations:

We are a maritime nation, and we are at war. For the last 230 years, our Navy has defended our shores, kept our sea-lanes free, and promoted our national interests around the globe. For generations, our Navy has been the world's premier maritime force for freedom, time and again proving its flexibility and unique adaptability in support of liberty, national security, and our economic viability.

Your Navy today is in great shape. Readiness is high. Maintenance is being performed faster and more efficiently. Recruiting and retention remain strong. Our people are motivated, well trained and battle-tested. They understand the mission, their role in it, and the importance of the effects they are achieving. In addition to the critical strategic deterrence our forward presence and global strike capabilities represent, there are more than 10,000 of our shipmates on the ground in Kuwait, Afghanistan, Iraq and the Horn of Africa. Many thousands more are deployed aboard ships at sea in direct support of the Global War on Terror and regional deterrence, strengthening capabilities and relationships with our enduring and emerging partners, and dissuading potential adversaries from attempting to threaten our freedom at home or abroad. They are performing magnificently.



FIGURE 1

While numbers vary slightly with daily operations, on February 15, 2006 we had 97 ships on deployment (35 percent of the Fleet) and 142 ships underway (51 percent of the Fleet) serving our Combatant Commanders in every theater of operation; this includes six aircraft carriers, seven big deck amphibious ships (LHA/LHD), and 29 submarines (Figure 1). On that day there were 2,614 active and reserve Seabees working tirelessly overseas to provide our Joint force and many civilians with vital infrastructure such as roads, runways, schools, and hospitals. There were also 3,574 of our active and reserve medical corps serving in foreign and sometimes hostile environments. Additionally, 673 members of the Navy Special Warfare community were deployed overseas (of 3,633 deployable), as were 256 Explosive Ordnance Disposal personnel (of 1,321 available to deploy), and 838 security personnel (of 5,929 deployable).

On February 15, 2006, there were 39,775 of our Sailors deployed in support of the nation's interests in the Persian Gulf, the Mediterranean, the Indian Ocean and the Western Pacific, continuing operations like strategic deterrence; intelligence, surveillance and reconnaissance missions; Extended Maritime Interdiction, counter piracy and counter-drug patrols. No less vital are the sailors and civilians—the Total Navy—who serve the shore-based infrastructure that underpins our Fleet world-wide.

The fiscal year 2007 budget provides funds necessary to support 36 underway days per quarter of the active operational tempo (OPTEMPO) for deployed forces and 24 underway days per quarter for non-deployed forces (primarily used for training). Our fiscal year 2007 baseline budget estimates also include reductions to peacetime OPTEMPO levels. For aircraft carrier OPTEMPO, the fiscal year 2007 budget supports the “6 + 1” surge readiness level. As in fiscal year 2006, it is anticipated that operational requirements will continue to exceed peacetime levels in fiscal year 2007.

Oceans that once served as insulating barriers now provide open access to friends and enemies alike. The world's waterways are open highways that are becoming more congested with pirates and those trafficking in drugs, weapons of mass destruction, illegal immigrants, slaves, criminals, and terrorists. 95 percent of U.S. overseas trade travels by water and that volume is expected to double by 2020. Our nation's prosperity depends upon unimpeded maritime commerce just as our secu-

rity demands continued maritime dominance. Sea Power in the 21st Century must provide this assurance while serving as freedom's global lifeline.

Whether spearheading Operation ENDURING FREEDOM (OEF) by providing sovereign deck space from which to launch the war in Afghanistan, continuing to support ground operations in Iraq from the sea, in the air and on the land as part of Operation IRAQI FREEDOM (OIF), conducting deterrence operations in the Persian Gulf, responding to humanitarian crisis in Indonesia or Pakistan, patrolling for pirates and interacting with developing navies in Africa, serving with the NATO Response Force in Europe, supporting counter-terrorism operations in the Philippines, exercising with the navies of Russia and India, or remaining keenly vigilant while expanding cooperative interaction with others, our Navy must work in non-traditional ways with our global partners to preclude or forestall conflict. Equally important is that our Navy maintain its strategic deterrence and global strike capabilities that remain vital to our nation's defense.

Emerging Missions:

In March of this year, the Navy will take command of Joint Task Force Guantanamo, relieving the U.S. Army of that mission. In May of this year, the Navy will take command of the Joint Task Force, Horn of Africa, relieving hundreds of Marines who have led that effort since October 2002. Almost 500 sailors have already begun performing security duties at Fort Suse Prison in Iraq.

As the Navy develops shallow water and riverine capabilities, we will seek increasing synergies with the Coast Guard, at home and abroad, exploring complementary design, acquisition, operations and training initiatives. Working cooperatively with the Joint Services, inter-agency, allied, coalition, and non-governmental organizations, our Navy will expand our global Maritime Domain Awareness and provide unique operational options for the President of the United States and our Combatant Commanders.

Plotting the Course: Where we're heading in Sustaining Readiness

The world has entered a "new era" in which our military is confronting a highly dynamic security environment far more complex, uncertain, and potentially threatening than any we have faced before. While this is a time of promise and developing partnerships, it is also an era of irregular and increasingly unrestricted warfare. Our adversaries, unable and unwilling in some cases to match our technological warfighting advantage, will increasingly resort to whatever means are available to wreak havoc and destruction—physically, economically, and psychologically—unhindered and unconstrained by moral conscience or social norms. To be effective in this environment, our Combatant Commanders need tools that are not only instruments of war, but implements for stability, security, and reconstruction.

To be successful as an interdependent part of the U.S. Joint Force, our Navy must be balanced. We must be balanced in our support of diplomatic, informational, military and economic efforts intended to positively influence the world's diverse people and cultures. We must be balanced in our global maritime presence: providing non-threatening outreach to emerging and enduring partners while demonstrating overwhelming military superiority and unflinching determination to our adversaries.

We must at the same time represent hope and empowerment to our friends and convincing deterrence to our enemies. The United States Navy will need to be a highly visible, positive, engaged, and reassuring presence among the global maritime community of nations—sometimes a "cop on the beat," but always a respected and valued member of a global neighborhood watch. We must encourage nations to provide security within their territorial waters and to seal seams between neighbors, either by accepting assistance to improve their own capabilities, or through collective security and information sharing arrangements.

We must adopt a more comprehensive and coordinated approach to regional engagement, synchronizing our efforts with other services, agencies, and allied nations through the Theater Security Cooperation program, shaping, and stability operations. Wherever the opportunity exists, we must develop and sustain relationships that will help improve the capacity of our emerging partners' maritime forces. We will do this through the deployment of expeditionary teams capable of addressing specific developmental deficiencies. From personnel specialists and base infrastructure advisors, to trainers afloat and network consultants, these tailored teams will foster the ability of partner nations to contribute to collective security and shared maritime domain awareness, and to fend off threats to their economic and regional stability.

To enable our operations at home and away, our Navy, in partnership with the Coast Guard, must be supported by the right information at the right time—expanding Maritime Domain Awareness throughout the global commons and the world's

shallow waterways. In pursuit of pervasive and persistent Intelligence, Surveillance, and Reconnaissance, however, we must ensure the “unblinking eye” does not become an “unthinking” eye. In a world of growing global connectivity, the volume of information we are able to collect matters less than our ability to identify and understand what is important. Our Sailors must learn to recognize what matters, to comprehend the implications of the complex information they gather, so that we can act upon it instantly, with the right capabilities, when required to do so.

Naval Intelligence remains focused on addressing the multitude of intelligence requirements from the fleet, theater, and National decision makers, augmenting and transforming its intelligence capability to support the increasing range of Navy missions. The intelligence and cryptologic resources requested in the President’s budget submission will allow the Navy to remain postured to support the war against terror, defend the homeland, shape the environment overseas, and counter the most capable potential adversaries.

In concert with interagency and foreign partners, we are developing Global Maritime Intelligence Integration (GMII) as part of Global Maritime Domain Awareness (MDA) in support of Joint and Navy operations. It is no longer acceptable to focus intelligence only on the most obvious potential threats. We need, and are building, a capability that will lead us to a more complete understanding of the maritime environment—close to home and abroad. We are shaping our relatively small Naval Intelligence cadre to work more closely with Special Operations Forces, the interagency, the Coast Guard, Joint forces, and our international partners. The establishment of a National Maritime Intelligence Center will further enhance our Maritime Domain Awareness.

Maritime Domain Awareness contributes to the Navy’s ability to provide flexible forward presence such as that provided by the Fleet Response Plan (FRP).

The Fleet Response Plan is the maintenance, training, and operational framework through which the Navy meets global Combatant Commander demand signals for traditional (e.g., GWOT, major combat operations, humanitarian assistance/disaster relief, shaping and stability operations, counter piracy, etc.) and emerging mission sets (e.g., riverine warfare, NECC, medical outreach). FRP is mission-driven, capabilities-based, and provides the right readiness at the right time (within fiscal constraints). It enables responsive and dependable forward presence. With FRP we can deploy a more agile, flexible and scalable naval force capable of surging quickly to deal with unexpected threats, humanitarian disasters, and contingency operations.

The Fleet Response Plan maximizes the Navy’s ability to respond to emergent crises, changes the way ships are maintained, and keeps the Navy at a high state of readiness. FRP provides the capability of deploying numerous Carrier Strike Groups (CSGs), in whole or in part, immediately to wherever in the world the mission calls, with an additional CSG deploying within 90 days. This planning is currently structured to fulfill a 6 + 1 goal: six CSGs would be ready to deploy within 30 days of notification and another within 90 days.

The ability to surge dramatically shortens response times to any contingency and enables the United States to increase global presence-with-a-purpose as needed. Commander Fleet Forces Command, based in Norfolk, Virginia, is leading the implementation of the FRP across the Navy. Last fall, the FRP concept was vividly validated by the response to Hurricane Katrina, in which 23 ships were immediately made available for relief efforts. FRP will further help to facilitate Navy’s establishment and defense of the Joint Sea Base, allowing for a reduced footprint ashore in anti-access operations.

In the Pacific, response time is exacerbated by the tyranny of distance. Consistent with the global shift of trade and transport, the QDR has recognized the Navy’s need to shift more strategic assets to this vital and rapidly developing theater. In the future, approximately 60 percent of our submarines and six operational aircraft carriers will be based in the Pacific. The Fleet Response Plan and basing options will provide a rheostat to meet foreseeable forward presence requirements.

As FRP bolsters fleet effectiveness and efficiency, so too does the aviation maintenance program called AIRSpeed.

AIRSpeed is the Naval Aviation business model that has increased the combat effectiveness of Naval Aviation through more efficient business practices. The AIRSpeed program balances and aligns maintenance and supply activities to end-user demands by ensuring the right material is in the right place, at the right time and at the right cost. We are committed to implementing this throughout the Navy. AIRSpeed has moved Naval Aviation away from “readiness at any cost” to “cost-wise readiness” practices, enabling Naval Aviation to answer the call in every corner of the globe.

Another initiative to improve global readiness addresses the expeditionary nature of emerging missions ashore and in coastal waterways. In January of this year, the

Navy officially established the Navy Expeditionary Combat Command (NECC) to help meet some of the asymmetric challenges of the 21st Century. The NECC will serve as a functional command in control of manning, training, equipping, and organizing forces that will execute force protection, shore-based logistical support, and construction missions across the Joint operational spectrum.

The Navy plays a vital role in direct and indirect support of Joint stability and shaping operations worldwide. To this end, NECC will re-establish a riverine force to close gaps in very shallow-water littoral areas, ensuring access to the world's waterways. NECC will be the single advocate for the Expeditionary Security Force, to include existing forces/missions (Seabees, Explosive Ordnance Disposal, Expeditionary Security, Naval Coastal Warfare, Mobile Diving and Salvage, Port Handlers, etc) and key new navy capabilities (Riverine, Maritime Civil Affairs Group, Expeditionary Training Team, advanced Visit, Board, Search, and Seizure, etc.).

Our Navy must stand ready to support the current critical and emerging requirements of the Combatant Commanders. Whether this is accomplished through grey hulls, white ships, hard hats, blue shirts, or red crosses, we need to complement the Fleet Response Plan with sustainable Sea Basing, intelligently and selectively applied Sea Swap, and a Forward Deployed Naval Force.

Getting Underway: Programs and Practices in Support of Sustaining Readiness

Through FRP, the deployment of adaptable force packages, and the strategic realignment of key assets, the Navy will increase its ability to aggregate and disaggregate the force as required to provide persistent forward presence and overwhelming combat power. This supports the nation's requirement for an immediate, credible response and sustainable naval forces necessary not only to fight the GWOT, but also to support a meaningful naval presence in key areas of concern to U.S. strategy and policy.

Programs and practices of particular interest include:

Fleet Response Plan.—As highlighted by the QDR, the Fleet Response Plan (FRP) is an on-going mission-driven means to provide the right readiness at the right time (within fiscal constraints). FRP enables responsive forward presence and drives our ability to answer the Combatant Commanders' demand signals. With FRP, Navy has deployed and developed a more agile, flexible and scalable naval force capable of surging quickly to deal with unexpected threats, humanitarian disasters and contingency operations.

Sea Swap.—Sea Swap is an initiative designed to keep a single hull continuously deployed in a given theater, replacing the entire crew at six-months intervals. The primary objective is to effectively and efficiently increase forward Naval presence without increasing operating cost. Navy commenced its second Sea Swap experiment in March 2005 with three East Coast destroyers—USS GONZALEZ (DDG 66), USS LABOON (DDG 58), and USS STOUT (DDG 55). The first of the three overseas swapping of the crews occurred in September 2005. While the results of these experiments are still being evaluated, it is clear that when selectively applied, Sea Swap will offer greater flexibility in the deployment of a variety of platforms.

Forward Deployed Naval Forces (Japan).—The government of Japan has agreed to have USS GEORGE WASHINGTON (CVN 73) replace the USS KITTY HAWK (CV 63) as our forward deployed aircraft carrier at the Yokosuka naval base. The move represents a strong commitment to the security of the Asian Pacific region and our alliance. The GEORGE WASHINGTON will become the first nuclear aircraft carrier to join the Navy's permanently forward deployed naval forces (FDNF), replacing the conventionally powered the KITTY HAWK in 2008.

Facilities Recapitalization.—Facilities Recapitalization is comprised of Modernization and Restoration. Modernization counters obsolescence by updating and renewing a facility to new standards or functions without changing the fundamental facility size. Restoration includes repairs necessary to restore degraded facilities to working condition beyond design service life (C3/C4 corrections) or to fix accidental damage from natural disaster, fire, accident, etc. Our goal is to modernize facilities at a rate of 67 years (Recap Rate). The restoration goal is to eliminate all C3/C4 deficiencies by 2013.

Facilities Sustainment.—Facilities Sustainment includes those maintenance and repair activities necessary to keep facilities in working order through their design service life. It includes regularly scheduled maintenance and major repairs or replacement of facility components that are expected to occur periodically throughout the life cycle of facilities. The fiscal year 2007 Sustainment Rate is 91 percent of the Facility Sustainment Model (FSM).

Utilities Privatization (UP).—Navy had originally planned to complete all competitive UP evaluations by September 2005. However, delays for 159 utilities systems

have extended the completion schedule. To date, Navy has completed Source Selection decisions for 486 of our 645 systems.

Environment and Marine Mammal Protection Act.—Effective Antisubmarine Warfare (ASW) is critical to ensuring the Navy's ability to defend national interests around the world. The Navy's ASW forces must be highly trained and capable in littoral-water operations in order to provide assured access for the Joint Force to strategic areas worldwide.

The Navy takes seriously our responsibility to act as good stewards of our natural resources and incorporates protective measures into training to minimize effects on the environment. The Navy is committed to environmental compliance, and we are committed to working with those interested in protecting valuable environmental resources.

The Navy's use of sonar, and the ability to test and train with it, is critical to operational readiness and our national defense. Effective use of active sonar is a perishable skill that demands realistic training. The Navy recognizes that such active sonar testing and training must be accomplished in an environmentally sound manner that is science-based and protective of marine life.

The Navy has recently published a Draft Environmental Impact Statement (DEIS) for an Undersea Warfare Training Range (USWTR) to be located off of the East Coast of the United States. This DEIS marks the first time the Navy will apply for a permit under the Marine Mammal Protection Act for a permanent training range vice a one-time training authorization. The Navy's Fleet Forces Command and Regional Staffs are cooperating with federal and state agencies throughout the process to keep them informed and to coordinate for the appropriate permits.

Intelligence Surveillance and Reconnaissance (ISR).—Navy Human Intelligence (HUMINT) initiatives remain consistent with those of USD(I) and, in cooperation with Defense HUMINT, we are creating Navy manned, maritime collection elements worldwide. These elements will provide maritime focused collection capability, postured to capitalize on regional opportunities, and prosecute the GWOT and other non-traditional missions.

Furthermore, the Navy has established Maritime Interception Operations (MIO) Intelligence Exploitation Teams to increase on-scene intelligence collection and exploitation during MIO boardings in support of OEF and OIF. This unique effort will significantly reduce time lags between MIO boardings and analysis of intelligence collected.

Additionally, Navy is creating a cadre of trained and certified Navy interrogators to sustain operations at the Joint Interrogation Facility at Guantanamo Naval Base, Cuba and to support future Joint interrogation requirements.

Advanced Deployable System (ADS) is a rapid, unobtrusively deployed undersea surveillance system and capability focused against enemy diesel-electric submarines, nuclear submarines, high-interest merchant shipping and the detection of sea-mine laying activities in the littorals.

COBRA JUDY Replacement (CJR) is a deployed shipboard radar system designed to collect high fidelity radar data in support of treaty monitoring obligations and U.S. missile defense system testing. CJR is the functional and operational replacement for the current COBRA JUDY system and the USNS Observation Island hull, which has reached the end of its service life.

Submarine Support Equipment Program (SSEP) develops Electronic Warfare Support (EWS) systems improvements to enhance operational effectiveness in the increasingly dense and sophisticated electromagnetic/electro-optic littoral environment. SSEP provides agile threat warning capability to respond to emerging threats.

Distributed Common Ground/Surface Systems (DCGS) is a Joint family of interconnected C4I systems for posting, processing, exploiting, and updating ISR information. The Common Data Link (CDL) program ensures interoperability between the airborne ISR platforms and the family of ground systems.

BUILDING THE FUTURE FORCE

Taking a Fix

The QDR included a rigorous evaluation of requirements and budgetary constraints that will shape how we confront the very uncertain and challenging security environment of this new century and the "long war" in which we are currently engaged. The fleet we are building today, and the leaders we are training, will be the Navy that confronts tomorrow's challenges. The environment in which that force operates will be very different from that in which we have come of age.

Due to the fiscal and temporal realities associated with the design and development of modern, sophisticated weapons systems, the Navy is continuing to trans-

form. As recognized in the QDR, the size and capabilities of our force are driven by the challenges we will face. The capacity of the force is determined by its global posture in peacetime and the requirement to respond from this posture, as well as to surge, in crisis. In the case of our Navy, it is based upon the need for a ubiquitous but carefully tailored maritime presence that can provide our President and our allies with strategic options in support of dynamic security requirements.

The Navy recently submitted to Congress our 30-Year Shipbuilding Plan designed to replenish the fleet, while stabilizing workload and funding requirements. A stable plan will allow the shipbuilding industry to maintain critical skills and to make sound corporate decisions to best meet the Navy's projected shipbuilding requirements.

A stable shipbuilding industry is essential to sustain optimum employment levels and retain critical skills to meet our requirements for an affordable and capable force structure. We must align the industrial base for long-term force development through advanced procurement and incentivized cost savings. We must have a robust enough industrial base to withstand natural disaster or catastrophic attack. We must build ships more efficiently, cost effectively, and quickly. To do this, we are committed to help provide stability in the shipbuilding plan and rigorously control requirements. Costs and production schedules must be kept within contractual limits. Industry must be viewed as a trusted partner while we provide a stable baseline upon which to plan.

The 2007 Annual Long Range Plan for Construction of Naval Vessels is an investment plan that is both executable and affordable based on balancing several factors: naval force operational capability, risk, and the ability of the shipbuilding industrial base to execute the plan. The Navy continues to analyze operational requirements, ship designs, costs, acquisition plans, tools, and industrial base capacity to further improve its shipbuilding plan. Full funding and support for execution of this plan is crucial to transforming the Navy to a force tuned to the 21st Century and built upon the foundation of Sea Power 21 and FORCEnet.

Our Sea Strike capability will continue to revolve around Carrier and Expeditionary Strike Groups, with sufficient lift, sustainability, and TACAIR assets to meet irregular and conventional Joint warfighting requirements.

Sea Basing provides assured access to the Joint force by keeping the logistics tail safely at sea while putting the teeth of the combat forces ashore. The iron mountain of equipment we staged on land in earlier operations, now will come from international waters at sea, minimizing our footprint ashore and the associated permissions required from host nations. Our Sea Basing will be facilitated by large deck, expeditionary warfare ships and connectors, by heavy lift and transport aircraft, by Maritime Prepositioning Forces, and by the combat logistics force.

Our Sea Shield capabilities will be advantaged by advanced Anti-Submarine Warfare, inter-netted Under Sea Warfare, and Theater Ballistic Missile Defense (TBMD) technologies, and our submarine fleet will need to maintain its technological edge over all adversaries in warfighting, ISR, detectability, and survivability.

As a primary catalyst for naval transformation, FORCEnet has the potential to fundamentally transform operations themselves, generating greater effectiveness, efficiency, and adaptability. Further, through the transformation of systems related to training, administration, recruitment and acquisition, FORCEnet is expected to influence the entire naval enterprise.

As highlighted by the QDR, achieving the full potential of net-centric warfare requires viewing information as an enterprise asset to be shared and as a weapon system to be protected. The underlying power of FORCEnet derives from leveraging the network effect, which causes the value of a product or service in a network to increase exponentially as the number of those using it increases. FORCEnet will extend visibility of information and will support a more horizontal command, control and communications structure.

To better fight the Global War on Terror and prevent piracy and the trafficking of weapons of mass destruction, humans, and narcotics we will need faster, multi-mission ships, and the right mix of helicopters, small boats, and combat capabilities. And to expand the number of maritime nations able to contribute to regional stability and join us in the fight against violent extremism, we will need shallow draft ships and more helicopters to better support a variety of training, outreach, and civil affairs operations.

Plotting the Course: Where we're heading in Building the Future Force

In building the Navy of the future, access is as important as presence. Whether delivering training, humanitarian assistance, or lethal combat power our Navy cannot be restricted in its access to the world's navigable waterways. Conducting disbursed and networked operations, with the proper force mix, people, and tools, will

enable us to simultaneously fight an irregular war, defend the homeland, and participate in pro-active, cooperative engagement on a day-to-day basis while retaining the capability to rapidly aggregate dominant combat power to deter or conduct Major Combat Operations should they arise.

Two challenges, one Navy.

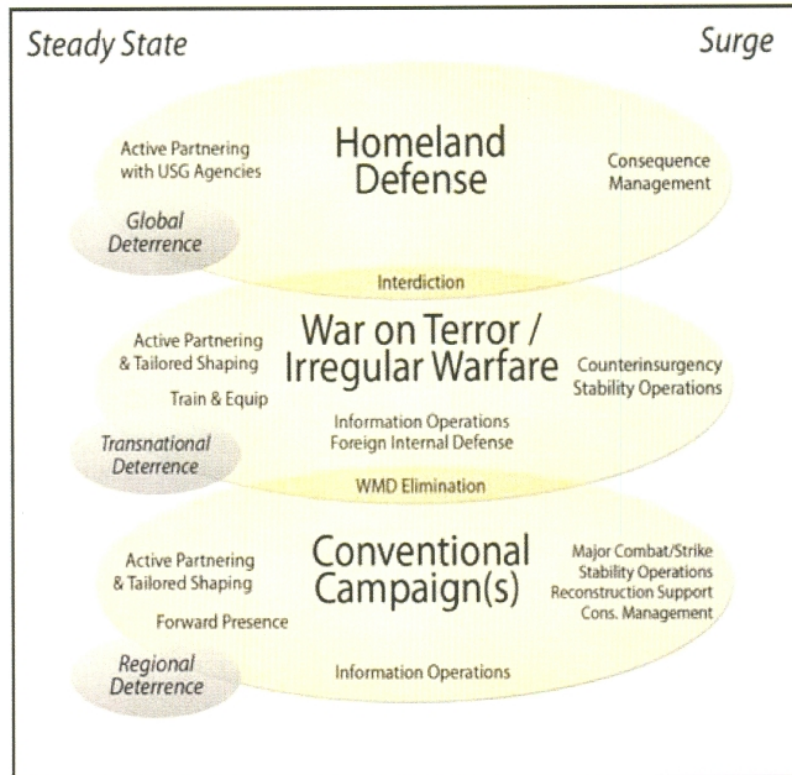


FIGURE 2

As part of the QDR process, the Navy used a capability-based approach (shown above in Figure 2) to calculate the size and composition of the future force required to meet expected Joint force demands in peace and in the most stressing construct of the Defense Planning Guidance. Further, we evaluated detailed assessments of risk associated with affordability and instabilities in the industrial base. The analysis concluded that a fleet of about 313 ships is the force necessary to meet all of the demands, and to pace the most advanced technological challengers well into the future, with an acceptable level of risk. The Navy expects to achieve this force structure by fiscal year 2012.

Through transformation, recapitalization and modernization, we seek a balanced force that delivers speed, agility, persistence, and dominance—characterized by disbursed and networked operations, comprehensive maritime domain awareness, cooperative engagement with Allies and partners, and lethal combat capabilities.

Our Naval aviation capabilities are a vital part of this balanced force. Here, too, we must invest in the technology and platforms that will carry us into a future Joint environment of low observability, electronic attack, unmanned aerial vehicles, broad ocean surveillance and reconnaissance, complex command and control, and precision strike. We must outpace and overmatch the most capable technological competitors and overcome the most difficult and time-critical targeting challenges.

Aircraft carrier-based strike capability is a concrete example of the Navy's ongoing transformation. During Operation Desert Storm it took, on average, more than one

“sortie” or flight of strike aircraft to engage a single target. This trend was reversed during Operation IRAQI FREEDOM as technology and operations improved, allowing multiple targets to be engaged per single flight. For example, it took two divisions (eight aircraft) to attack and destroy a single bridge during Desert Storm, but two divisions of F/A-18C Hornets carrying GPS guided bombs attacked more than eight aim points with precision during Operation IRAQI FREEDOM.

In 2020, our Carrier Air Wings with F/A-18E/F Super Hornets and F-35C Joint Strike Fighters will attack targets at nearly twice the range currently possible. They will do this in the highest threat environments without the extensive tanker support required today, and they will destroy more targets with 24/7 persistence.

As underscored by the response to the tsunami and hurricanes, we must also have a robust rotary wing capacity. This will be achieved primarily through recapitalization and modernization programs such as the CH-53X and the MH-60R/S. The flexibility and versatility of rotary winged aircraft have proven increasingly more valuable in support of the Global War on Terror, Anti-Submarine Warfare, humanitarian and disaster relief operations, Theater Security Cooperation programs, and logistics support. We must consider this in future acquisition planning.

The Navy’s challenge is to build an affordable fleet for the future with the capability and capacity to meet Joint demands for naval forces that range from Homeland Security and Humanitarian Assistance to Major Combat Operations.

Getting Underway: Programs in Support of Building the Future Force

A balanced force of about 313 ships and about 3,800 aircraft meets the criteria we have established for the future. Within this force, eleven aircraft carriers and their associated air wings are sufficient to ensure our ability to provide coverage in any foreseeable contingency and do so with meaningful, persistent combat power. Although there is risk here, we believe the risk is both moderate and manageable.

There is risk in other areas as well. Despite the fact the total SSN numbers drop below 48 between 2020 and 2034, our fast attack submarines will provide the Intelligence Surveillance and Reconnaissance (ISR) capability we need to support indications and warning of any impending threat throughout their areas of operations and will be sufficient to sustain minimum required deployed presence needed for major combat operations.

Surface combatant capability is robust, but does not provide extended Theater Ballistic Missile Defense (TBMD) capacity—that just isn’t affordable within the top line we have today. Navy is, however, expanding our currently limited short- and medium-range ballistic missile defense capabilities through the fielding of the Aegis BMD and SM-3 missiles. A future sea-based terminal (SBT) BMD capability will be addressed initially through upgrades to existing missile inventories and eventually through Navy Open Architecture initiatives in Aegis ships and CG(X).

Our expeditionary capability provides the Joint Forcible Entry capacity necessary to support the sea base as a lodgment point for Joint operations but represents an acceptable decrease in Marine Expeditionary Brigade lift capacity. A myriad of tactical, surveillance and reconnaissance, heavy lift, and support aircraft, as well as a variety of support ships, provide the Navy with sufficient capacity in each mission area.

To win the “long war” against terror we need a Navy that can be many places simultaneously. Engagement with allies and friends is the only effective way to deter this kind of aggression. We must operate with, and show commitment to, our friends around the world in order to ensure their assistance in active pursuit of terrorist organizations. In developing our capabilities and ship-count, we matched the demand signal to ship types and ensured we were not “over-building” our Navy based on this demand signal. Additional global reach is provided, in part, by our flexible Littoral Combat Ship (LCS) platform which leverages modular capability against cost. The planned build of fifty-five FREEDOM Class LCS, augmented by the Navy Expeditionary Combat Command’s riverine capabilities, will better serve our Combatant Commanders and complement the capability of our partners worldwide.

Programs of particular interest include:

CVN 77, CVN 21.—Navy plans to launch the aircraft carrier, USS GEORGE H.W. BUSH (CVN 77) in October 2006, and we expect it to enter the fleet in late 2008. Meanwhile, we continue to design the future aircraft carrier, CVN 21, which will serve as the replacement for USS ENTERPRISE and our NIMITZ Class aircraft carriers. CVN 21 balances significantly improved warfighting capability, quality of life improvements for our Sailors and reduced acquisition and life cycle costs. Highlights of these enhancements include: 25 percent increase in sortie generation rate, nearly three fold increase in electrical generating capacity, and increased operational availability. At the same time, CVN 21 will also achieve over \$300 million reduction in

procurement costs, \$5 billion reduction in Life Cycle Costs, and up to 1,000 billet reductions. These manpower reductions are expected in several key areas: Damage Control, Bridge/Navigation; Warfare System; Air Wing; Staffs; Supply chain Management; Weapons Handling; Pit Stop; and Automation.

CVN 21 and the Carrier Strike Group will continue to provide forward presence, rapid response, endurance on station, and multi-mission capability to serve our nation's needs for generations to come.

DD(X).—DD(X), a multi-mission surface combatant tailored for land attack and littoral dominance, will provide independent forward presence and deterrence, and operate as an integral part of Joint and combined expeditionary forces. DD(X) will capitalize on reduced signatures and enhanced survivability to maintain persistent presence in the littoral. DD(X) program provides the baseline for spiral development to support future surface ships as part of Navy's "Family of Ships" strategy.

With its Advanced Gun System (AGS) and associated Long Range Land Attack Projectile (LRLAP), DD(X) will provide volume and precision fires in support of Joint forces ashore. A GPS guided, 155 mm round, LRLAP will provide all-weather fires capability out to 83nm. The DD(X) Dual Band Radar represents a significant increase in air defense capability in the cluttered littoral environment. Investment in Open Architecture and reduced manning will provide the Navy life cycle cost savings and technology that can be retrofitted to legacy ships.

The Open Architecture environment in the DD(X) Total Ships Computing Environment will allow Navy to rapidly and cost effectively upgrade ships through software changes while avoiding costly hardware changes. This in turn will allow us to keep ships viable against emerging threats and avoid the high cost of supporting numerous baselines, a problem that we are paying for in the AEGIS program today.

CG(X).—While DD(X) is a multi-mission destroyer tailored for land attack and littoral dominance, CG(X) will be focused on sea-based solutions to Theater Ballistic and Cruise missile gaps. CG(X) will provide airspace dominance and protection to all Joint forces operating with the Sea Base and will reach IOC in 2019. CG(X) will bring to sea significant warfighting capabilities.

LCS.—Navy will commission the first Littoral Combat Ship, USS FREEDOM (LCS 1) in fiscal year 2007. The FREEDOM Class will be a fast, agile and networked surface combatant with capabilities optimized to assure naval and Joint force access to contested littoral regions. LCS operates with focused-mission packages that deploy manned and unmanned vehicles to execute a variety of missions, including littoral anti-submarine warfare, anti-surface warfare and mine countermeasures. Innovations for the LCS include: Focused mission ship with interchangeable mission packages; reduced manning to reduce lifecycle cost; optimization for warfighting in the Littorals; inherent capabilities to increase utility in littorals beyond focused mission packages; extensive use of Unmanned Vehicles and off-board sensors for mission packages; Acquisition Strategy that provides two LCS variants designed to the same requirements; contracting for complete systems (less mission packages); and Seaframe and mission package acquisition strategies that provide for spiral design.

LPD 17.—The lead ship of the class, USS SAN ANTONIO (LPD 17) was commissioned on January 14th, and will soon be joined by four other ships currently under construction. LPD 17 functionally replaces four classes of amphibious ships for embarking, transporting and landing elements of a Marine landing force in an assault by helicopters, landing craft, amphibious vehicles, and by a combination of these methods.

LHA(R).—LHA(R) Flight 0 is a modified LHD 1 Class variant designed to accommodate aircraft in the future USMC Aviation Combat Element (ACE), including JSF/MV-22, and to provide adequate service life for future growth. LHA(R) will replace four aging LHA Class ships that reach their administrative extended service life between 2011–2019. This program maintains future power projection and the forward deployed combat capability of the Navy and Marine Corps. LHA(R) enables forward presence and power projection as an integral part of Joint, Inter-Service and Multinational Maritime Expeditionary Forces.

Modernization.—The Navy must ensure we achieve full service life from our fleet, something we have not done well in the past. Modernization of our existing force is a critical component of our ability to build the Navy of the future. Our platforms must remain tactically relevant and structurally sound for the entire duration of their expected service life.

Naval Aviation modernization efforts continue with the F/A-18A/B/C/D Hornet and the EA-6B Prowler as a bridge to a more capable air wing that will include the F-35 Joint Strike Fighter, the EA-18G Growler, and the F/A-18 E/F Super Hornet. Modernization also continues with the E-2D Advanced Hawkeye, the CH-53X, and the SH-60R/S.

The surface force modernization program will help bridge the gap to DD(X) and CG(X) and mitigates the risk associated with transitioning from legacy combat systems to Open Architecture (OA) compliant commercial off the shelf (COTS) technologies. We expect modernization efforts on our AEGIS CGs and DDGs to enable these ships to realize an expected service life of 35 years. Historically, ships that were not modernized were decommissioned (on average) after 17–20 years of service due to obsolescence of sensors, C4I suites, and combat systems.

Cruiser (Mod).—AEGIS Cruiser Modification improves war-fighting capability through enhanced self defense (CIWS Block 1B, Evolved Sea Sparrow Missile (ESSM)), expanded information sharing and collaborative engagement (Cooperative Engagement Capability—CEC), improved littoral ASW capability and significant land attack improvements (Tactical Tomahawk—TACTOM). A comprehensive Mission Life Extension (MLE) package includes the All Electric Modification, SmartShip, Hull Mechanical and Electrical system upgrades and a series of alterations designed to restore displacement and stability margins, correct hull and deck house cracking and improve quality of life and service onboard. This modernization will extend the service life of the AEGIS Cruisers to approximately 35 years.

The SmartShip installation reduces enlisted crew manning on CGs by 13 (297 vice 310). At its inception, the CG Mod Program was not established with a requirement for manning reductions; however, PEO SHIPS has commissioned a Total Ship Integration Team (TSIT) study in conjunction with DDG Mod efforts to determine additional areas for potential manning reductions in CG Mod. The TSIT works with the system program managers and NAVMAC to fully model CG Mod manning with respect to watchstanding, maintenance and fatigue analysis.

Destroyer (Mod).—The DDG Modernization Program is likewise designed to reduce manning and total ownership costs while increasing warfighting capability. DDG modernization supports the transition to DD(X) and CG(X), and mitigates the risk associated with the transition from legacy combat systems to Open Architecture (OA) compliant, Commercial-off-the-Shelf (COTS) technologies. The intent is to provide a coherent strategy to keep each ship relevant and affordable through their entire 35-year hull life.

VIRGINIA Class Fast Attack Nuclear Submarine (SSN).—Navy needs to maintain an SSN force structure sufficient to meet current operational requirements, the Global War on Terror, and any potential future threat from near peer competitors. The first 10 VIRGINIA Class (SSN 774) submarines are already under contract. Navy is pursuing a number of cost reduction initiatives intended to lower SSN 774 acquisition costs to \$2 billion (in fiscal year 2005 dollars) at a stable build rate of two-per-year, currently planned for fiscal year 2012.

The Navy intends to pursue design modifications to the VIRGINIA Class that will lower acquisition cost, while sustaining or improving warfighting capability. The Navy and our submarine shipbuilders are conducting a detailed study of design options that will dovetail with ongoing production and contracting initiatives and sustain the critical skills necessary for nuclear submarine design. A detailed report meeting the requirements of the National Defense Authorization Act statute and reflecting the outcome of the study will be available later this Spring.

F-35 Joint Strike Fighter (JSF).—The JSF is an affordable multi-mission strike fighter aircraft that incorporates matured and demonstrated 21st Century technology to meet the war fighting needs of the Navy, Marine Corps, Air Force and eight other countries. The JSF program pillars are range, lethality, survivability, supportability, and affordability. The United States, United Kingdom, Italy, Netherlands, Denmark, Turkey, Norway, Australia, and Canada comprise the JSF cooperative partnership. There are three JSF variants: Conventional Take Off and Landing (CTOL), Carrier Variant (CV), and Short Take Off and Landing (STOVL). Department of Navy procurement is expected to be 680 aircraft.

The JSF aircraft carrier (CV) variant is projected to exceed its required 600NM combat radius, and the STOVL variant is projected to exceed its required 450NM combat radius.

F/A-18E/F Super Hornet.—The Super Hornet is the Navy's next generation strike-fighter. The F/A-18E/F replaces the F-14, older model F/A-18, and S-3 carrier-based tankers. F/A-18E/F is five times more survivable than the F/A-18C. The Super Hornet provides a 40 percent increase in combat radius, a 50 percent increase in endurance, 25 percent greater weapons payload, and three times more ordinance bring-back than the F/A-18C. The F/A-18E/F will have the Active Electronically Scanned Array Radar System (AESA), Integrated Defensive Electronic Countermeasures System (IDECM), Joint Helmet Mounted Cueing System (JHMCS), Advanced Targeting FLIR (ATFLIR), Shared Reconnaissance Pod (SHARP), Multi-Function Information Distribution System (MIDS), and Advanced Crew Station (ACS). 246 Super Hornets have been delivered of a total procurement of 460.

EA-18G Growler.—The EA-18G is a two-seat carrier-based replacement aircraft for the EA-6B Prowler electronic attack aircraft. The Growler is scheduled for initial operational capability (IOC) in 2009. The Growler shares a common airframe with the F/A-18F Super Hornet. A total inventory of 90 aircraft is planned for service in 11 squadrons. EA-18G upgrades include the destruction of enemy air defenses with Joint weapons, advanced RF receiver and jamming modes, integrated peer-to-peer networking, integration with stand-in assets, and coordinated off-board Electronic Support (ES).

F/A-18A/B/C/D Hornet.—The F/A-18 Hornet is Naval Aviation's primary strike-fighter. The Hornet is the workhorse of Navy/Marine Corps tactical aircraft and is also flown by the armed forces of seven allied and friendly countries. Its reliability and precision weapons-delivery capability highlight the Hornet's success. Improvements to the Hornet A/B/C/D variants provide state-of-the-art war fighting enhancements in precision strike, anti-air and C4I capabilities. The more than 680 Navy and Marine Corps Hornets will continue to comprise half of the carrier strike force until 2013, and the A/B/C/D Hornet variants are scheduled to remain in the Naval Aviation inventory through 2022.

E-2D Advanced Hawkeye.—The E-2D Advanced Hawkeye (AHE) program will modernize the current fleet of aircraft carrier based airborne early warning E-2C aircraft. AHE will have a new radar and other aircraft system components that will improve nearly every facet of tactical air operations. The modernized weapons system will be designed to maintain open ocean capability while adding transformational littoral surveillance and Theater Air and Missile Defense capabilities against emerging air threats in the high clutter, electro-magnetic interference and jamming environment. The AHE will be one of the four pillars contributing to Naval Integrated Fire Control-Counter Air. The AHE program plans to build 75 new aircraft. The program is on track to meet the first flight milestone in fiscal year 2007.

P-8A Multi-mission Maritime Aircraft (MMA).—The P-8A is the Navy's next generation MMA, replacing the P-3C. The P-8A missions will include broad area maritime and littoral surveillance, anti-submarine warfare, anti-surface warfare and ISR. The P-8A fulfills the Combatant Commander's requirements for major combat operations, forward presence and homeland defense. It will replace the P-3C on a less than one-for-one basis, and trades 4,500 military billets for 900 contractor billets. IOC for the P-8A is fiscal year 2013.

MV-22B Osprey.—The MV-22 Osprey is the Navy and Marine Corps' next-generation medium-lift assault support aircraft. It will replace the CH-46E and CH-53D. The Osprey will significantly improve the operational reach and capability of deployed forces: The MV-22 is twice as fast, has triple the payload, and six times the range of the airframes it will replace. The Navy and Marine Corps MV-22 requirement is 408 Osprey aircraft.

MH-60R/S Multi-Mission Helicopter.—The MH-60R and MH-60S are the Navy's multi-role helicopters that incorporate advanced sensors and weapons systems to perform a multitude of missions that were previously performed by six different types of aircraft. The MH-60R Multi-Mission Helicopter will replace the SH-60B and SH-60F Seahawk helicopters entirely, and perform the anti-ship role of the fixed-wing S-3 Viking, which is currently being phased out of service. The MH-60R will perform anti-submarine, undersea, and surface warfare missions.

The MH-60S is the Navy's primary Combat Support Helicopter designed to support the Carrier Strike Group and Expeditionary Strike Group in combat logistics, vertical replenishment, anti-surface warfare, airborne mine countermeasures, combat search and rescue, and naval special warfare mission areas.

CH-53X.—The CH-53X is the follow on to the Marine Corps CH-53E Heavy Lift Helicopter and will have double the lift capacity of the CH-53E. The CH-53X will incorporate more powerful engines, an expanded gross weight airframe, composite rotor blades, an updated cockpit and cargo handling systems and will be more survivable. The CH-53X will serve the Navy's sea base and is an integral part of the Marine Corps 2015 Ship-to-Objective Maneuver doctrine. IOC is planned for 2015.

Broad Area Maritime Surveillance (BAMS) Unmanned Aircraft System (UAS).—BAMS UAS is an unmanned aircraft capable of carrying various mission payloads. BAMS UAS will incorporate radar, electro-optical, infrared, and electronic surveillance measures capabilities that will allow BAMS UAS to detect, classify, and identify targets using either active or passive methods. The BAMS UAS is also a key node in the Navy's FORCENet C4I architecture. It will be capable of providing persistent worldwide maritime ISR capability, supporting maritime domain awareness, and providing information that enables commanders to achieve decision superiority.

Global Hawk Maritime Demonstration (GMHD).—GMHD provides a high altitude, high endurance UAV capability seven years before the IOC of the BAMS UAS. Two Global Hawk UAVs are being procured on an Air Force production and modified

with a radar and limited capability ESM suite that support ship detection. GHMD will be used to support testing of persistent maritime ISR technologies, and to help develop Concepts of Operation (CONOPS) and tactics, training, and procedures (TTP) for maritime UAVs.

Joint Unmanned Combat Air System (JUCAS).—JUCAS is a Boeing industries project that will provide the Navy with a carrier-based UCAV capable of performing strike, suppression of enemy air defense (SEAD), and ISR missions in high threat environments against future air defense systems. JUCAS capabilities will help minimize the risk of loss or capture of friendly forces. JUCAS is anticipated to fulfill ISR missions by 2018, with follow-on strike and SEAD mission capabilities achieved by 2024. The Navy's primary initial objective is to complete aircraft carrier flight demonstration of a tailless UAV. Three land-based vehicles are scheduled for first flight in fiscal year 2007 and will demonstrate in-flight refueling capabilities and limited weapons and sensor integration. Two carrier suitable vehicles are scheduled for their first flights in fiscal year 2008. An aircraft carrier demonstration is scheduled for fiscal year 2011.

MQ-8B Fire Scout Vertical Takeoff UAV (VTUAV).—The Navy VTUAV is designed to operate from all aircraft-capable ships. VTUAV will carry modular mission payloads and use the Tactical Control System (TCS) and Tactical Common Data Link (TCDL). VTUAV will provide day/night real time ISR and targeting, as well as C4I and battlefield management capabilities to support the Littoral Combat Ship (LCS) core mission areas of ASW, Mine Warfare (MIW), and anti-surface warfare (ASUW). Fire Scout is currently in Engineering and Manufacturing Development (EMD).

Tactical Control System (TCS).—The Tactical Control System (TCS) provides a common interface for future tactical and medium altitude unmanned aerial sensors (UAS). TCS will enable different UAS to use a common system for mission planning, command and control, and C4I. TCS software will provide a full range of scaleable UAS capabilities, from passive receipt of air vehicle and payload data to full air vehicle and payload command and control from ground control stations both ashore and afloat. TCS gives the Littoral Combat Ship a UAV capability when fielded in conjunction with the Fire Scout VTUAV system. TCS will also be evaluated for use in future programs such as BAMS UAS, MMA, and DD(X).

Pioneer Tactical Unmanned Aerial Sensor (UAS).—The Pioneer UAS System is a transportable ISR platform capable of providing tactical commanders with day and night, battlefield, and maritime ISR in support of Marine expeditionary warfare and maritime control operations. Currently eight air vehicles are deployed with Marine forces and have flown over 12,000 flight hours in support of Operation IRAQI FREEDOM. The Navy operates two air vehicles as test platforms for equipment and system upgrades, which will allow Pioneer sustainment until a follow-on system is fielded. The current USMC UAS plan calls for sustainment of the Pioneer UAS through at least fiscal year 2015, pending the fielding of a replacement system.

DEVELOPING 21ST CENTURY LEADERS

Taking a Fix

The men and women of the United States Navy—active, reserve and civilian—are the lifeblood and heart of the Service. And today they are the best, most talented and capable team of professionals the nation has ever assembled. The Navy currently has an active force of 357,474, of which 39,775 are now deployed. Our reserve community consists of 74,632 sailors, 4,281 of whom are now activated.



Manpower vs Capability

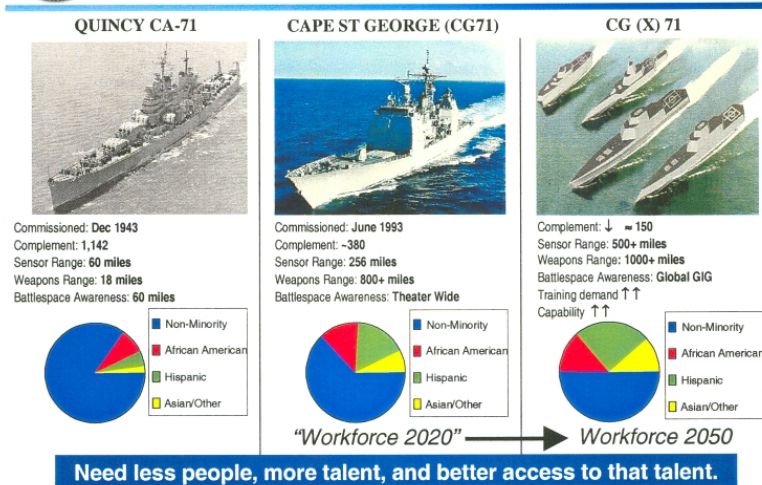


FIGURE 3

The Navy's "Strategy for Our People" provides overarching guidance for achieving a capabilities-based and competency-focused Total Navy workforce (active, reserve, civilian) in synch with Joint and Service-specific mission requirements. Capitalizing on the success of manpower and personnel reforms over the last several years, we will shape a more agile and operationally capable Navy. While we address our skill imbalances we will also focus and improve our efforts in the talent marketplace to achieve a more diverse workforce (see Figure 3). We will link and leverage SEA WARRIOR and National Security Personnel System (NSPS) processes to achieve an agile and robust Total Navy personnel architecture that rewards performance and can quickly respond to emerging competency demand signals.

In fiscal year 2005 the Navy met 100 percent of its active enlisted accession goal, with 95 percent high school graduates and 70 percent in test score category I–IIIA. For reserve enlisted recruiting, Navy met 85 percent of fiscal year 2005 accession goals, with shortfalls in ratings with insufficient numbers of Navy veterans (e.g. Seabees, Master at Arms). In officer programs, 84 percent of active component goals and 90 percent of reserve goals were attained in fiscal year 2005. Shortfalls were mostly in Medical programs.

Retaining the best and brightest Sailors has always been a Navy core objective and essential for our success. Navy retains the right people by offering rewarding opportunities for professional growth, development, and leadership directly tied to mission readiness. Navy has remained successful in filling enlisted operational billets around the world to sustain Fleet readiness objectives.

Key to these successes has been Navy's aggressive program to enhance quality of service for our Total Navy (the combination of quality of work and quality of life). We continue to monitor the impacts of an improving economy and the War on Terror to ensure programs support Sailors and their families and contribute to making the Navy their career of choice. We remain focused on providing adequate pay, health care, housing, proper work environments, and career-long learning for our Sailors.

But retention and the drive to attract and hold onto the best people, underscores the need to seek efficiencies in the force—efficiencies that ultimately will translate into reduced end strength. By the end of fiscal year 2006, your Navy will have reduced its active end strength by almost 30,000 (7.7 percent of the active component) since 2003. Further reductions will result from efficiencies yet to be realized through technological advances that eliminate outdated, labor-intensive jobs. As potential reductions in manpower are identified, the Navy will execute these reductions in a

planned, controlled, and responsible manner that is consistent with the security interests of the country.

Prior to considering Sailors for separation (and selective application of voluntary separation incentives), we employ a progressive approach to evaluate options for retaining Sailors by shifting personnel from overmanned to undermanned skills through retraining and conversion. This is accomplished through a variety of means, including the Perform to Serve, Lateral Conversion Bonus, transfer to fill valid reserve component requirements, or through inter-service transfer (e.g. Army's Blue-to-Green initiative).

After exhausting all logical retention options, consideration is given to releasing Sailors whose service/skills are no longer required. Under no circumstances should we retain personnel in over-manned skills if it is not feasible and cost-effective to move them into undermanned skills. To do so would be poor stewardship of taxpayer dollars and would force Navy to endure gaps in undermanned skills to remain within authorized aggregate strength levels, thereby adversely impacting personnel readiness.

In parallel with the Strategy for Our People, we are pursuing an Active-Reserve Integration (ARI) program that will support a more operational and flexible unit structure. The Navy Reserve is evolving into a flexible, adaptive, and responsive operational force needed to fight the asymmetric, non-traditional threats of our future. Active-Reserve Integration has already enabled a Reserve Force that is ready, relevant, and fully integrated into our nation's defense both overseas and in the homeland. We recognize and value the diverse skills our Reservists possess, accrued in both military service and civilian life.

Our vision for the future is to capture the skills of our outstanding citizen Sailors for life. In the "Sailor for Life" model, Reservists would seamlessly transition between reserve and active components, answering the nation's call to arms when needed. The Congress' continued support of financial incentives and bonuses will ensure the retention of these highly skilled Sailors.

Navy Reserve Sailors have performed a pivotal role in the Global War on Terror. Mobilized Sailors provide a portion of this support—4,281 Sailors are currently serving on involuntary mobilizations in such areas as Customs Inspection, Cargo Handlers, Navy Coastal Warfare, Naval Construction Battalions, Medical and Corpsmen, Helicopter Special Operations Forces Support and numerous others. But mobilization alone does not reflect the total contribution of the Navy's Reserve. On any given day, an additional 15,000 Reservists are providing operational support to the Fleet around the globe. During the past year, Reserve Sailors have provided over 15,000 man-years of support to the Fleet. This support is the equivalent of 18 Naval Construction Battalions or two Carrier Battle Groups.

Finally, we must recognize another aspect of readiness that is equally as important as preparing and maintaining our ships and training and equipping our Sailors. "Family readiness" describes the support needed to ensure our Sailors and their families are as well prepared for operations as our ships and airframes. The Navy is working hard to implement the right support mechanisms, Ombudsman training, Family Advocacy programs, Spouse Education and Employment programs, mentorship, and family counseling. We can do little without the support of our families, and it is up to us to ensure they are well taken care of and ready and eager to support.

Plotting the Course: Where we're heading in Developing 21st Century Leaders

To better serve the men and women who are the United States Navy, and in turn, enable them to be as effective as possible in a challenging new global era, we must: improve diversity; encourage and reward continuing education and training that stresses critical thinking; institutionalize executive development; assign our best and brightest to critical Joint, interagency, and foreign exchange tours; increase access to foreign language and cultural awareness training; respond rapidly to significant changes in leading indicators for recruiting and retention; and, better recognize the important role families play in our readiness and quality of life. It is this commitment to our own that will best demonstrate our resolve and determination in a new era.

New opportunities and security challenges require new skill sets. Brainpower is as important as firepower. Our Sailors must be empowered to operate and fight in a vast array of environments that range from failing states and ungoverned spaces to the most technologically advanced nations, virtual worlds and cyberspace. They will form the foundation of an expeditionary force when and where required. They will be expected to understand and foster cooperation in cultures far different from our own. They will be ambassadors, educators, health care providers, mentors, and friends to a diverse cross-section of the global community. They must be equipped

with the tools and skills to meet these challenges, to excel as professionals, and to develop as individuals.

We are increasingly leveraging technology to improve our warfighting advantage and to broaden the skill sets required to meet the multi-cultural, asymmetric challenges of this century. Advances in ships and system design allow us to shed some obsolete, labor-intensive functions while improving productivity and war fighting readiness. Economies are gained by eliminating redundant and non-essential skill sets. The optimal end-strength for our active and reserve components must reflect the economies derived from transforming the force to meet the challenges we face in this new century.

The concept of Total Navy encompasses those serving the Department of the Navy in uniform and in a civilian capacity, active and reserve component alike. NSPS is a new personnel system that will create civil service rules for the 750,000 civilian workers in the Department of Defense. It strengthens our ability to accomplish the mission in an ever-changing national security environment. NSPS accelerates Department of Defense efforts to create a Total Force (military personnel, civilian personnel, Reserve, Guard, and contractors), operating as one cohesive unit, with each performing the work most suitable to their skills. The Navy's "Strategy for our People" needs a manpower and personnel system that appropriately recognizes and rewards our civilian employees' performance and the contributions they make to the Department of Defense mission. NSPS gives us better tools to attract and retain good employees.

Throughout Total Navy, diversity is a fundamental building block upon which the Strategy for our People stands. The Navy's diversity objectives are aimed at improving our access to the full range of the nation's talent and improving our ability to harvest and represent the full strength of the nation. The "Strategy for Our People" views Total Navy as a team, whose people are treated with dignity and respect, are encouraged to lead, and feel empowered to reach their full potential. Total Navy diversity represents all the different characteristics and attributes of individual Sailors and civilians, which enhance our mission readiness.

Training, education, mentoring, and leadership programs are aimed at increasing awareness of diversity and creating a culture that promotes growth and development opportunities for every member of the Navy. These programs are currently funded through Training and Education commands. Specific diversity-focused training for leadership is a newly funded initiative that seeks to create awareness and communication skill competencies for all levels of leadership and embed diversity values into the force.

The Navy is a full partner and supporter of the Department's Training Transformation Program. We are better preparing units and staffs for joint operations through the Joint National Training Capability, and individuals for joint assignment through the Joint Knowledge Development and Distribution Capability.

The cornerstone of Navy's "Strategy for Our People" is the SEA WARRIOR program. SEA WARRIOR comprises the Navy's training, education, and career-management systems that provide for the growth and development of our people. It provides them with greater individual career management and enables them to take a more active role in furthering their careers through education and training opportunities. SEA WARRIOR will include an automated, web-enabled system and processes which will increase overall mission effectiveness by efficiently developing and delivering an optimally matched, trained, educated, and motivated workforce.

Getting Underway: Programs and Practices in Support of Developing 21st Century Leaders

The Navy's "Strategy for our People" provides the guidance and tools to assess, train, distribute, and develop our manpower to become a mission-focused force that truly meets the warfighting requirements of the Navy. At the same time, we must improve the work-life balance and quality of service so our Sailors and civilians will enjoy meaningful job content, realize their important contributions, and have expanded opportunity for professional and personal growth. We will deliver all the above, while tackling head-on the pernicious challenges of sexual harassment, sexual assault, and substance abuse, and offering an environment that values and rewards diversity.

Programs and practices of particular interest include:

Diversity.—The Navy diversity strategy is aimed at creating and maintaining our Navy as a team, whose people are treated with dignity and respect, are encouraged to lead and feel empowered to reach their full potential. Specific initiatives are aligned under the four focus areas of recruiting, growth and development, organizational alignment, and communications. Navy has increased advertising and mar-

keting funds specifically targeted at diversity recruiting for the past five years. We have also chartered outreach programs aimed at minority and female engineering and technical organizations.

Transforming training, education, mentoring, and leadership programs are aimed at increasing awareness of diversity and creating a culture that provides growth and development opportunities for every member of the U.S. Navy. The Navy is currently developing a Concept of Operations (CONOPS) for an aggressive program to increase the diversity of our Service.

Some Examples of progress to date include:

—*Recruiting*.—Coordination of national public awareness and recruiting events. Increased diversity event sponsorship. More visibility into ROTC application, recruiting, and board processes.

—*Developing*.—Diversity awareness and communication training has been built into all levels of leadership development courses; Navy-wide Equal Opportunity Advisor (EOA)/Diversity symposium will become an annual event.

—*Alignment/Oversight*.—Diversity Senior Advisory Group and Fleet Diversity Councils will coordinate best practices with various Navy Enterprises.

Enlisted Retention (Selective Reenlistment Bonus).—Selective Reenlistment Bonus (SRB) continues to be our most effective retention and force-shaping tool, enabling us to retain the right number of high quality Sailors with the right skills and experience. More importantly, it affords Navy the ability to compete in a domestic labor market that increasingly demands more skilled, technically proficient, and adaptable personnel.

The Navy is continuing to transform our workforce by recruiting fewer generalists and becoming a predominantly technical and more experienced force. To retain the critical skills we need, our SRB strategy has shifted from targeting general skill sets with less than ten years of service, to focusing on the specialized skills of Sailors across the career continuum (up through 14 years of service). Navy has applied increasing analytical rigor in predicting and monitoring reenlistment requirements. By monitoring actual reenlistment behavior down to the individual skill level, Navy personnel managers review clear and unambiguous data to ensure precious SRB dollars are applied only when and where needed, based on requirements and outcome.

We are grateful to Congress for increasing the SRB cap from \$60,000 to \$90,000 and will ensure the higher award cap is judiciously applied. A portion of this increased SRB may be used to reverse declining retention among our most skilled personnel in the Nuclear Propulsion specialties. Fiscal year 2005 culminated in achieving only half of our zone B nuclear rating reenlistment goal and left several nuclear specialties at less than 90 percent of required manning. Applying an increased SRB level to retain these highly trained, highly skilled, and highly sought after personnel makes sense, both financially and from a force readiness perspective. The Navy saves over \$100,000 in training costs and 10 to 14 years of irreplaceable nuclear propulsion plant experience for each individual SRB enables us to reenlist. The additional flexibility provided by the SRB cap increase will allow Navy to incentivize experienced nuclear-trained personnel and to address other skill sets as retention trends emerge.

Having a flexible and adequately resourced SRB program will help us continue to sustain high readiness with a top quality work force.

Officer Retention.—Creating an environment conducive to professional growth that provides an attractive quality of service, including education, adequate pay, health care, and housing, will aid retention efforts. However, continued focus on increasing unrestricted line (URL) officer retention across all warfighting disciplines is required. Officer retention shows positive trends despite shortfalls in the ranks of Lieutenant Commander to Captain in the surface and submarine unrestricted line communities.

National Security Personnel System (NSPS).—NSPS strengthens our ability to accomplish the mission in an ever-changing national security environment. NSPS accelerates the Department's efforts to create a Total Force (military personnel, civilian personnel, Reserve, Guard and contractors), operating as one cohesive unit, with each performing the work most suitable to their skills.

Civilian Career Management.—The Navy supports efforts to develop a career management system for civilian employees. Our approach includes documenting and validating competencies for use in career planning and development. The validated competencies will be made available to the workforce as career roadmaps through both 5 Vector Models (Navy) and the Civilian Workforce Development Application (CWDA) (USMC). Also in process is the development of guidance directed toward supervisors and employees indicating how to use competency data to assist with the performance management process including career planning and development.

Health Care.—A vital part of Navy and family readiness hinges on our commitment to provide top quality health care for our active and retired personnel and their dependants. Navy Medicine transformation initiatives link authority and accountability to facilitate performance-based management that maximizes efficiencies while maintaining quality. Increases in the cost of providing health services in Navy Medical Treatment Facilities (MTFs), for example, have been kept below the healthcare rate of inflation and that trend is expected to hold true in the out-years. As a priority, the Navy is also carefully monitoring the support offered to service members who were injured during OEF/OIF service, ensuring a seamless transition to the services available through the Veteran's Administration (VA).

The Department of Defense and Congress have established TRICARE as the "gold standard" health care benefit. Health care costs have increased dramatically in recent years and are expected to grow at rates that exceed standard indices of inflation¹. Far from being immune to these costs, the DOD must include this reality in the budgetary calculus of providing for the nation's security. DOD TRICARE costs have more than doubled in five years from \$19 billion in fiscal year 2001 to \$38 billion in fiscal year 2006, and analysts project these costs could reach \$64 billion by 2015—more than 12 percent of DOD's anticipated budget (versus 8 percent today). On the other hand, TRICARE Premiums have not changed with inflation since the program began in 1995, so that total beneficiary cost shares have declined substantially—27 percent of total benefit cost in 1995 while 12 percent in 2005.

When TRICARE for Life was developed for the 2001 National Defense Authorization Act, we could not have anticipated the growing number of retirees and their dependents, not yet Medicare eligible, who have chosen or have been driven to switch from private/commercial health care plans to TRICARE in order to better cope with rising health care costs. Indeed, the Services are increasingly picking up the tab for businesses, local and state governments unwilling or unable to provide adequate health care benefits to their retired Veteran employees.

The Navy will continue to meet our security commitments to the American people while fully supporting the health care needs of our active and reserve members and their families and keeping the faith with those who stood the watch before us. This can be accomplished by working cooperatively with Congress to implement carefully crafted initiatives and administrative actions that will restore appropriate cost sharing relationships between beneficiaries and the Department of Defense.

Family Advocacy.—Navy Family Advocacy Program (FAP) has led the way among the Services and the Department of Defense in domestic abuse policy and process by: providing victim advocacy at some Navy installations since the mid-1990s, and by (since 1997) responding to allegations of domestic abuse between unmarried intimate partners, providing a formal diversion process for low-risk cases, and providing limited discretionary reporting when a victim of domestic abuse seeks counseling voluntarily. Navy commands remain active partners in stopping family violence and responding to domestic abuse.

Sexual Assault.—Navy now provides 24/7 response capability for sexual assaults on the installation and during deployment by activating watchbills for victim advocates and notifying the installation Sexual Assault Response Coordinators (SARC). Victims of restricted cases of sexual assault are offered advocacy, medical and counseling services without triggering an investigation through law enforcement or the command.

Active-Reserve Integration.—Active Reserve Integration (ARI) aligns Reserve Component (RC) and Active Component (AC) personnel, training, equipment, and policy to provide a more effective and efficient Total Navy capable of meeting dynamic National Defense requirements.

The Navy is currently aligning RC and AC units to better meet Operation IRAQI FREEDOM and Operation ENDURING FREEDOM requirements and the Navy's vision for our future force structure: RC Helicopter-Combat Support (HCS) missions will be integrated into AC Helicopter missions; RC and AC Explosive Ordnance Disposal (EOD) Units are being integrated and two RC Navy Coastal Warfare Units (NCW) are being converted to the AC. The Navy is also studying the role of the RC in future Navy mission areas of Riverine Warfare and Civil Affairs. In support of Operations Iraqi Freedom and Enduring Freedom, AC and RC Sailors are working together to fill billets in Civil Affairs, Detainee Operations, Intelligence, and Reconstruction Team efforts.

The Navy Reserve has evolved from a strategic force of the Cold War to the flexible, adaptive and responsive operational force required to fight the asymmetric, ir-

¹Total national health expenditures increased by 7.7 percent in 2003 (over 2002), four times the rate of inflation in 2003. Smith, C.C. Cowan, A. Sensenig and A. Catlin, "Health Spending: Growth Slows in 2003," *Health Affairs* 24:1 (2005): 185–194.

regular wars of the future. Change of this magnitude is not easy and challenges the senior leadership of both the AC and the RC. Support of the Congress is critical as we implement initiatives that will enable the effective and efficient use of both manpower and equipment, providing resources needed to recapitalize the Navy of the future. The total number of Navy Reservists, both Selected Reserves (SELRES) and Full Time Support (FTS), will be 73,100 at the end of fiscal year 2006.

SEA WARRIOR.—SEA WARRIOR comprises the training, education, and career-management systems that provide for the growth and development of our people and enhance their contribution to our Joint warfighting ability. SEA WARRIOR leverages technology to provide Sailors the choice and opportunity for professional development and personal growth through Navy Knowledge Online (NKO), the Job Career Management System (JCMS), and the maturing of the 5 Vector Model—5VM (professional development, personal development, leadership, performance, certification and qualification). SEA WARRIOR will also provide commanders with a better manpower fit, matching the Sailor with exactly the right skills and training to the billet.

Task Force Navy Family.—Task Force Navy Family (TFNF) was established to help our people who were affected by hurricanes Katrina, Rita, or Wilma. In all, the lives of more than 88,000 Navy personnel, retirees, and immediate family members were severely disrupted. TFNF leveraged existing agencies and local Community Support Centers to ensure that each Navy Family was contacted personally and, if desired, assigned an individual “Family Case Manager.” TFNF has resolved 15,300 unique issues (76 percent of those reported). Housing and financial problems were, and remain, the most difficult to resolve, with over 1,000 severe issues yet to be resolved.

TFNF has now completed its original task and has transitioned outstanding issues to Commander, Naval Installations Command and others for final resolution. In the process of serving our Navy family, TFNF has helped develop tools and structures that can be rapidly deployed in the event of future catastrophic events and render aid more efficiently and quickly.

Key lessons learned by TFNF focused on communications, information sharing, and taking care of those affected by the devastation. These lessons learned, including the need for a more effective method of accounting for the whereabouts of ashore personnel and their families during crises, have been tasked to the appropriate organizations within the Navy for follow up and development of action plans.

Foreign Area Officer Program.—Recognizing the need to build partner capacity, the QDR calls for the Navy to reinvigorate the Foreign Area Officer program. Navy has begun establishing a separate Restricted Line community of 300–400 officers that will compete discretely for statutory promotion through Flag rank. Navy’s Foreign Area Officers (FAOs) will form a professional cadre with regional expertise and language skills who will provide support to Fleet, Component Commander, Combatant Commander and Joint Staffs. Their immediate mission will be to rapidly improve the Navy’s ability to conduct Theater Security Cooperation (TSC), improve partner capacity in GWOT, and generate Maritime Domain Awareness while improving Navy’s readiness and effectiveness in the conduct of conventional campaigns against increasingly sophisticated regional adversaries. The first FAO selection board was held December 14–15, 2005. 42 personnel were selected for lateral transfer and four of these officers already meet regional/cultural expertise and language skill requirements. They will be detailed to existing FAO billets in fiscal year 2006.

Joint Professional Military Education (JPME).—As ongoing operations in Iraq, Afghanistan, and the Global War on Terror (GWOT) vividly illustrate, Navy must continue to adapt to growing Joint warfighting and interagency planning demands. Meeting such requirements will prepare our nation to defeat extremist groups and state adversaries who will challenge us in ways far different than in the past. We continue to develop a continuum of professional education and training to enhance the ability of Navy leaders to provide unique and complementary warfighting skills. Leaders who demonstrate the highest potential for service will be rewarded with in-residence Joint Professional Military Education (JPME), to prepare them to excel in naval, Joint, multi-national and interagency billets around the world. Non-resident courses are often facilitated through Advanced Distributed Learning. Navy personnel are also enrolled in Joint Knowledge Development and Distribution Capability courses to better prepare them for joint assignments.

Navy Education.—Education is a key enabler in developing the competencies, professional knowledge and critical thinking skills to deliver adaptable, innovative combat-ready naval forces. The Navy will develop a continuum of capabilities-based and competency-focused life-long learning to keep naval forces on the cutting edge for mission accomplishment as well as to provide for the professional and personal growth of our people. Navy education must be tied to requirements and capabilities.

Central to our efforts are the Naval Reserve Officers Training Corps (NROTC), the Naval Academy, Naval Postgraduate School, and the Naval War College.

The Naval Reserve Officers Training Corps (NROTC) Program comprises 59 NROTC units at 71 host institutions of higher learning across the nation. In addition, Departments of Naval Science are located at the United States Merchant Marine Academy and 6 selected state maritime institutions, two of which also host NROTC units. NROTC is the key source of nuclear power candidates, nurses and increased officer corps diversity. NROTC is designed to educate and train qualified young men and women for service as commissioned officers in the Navy or Marine Corps. NROTC prepares mature young men and women morally, mentally, and physically for leadership and management positions in an increasingly technical military. In addition, participation in the naval science program instills in students the highest ideals of duty, honor and loyalty.

The Naval Academy gives young men and women the up-to-date academic and professional training needed to be effective naval and marine officers in their assignments after graduation. Renowned for producing officers with solid technical and analytical foundations, the Naval Academy is expanding its capabilities in strategic languages and regional studies.

The Naval Postgraduate School (NPS) is our cornerstone of graduate education providing relevant, defense-focused degree and non-degree programs in residence and at a distance. We are expanding resident opportunities at NPS where the distinctly Joint and international environment contributes to the resident academic experience by mirroring the nature of today's operating forces. Included in this expansion is the support of regional expertise development within our Foreign Area Officer program. We are also increasing access to NPS graduate education through a variety of non-resident, distance learning opportunities.

NPS may be one of our best tools to ensure the alignment of advanced operational concepts and technologies among the Department of Defense, Homeland Security, Inter-agency, and international military partnerships. NPS provides specialized programs that support U.S. national security priorities and the Combatant Commanders, including counter-terrorism, homeland security, and security cooperation. Masters Degree programs and seminars have been developed on Homeland Defense and Security, as well as Counter-drug Strategy and Policy, for the Department of Homeland Security. NPS teaches a classified graduate education program for the National Security Agency, is a University of choice for the National Reconnaissance Office, and NASA sponsors the annual Michael J. Smith NASA Chair at NPS with focused areas of space research, education and training for future astronaut candidates. Additionally, NPS receives sizeable annual funding from the National Science Foundation for basic research in oceanography, meteorology, information sciences, engineering, and technology development, often partnering with other universities on interdisciplinary research projects.

The Naval War College is the centerpiece of Navy Professional Military Education and maritime-focused Joint Professional Military Education that develop strategically minded critical thinkers and leaders who are skilled in naval and Joint warfare. The Naval War College is restructuring its programs to improve comprehensive development of operational warfighting competencies, and key cross-functional and special competencies, including regional studies. We are increasing both War College resident and distance learning opportunities. Completion of non-resident courses and programs is facilitated through Advanced Distributed Learning.

CONCLUSION

The Navy cannot meet the threats of tomorrow by simply maintaining today's readiness and capabilities. Our adversaries will not rest, our global neighbors will not wait. Neither will we. Building upon Sea Power 21, we must continue to transform and recapitalize for the future without jeopardizing our current readiness and the strides we have made—and continue to make—in personnel and manpower management. With our partners in industry, the acquisition community, OSD, and the interagency, and with the continuing support of the Congress, the Navy will build a force that is properly sized, balanced—and priced for tomorrow.

We will build for our nation and its citizens the right Navy for a new era. American Sea Power in the 21st Century is the projection of power, and more: it extends beyond the sea; it is Joint and interagency; it requires awareness and understanding; it enables access and cooperation; it provides for presence and interaction; it is driven by compassion and collective security; and, it is decisive and lethal.

Your Navy would not have remained, for 230 years, the world's premier maritime force without the constant support of the Congress and the people of the United States of America. I would therefore like to thank you once again, on behalf of the

dedicated men and women who daily go in harm's way for our great nation, for all that you do to make the United States Navy a force for good today and for the future.

BIOGRAPHICAL SKETCH OF ADMIRAL MICHAEL G. MULLEN

A native of Los Angeles, Calif., Admiral Mullen graduated from the U.S. Naval Academy in 1968. He has served in Allied, Joint and Navy positions, overseas and in both the Atlantic and Pacific Fleets.

As a junior officer, he served in various leadership positions aboard USS Collett (DD 730), USS Blandy (DD 943), USS Fox (CG 33) and USS Sterett (CG 31). Adm. Mullen commanded three ships: USS Noxubee (AOG 56), USS Goldsborough (DDG 20), and USS Yorktown (CG 48). As a Flag Officer, he commanded Cruiser-Destroyer Group Two and the George Washington Battle Group. Adm. Mullen's last command at sea was as Commander, U.S. Second Fleet/Commander, NATO Striking Fleet Atlantic.

Ashore, Adm. Mullen served as Company Officer and Executive Assistant to the Commandant of Midshipmen at the U.S. Naval Academy. He also served in the Bureau of Naval Personnel as Director, Surface Officer Distribution and in the Office of the Secretary of Defense on the staff of the Director, Operational Test and Evaluation. On the Chief of Naval Operations' staff, Adm. Mullen served as Deputy Director and Director of Surface Warfare; Deputy Chief of Naval Operations for Resources, Requirements, and Assessments (N8); and as the 32nd Vice Chief of Naval Operations.

Adm. Mullen graduated from the Naval Postgraduate School in Monterey, Calif., with a Master of Science degree in Operations Research. He is also a graduate of the Advanced Management Program at the Harvard Business School.

Adm. Mullen's most recent operational assignment was Commander, Joint Force Command Naples/Commander, U.S. Naval Forces Europe. Based in Naples, Italy, he had operational responsibility for NATO missions in the Balkans, Iraq, and the Mediterranean as well as providing overall command, operational control, and coordination of U.S. naval forces in the European Command area of responsibility.

Admiral Mullen became the 28th Chief of Naval Operations on July 22, 2005.

Senator STEVENS. Thank you very much, Admiral. General Hagee, do you have a statement, sir?

General HAGEE. Sir, I do. Mr. Chairman, Senator Inouye, Chairman Cochran, others members of this distinguished subcommittee, good morning.

Senator Inouye, like the Secretary of the Navy and the Chief of Naval Operations, on behalf of all marines I would like to extend our most heartfelt condolences and sympathies on the loss of your wife Maggie, and assure you that our thoughts and prayers are with you during this time.

It's my privilege to be here with my shipmate and good friend, the CNO, Admiral Mike Mullen. As he mentioned, we've known each other for some time, since 1964, and we actually like each other—since 1964, and it does in fact make a difference.

And I'm also happy to be here with our new Secretary of the Navy, to report on the state of your Marine Corps.

Sixty-one years ago today, there was a slight pause in the battle for Iwo Jima. The flag raising on Mount Suribachi had occurred just a few days earlier, but had seemed a distant memory to the marines on the island. As Lieutenant General Howlin Mad Smith and the leadership of the 5th Amphibious Corps peered down from the Motoyama Plateau, they contemplated the scope of hardships they would endure in securing the remaining northern third of that island from a determined and lethal foe.

Today we pause to report on the state of the Department of the Navy in our preparedness for the unknown battles which await us in this long war against yet, another determined and lethal foe.

Marines executing this war today know they're well equipped, well trained, well led, and have the backing of the American people and their Congress. They and their families also know they are doing something important and they are making a difference.

On behalf of all marines and our families, I would like to thank you for your strong and unwavering support.

I would also like to extend my personal appreciation for the time you take to visit our wounded and console the families of our fallen warriors.

Now in the fifth year of this conflict, the future remains uncertain. However, history teaches us that uncertainty is best met with flexibility and adaptability—two principles which have long characterized your Marine Corps.

My written statement lays out some of the actions we've taken in training, education, and organization to increase our flexibility and adaptability in the fight against this ruthless and determined enemy.

We have embraced culture and language as combat multipliers, we are institutionalizing this effort through our Center for Advanced Operational Cultural Learning. This center will help develop regional expertise in our career marines.

Additionally, we have revamped our pre-deployment training at Twentynine Palms, Ridgeport, California and Yuma, Arizona to better prepare our units for the nontraditional environment.

Finally on February 24, we activated the Marine Corps Forces Special Operations Command (SOCOM), which will add about 2,600 marines to SOCOM, increasing its capacity and capability. With over one-third of our operating forces deployed, we retain the ability to rapidly respond to additional contingencies as they rise.

This Nation invests tremendous capital in its naval forces and this past year, these forces responded across the spectrum of conflict, from Iraq to tsunami relief in the Indian Ocean, to earthquake relief in Pakistan, to aid for fellow Americans across Louisiana and Mississippi, and finally, in a mudslide engulfed a village in the Philippines. Maritime forces have demonstrated their readiness, relevance, and responsiveness as part of the joint force.

In terms of recruiting and retention, this past year has been challenging, but successful. Thanks to the dedication of your marines and your continued support of our recruit advertising and reenlistment bonuses we continue to make mission. Further, the quality of marines we recruit and retain remains high.

We continue to modify our equipment, training, and tactics to the adaptive enemy of today and to be ready to face the warfighting challenges of the future.

However, as I mentioned in previous testimony, the current operational tempo and environment are significantly degrading the service life of our equipment. We estimate the total cost to reset our force is about \$11.7 billion. This amount is in addition to the annual cost of war needs, which we estimate to be approximately \$5.3 billion in fiscal year 2006.

We ask for your support of the supplemental request to reset our capabilities and ensure we remain prepared for the unforeseen challenges of tomorrow.

However in the final analysis, it is not the equipment but our people who make the difference. Be they Active Reserve or civilian, your marines and their families are making the greatest sacrifices. I know that you share the conviction that we cannot do enough for these young Americans who so willingly go forward for the sake of our country.

PREPARED STATEMENT

I firmly believe that the most dangerous weapons system on any battlefield is a well armed, well educated U.S. marine and with your continued support, this will not change.

I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL MICHAEL W. HAGEE

Chairman Stevens, Senator Inouye, distinguished members of the Subcommittee, it is my honor to report to you on the state of your Marine Corps. Now entering the fifth year of what is a long war, your Marine Corps is wholly fixed on this challenge to the Nation. This conflict requires the uniformed services to provide a broader range of capabilities supporting extended global operations, ultimately delivering greater agility, adaptability, and duration of sustainment. While our armed forces continue to predominate in traditional warfare, our current enemy necessitates the adoption of unconventional and indirect approaches throughout the Joint Force.

History reveals a pattern of Marines aggressively adapting to circumstances, and we consider ourselves in the vanguard of instituting the changes required to address the present challenge. The over 30,000 Marines serving on the forward fronts in the Central Command Area of Operations today are a manifestation of transformational advances in manning, training, educating, and equipping to confront this latest threat to our way of life. From force structure revision, to urban training facilities, to cultural and language instruction, to leveraging emerging technologies, our efforts recognize the new character of conflict, and we are delivering both Marines and Marine units that thrive in the uncertainty which will likely define warfare throughout the coming decades.

This war, like any other, is costly, and the essence of this statement outlines the challenges we share in sustaining the caliber of service the Nation has come to expect from its Corps of Marines. Readiness is the enduring hallmark of your Marine Corps, and if this war ended today, we would require continued supplemental budgetary support in order to "reset the force." We also remain committed to providing for your Marines and their families in a manner befitting their dedication and selfless sacrifice.

Marines are grateful for the unwavering support of Congress, welcome the opportunity to report on the present state of the Corps, and consider service to the Nation during this demanding period a distinct privilege.

INTRODUCTION

Today, Marines are forward deployed in prosecution of the Global War on Terror, as they have been since that fateful day in September 2001. The performance of Marines on the field of battle during these last four years has validated our commitment to warfighting excellence and to remaining the world's foremost expeditionary warfighting organization.

Our bedrock is our warrior ethos and the philosophy that every Marine is first a rifleman. We recruit quality Americans whom we then infuse into a culture that requires individuals to think independently and act aggressively in chaotic and unpredictable environments where information is neither complete nor certain. We rigorously train these young Marines to perform under adverse circumstances, and to accept greater responsibility as part of a team. We educate these Marines and their leaders to prepare their minds for the intellectual component of the clash of wills and chaos inherent to combat. These past four years have further validated our forward deployed posture, our maneuver warfare doctrine, our adaptive logistics backbone, and the unique flexibility and scalability of the combined-arms Marine Air-Ground Task Force construct. Time and again, we have delivered to the Combatant Commander a solution tailored to their joint force requirements.

In an uncertain world, readiness is the coin of the realm. In November 2001, at the direction of the Combatant Commander, we projected the combat power of two Marine Expeditionary Units some 350 miles into the heart of Afghanistan during Operation ENDURING FREEDOM. Less than 18 months later, we deployed 70,000 Marines and Sailors in less than 60 days in support of Operation IRAQI FREEDOM. As part of the Joint Force, our 500-mile push from Kuwait, through Baghdad, and up to Saddam's hometown of Tikrit more than doubled our doctrinal expectation for force projection.

After a short respite at home, we again demonstrated the readiness and responsiveness to the Joint Force Commander by deploying 25,000 Marines back to Iraq in March 2004. We are now entering our third year in the Al Anbar province and the servicemen and women of the Multi-National-Force-West have acquitted themselves in such locales as Fallujah, Ramadi, and throughout the Euphrates River valley with valor and distinction.

In 2004, we also provided a combined-arms Marine Expeditionary Unit for the "Spring Offensive" in Afghanistan, significantly reducing the Taliban's influence and setting the stage for the national elections which followed. We continue to provide support in Afghanistan in the form of embedded training teams with the Afghan National Army.

The Nation invests tremendous capital in its naval forces, and this past summer the Navy-Marine team had an opportunity to turn that capability homeward in support of our fellow Americans along the Gulf Coast ravaged by Hurricanes Katrina and Rita. Organized as a Special-Purpose Marine Air-Ground Task Force, over 2,500 Marines from both the active and reserve forces came to the aid of communities across Louisiana and Mississippi. Marines and Sailors welcomed this direct involvement in a domestic humanitarian crisis that further highlighted the strategic flexibility of naval forces in meeting challenges to the Nation both around the world and at home.

The Nation is receiving a superb return on its investment in the world's finest expeditionary force. Nearly one in three Marines of our operating forces is today forward deployed or forward based protecting America's interests.

RESETTING THE FORCE AND PREPARING FOR THE NEXT CONTINGENCY

The War on Terror has made extraordinary demands on the Marine Corps' tactical equipment. Extended operations in Iraq, Afghanistan, and elsewhere over the past several years have severely tested our materiel. The great majority of our equipment has passed the test of combat with flying colors. However, it has been subjected to a lifetimes' worth of wear stemming from vehicle mileage, operating hours, and harsh environmental conditions.

Current Optempo Reduces Equipment Service Life

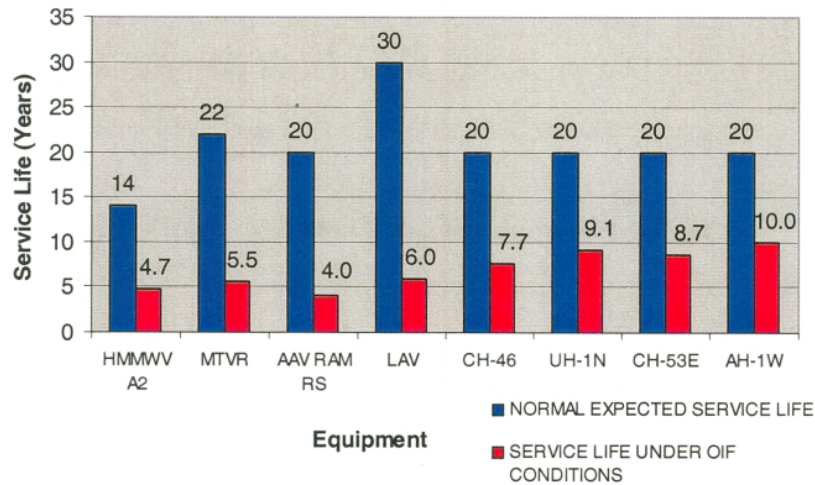


FIGURE 1

We documented this situation last year in an Iraqi Theatre Assessment of Equipment Readiness Report. Figure 1 demonstrates the impact of the operating tempo on both ground and air vehicles. We have responded to enemy tactics and techniques, such as the employment of increasingly destructive improvised explosive devices (IED), by adding armor protection to vehicles—thereby increasing their weight and ultimately increasing the wear and tear on frames, axles, and suspension systems. In the case of the HMMWV, for example, its expected “peacetime” service life is 14 years. Under current conditions, we will have to replace it after less than 5 years of service in Iraq.

The significant distances in the Al Anbar Province, which is approximately the size of the state of Utah, exacerbates the demand on equipment. The extended distances, enemy tactics, and continuous nature of operations have placed extraordinary demands on Marine engineering equipment as well. We maintain roads and infrastructure across the Al Anbar province to accommodate the heavy logistics support demanded by coalition forces. Control points and compounds require round-the-clock power generation for vital communications, equipment repairs, and hospitals. These requirements place a heavy demand on the existing inventory of Marine Corps’ engineering equipment such as power generators, tractors, forklifts, and road construction vehicles.

Our expansive area also requires our headquarters’ elements to perform the command and control functions normally held by the next higher command in traditional tactical and operational settings (e.g., battalion headquarters often function like a regimental headquarters). The Marine Expeditionary Force in Al Anbar has command and control requirements that far exceed the existing organizational tables of equipment.

The Equipment Readiness Report also noted that the types of missions we are conducting in Iraq require an increase in the number of some weapons contained in the units’ Table of Equipment allowance. For example, most infantry, logistics, and security battalions are employing twice the number of .50 caliber, M240G and MK19 machineguns they normally rate.

Supplemental funding (Figure 2) is essential to address “Reset the Force” and wartime contingency costs since our annual baseline budget procurement averages approximately \$1.5–\$2.0 billion.

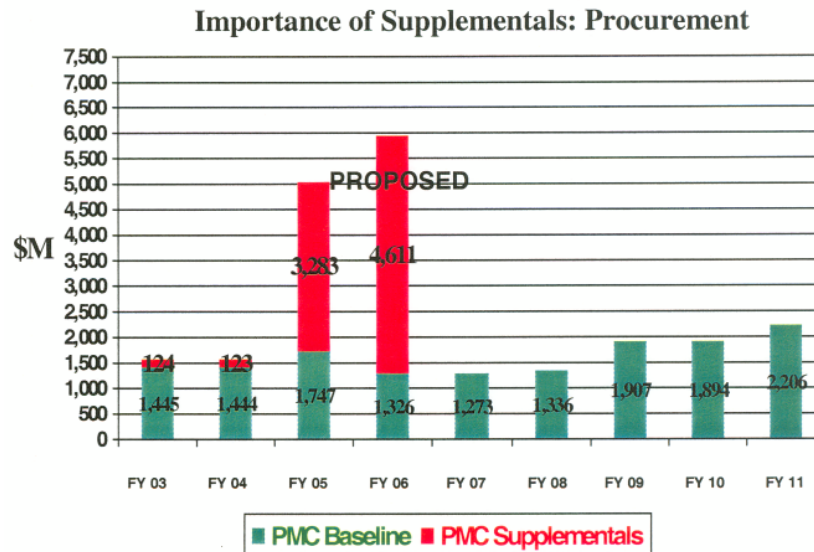


FIGURE 2

Where there are equipment shortages, we equip units preparing to deploy at the expense of our non-deploying units. Maintaining the readiness of our forward deployed units remains our top priority, and their readiness remains high. The equipment shortages experienced by non-deploying forces are exacerbated by the requirement to source the Iraqi Transition Teams (advisors). Although the overall readiness of our remain-behind units is suffering, it will improve when sufficient quantities of equipment procured via supplemental funding becomes available. Until then, sustaining the Corps' readiness requires that our remain-behind units continue cross leveling equipment with each force rotation.

Reset of Strategic Prepositioning Programs.—Equipment from the Marine Corps' two strategic prepositioning programs (the Maritime Prepositioning Force and Marine Corps Prepositioning Program—Norway) has been employed in support of the Global War on Terror. Maritime Prepositioning Ships Squadrons 1 and 3 are fully reconstituted. The majority of Maritime Prepositioning Ships Squadron 2's equipment was employed during Operation IRAQI FREEDOM II. This squadron will complete its initial reconstitution in April 2006, but will only be partially mission capable until all ground equipment is delivered. The Marine Corps Prepositioning Program—Norway currently possesses approximately 35 percent of its ground equipment, and the other classes of supply are at 98 percent or better. The majority of the other Maritime Prepositioning Ships squadron capabilities range between 92–100 percent.

PREPARING FOR THE FUTURE: THE LAST YEAR

Recent Modernization and Transformation Initiatives

Componency.—Over the last year, we have restructured our service components to meet the requirements of the Unified Command Plan, National Strategy, and Combatant Commanders. This effort has resulted in four major changes to our componency construct. First, we established Marine Forces Command as the Marine Corps component to the Joint Force Provider, U.S. Joint Forces Command. Secondly, U.S. Marine Corps Forces, Central Command is now a stand-alone component staff of approximately 100 active duty Marines. Third, the Commander of Marine Forces Reserve and his staff have assumed the Service Component responsibilities for U.S. Northern Command. Finally, on February 24, 2006, we established a Marine Component within Special Operations Command (MARSOC). The new Marine Component will provide approximately 2,600 USMC/Navy billets within U.S. Special Operations Command (SOCOM), lead by a Marine major general. The MARSOC will pro-

vide additional capability and capacity to SOCOM by adding forces that will conduct direct action, special reconnaissance, counterterrorism and foreign internal defense.

Force Structure Review Group.—In 2004, we conducted an extensive Total Force Structure Review recommending approximately 15,000 structure changes to improve the Marine Corps' ability to meet the long-term needs of the Global War on Terror and the emerging requirements of the 21st Century. This effort was end strength and structure neutral—offsets to balance these increases in capabilities come from military to civilian conversions and the disestablishment and reorganization of less critical capabilities.

We are currently implementing these changes. Additionally, we will stand up a Capabilities Assessment Group in the first part of March 2006 to take a focused look at our operating forces in order to ensure we have properly incorporated lessons learned on the battlefield, QDR guidance, and the MARSOC standup.

The Marine Corps continues to examine other opportunities to augment needed capabilities. For example, we are assigning each artillery regiment a secondary mission to conduct civil military operations (CMO). To do this, each regiment will be augmented by a reserve civil affairs capability. By assigning a secondary CMO mission to artillery units, we have augmented our high-demand/low density civil affairs capability while retaining much needed artillery units. We will continue to look for additional innovative ways to maximize our capabilities within our existing force structure.

Regionalization of Bases and Stations.—The Marine Corps is transforming its bases from singularly managed and resourced entities to ones strategically managed in geographic regions. With the exception of our recruit training depots, our bases and stations will fall under the purview of five Marine Corps Installation Commands with the majority of the installations under the oversight of Marine Corps Installation Command—East and Marine Corps Installation Command—West. Regionalization goals include providing optimal warfighter support, improving alignment, enhancing the use of regional assets, returning Marines to the Operating Forces, and reducing costs.

Programmatic and Organizational Developments

MV-22.—VMX-22 completed Operational Evaluation in June 2005, and the Operational Test report was completed and released in August 2005. The report found the MV-22 Block A to be operationally effective and suitable. All Key Performance Parameters met or exceeded threshold requirements, and on September 28, 2005, the V-22 Program Defense Acquisition Board approved Milestone B and authorized the program to begin Full Rate Production. Twenty-nine Block A aircraft have been delivered and are supporting training at Marine Corps Air Station, New River, North Carolina. The first CH-46E squadron stood down in June 2005 to begin transition to the MV-22 and is scheduled to deploy in the fall of 2007.

KC-130J.—In February 2005, the KC-130J attained initial operational capability (IOC). The aircraft has been continuously deployed in support of Operation IRAQI FREEDOM since IOC and has provided the warfighter a state of the art, multi-mission, tactical aerial refueling, and fixed wing assault support asset that has exceeded expectations. The introduction of the MV-22, combined with the forced retirement of the legacy aircraft due to corrosion, fatigue life, and parts obsolescence, significantly increases the requirement for the accelerated procurement of the KC-130J. The Marine Corps is currently in a multi-year procurement program with the Air Force to procure a total of 34 aircraft by the end of fiscal year 2008. This number is 17 aircraft short of the inventory objective of 51 necessary to support the Marine, Joint, and Combined forces.

M777A1 Lightweight Howitzer.—The new M777A1 lightweight howitzer replaces the M198 howitzers. The howitzer can be lifted by the MV-22 tilt-rotor and CH-53E helicopter and is paired with the Medium Tactical Vehicle Replacement truck for improved cross-country mobility. The M777A1, through design innovation, navigation and positioning aides, and digital fire control, offers significant improvements in lethality, survivability, mobility, and durability over the M198 howitzer. The Marine Corps began fielding the first of 356 new howitzers to the operating forces in April 2005 and expects to complete fielding in calendar year 2009.

High Mobility Artillery Rocket System.—The High Mobility Artillery Rocket System (HIMARS) fulfills a critical range and volume gap in Marine Corps fire support assets by providing 24-hour, all weather, ground-based, indirect precision and volume fires throughout all phases of combat operations ashore. We will field 40 HIMARS systems (18 to one artillery battalion of the active component, 18 to one battalion of the Reserve component, and 4 used for training/attrition). When paired with the acquisition of Guided Multiple Launch Rocket System rockets, HIMARS

will provide a highly responsive, precision fire capability to our forces in conventional as well as unconventional operations.

Expeditionary Fire Support System.—The Expeditionary Fire Support System (EFSS) will be the principal indirect fire support system for the vertical assault element of Marine Air-Ground Task force executing Ship-to-Objective Maneuver. The EFSS is a rifled-towed 120 mm mortar paired with an internally transportable vehicle, which permits the entire mortar/vehicle combination to be internally transported aboard MV-22 and CH-53E aircraft. EFSS-equipped units will provide the ground component of a vertical assault element with immediately responsive, organic indirect fires at ranges beyond current infantry battalion mortars. Initial operational capability is planned for fiscal year 2006 and full operational capability is planned for fiscal year 2010.

Explosive Ordnance Disposal Equipment Modernization.—Explosive Ordnance Disposal equipment is undergoing major configuration changes and modernization. Our current modernization focus is towards neutralization and render-safe of unexploded ordnance/improvised explosive devices. The following robotic systems were tested and approved for Joint Explosive Ordnance Disposal usage: Bombot, Manual Transport Robotic System, Remote Ordnance Neutralization System, and RC-50.

Force Service Support Group Reorganization.—The Force Service Support Groups were re-designated as Marine Logistics Groups in August 2005 as the initial step in the Logistics Modernization effort's reorganization initiative. The Marine Logistics Group will be reorganized/realigned with standing Direct and General Support subordinate units and include the Combat Logistics Regiment Forward, Direct Support Combat Logistics Regiment, and General Support Combat Logistics Regiment. Reorganization to the Marine Logistics Group facilitates rapid and seamless task organization and deployment operations, experienced logistics command and control, operations and planning support, and strong habitual relationships between supported and supporting units.

Equipping Marines

Force Protection.—Unable to match our conventional force in like fashion, our enemies have resorted to asymmetric tactics such as the Improvised Explosive Device. Thanks to your support, we completed the installation of the Marine Armor Kits (MAK) on all A2 HMMWV last year. We will complete the transition to an all M-1114 fleet by July 2006. The Medium Tactical Vehicle Replacement Armor System for our 7-ton trucks is scheduled for completion in May 2006. Additionally, we continue to bolster our force protection capabilities through explosive device jammers, additional vehicle armoring efforts, personal extremity protective equipment, and a host of unmanned ground vehicles.

Tactical Wheeled Vehicle Armor.—We have joined with the U.S. Army to look at the M-1151/2 as a mid-term replacement for our base HMMWV and A2 models that have reached the end of their service life. The M-1151/2 is the bridge to the next generation of combat tactical vehicle. The Joint Light Tactical Vehicle Program will define this next generation vehicle. This program is a Joint Army-Marine effort to establish the requirement and way-ahead for the upcoming fiscal year 2008 Program Objective Memorandum. The design of this vehicle will incorporate the recent lessons learned from Iraq and technical advances in survivability, energy management, and network operations to provide the survivability, mobility and tactical flexibility.

Individual Marine Initiatives.—We have been able to address the highest priority capability gaps of our deploying forces associated with the individual Marine. The issue of protection, however, must be balanced with agility, weight and heat retention. An infantryman going into today battle carries nearly 100 pounds of equipment and ammunition—much of this for individual protection. This is too much. In combat lives can just as easily be lost due to an inability to move swiftly across a "kill zone," or from mental and physical fatigue, as from bullets and shrapnel. We will never stop searching for ways to better protect the warrior of tomorrow by taking advantage of emerging technologies, but we must strike a balance between individual protection and mission accomplishment.

The Lightweight Helmet provides improved ballistic protection capability over the existing helmet while reducing weight by one-half pound and introducing an improved suspension system to increase comfort. We have fielded over 74,000 Lightweight Helmets to date, and we plan to procure 43,145 more in fiscal year 2006. The Enhanced Small Arms Protective Insert (E-SAPI) provides increased ballistic protection over the existing SAPI plate. The plates weigh approximately 1.5 pounds more than the standard SAPI per plate depending on size. Delivery of E-SAPI plates began in September 2005. In addition, the procurement of side SAPI plates

further enhances the warfighters' protection, survivability and armor options. In April we will complete delivery of 37,000 side SAPI plates.

The QuadGard (QG) system was designed to provide ballistic protection for arms and legs in response to blast weapon threats and combat casualty trends in OIF. This system is an additive capability that integrates with existing armor systems. We procured 4,500 QG systems with initial delivery beginning in 1st Quarter, fiscal year 2006. The Individual Load Bearing Equipment (ILBE) is a direct replacement for the Modular Lightweight Load Bearing Equipment system that integrates an assault pack and hydration system. We have fielded over 96,000 ILBE packs to date and this effort continues.

Transforming Training and Education

One of our fundamental tenets—every Marine a rifleman—continues to prove its worth in the Global War on Terror. This serves as the solid foundation for all of our training, and provides the common core that defines every Marine. Over the past year, we have refined our training and education programs. Our goal remains the same, to prepare and sustain Marine Air-Ground Task Forces enabled by small-unit leaders directing small, enhanced units, which have a bias for action, are more lethal, and are better able to operate across the spectrum of conflict.

Culture and Language.—An individual understanding of local culture and languages is a force multiplier in irregular operations, such as those we are conducting in Iraq, Afghanistan and Africa. Our cultural awareness and language training programs accomplished several milestones this past year. The Marine Corps graduated its first class of new lieutenants with formal training in the operational aspects of foreign cultures. During February 2005, we opened our new Center for Advanced Operational Culture Learning, and it is already proving its value. The Center has distributed its first basic tactical language training programs, preparing individuals to serve in Iraqi Arabic and Pan-Sahel French cultures (Pan-Sahel French is a predominant language in the former French colonies of Northwest Africa). The Center also provided training to our newly established Foreign Military Training Unit, as well as to Marines selected to serve as advisors to the Iraqi security forces and Afghan National Army. In the future, we look to build a permanent facility to house the Center as well as establishing satellite sites for sustaining language and culture training in our career force.

Pre-deployment Training Today.—We have embarked on a concerted effort to improve our pre-deployment training. At the center of these efforts is our revised Pre-Deployment Training Program conducted at the Marine Air Ground Combat Center, at Twentynine Palms, California, at Marine Corps Air Station Yuma, Arizona, and at the Mountain Warfare Training Center, Bridgeport, California. The real-time and continuous connectivity with forward forces enables our units in training to apply combat lessons learned directly into their pre-deployment training. During this past fiscal year over 21,000 Marines received combined arms and urban operations training at Twentynine Palms. In addition, over 4,000 Marines and coalition partners trained in the mountain operations course at Bridgeport, and another 11,000 Marines participated in the adjacent Desert Talon exercise series at Yuma. The success of our Marines in Iraq and Afghanistan is due in large measure to the demanding training that they experience at these three sites.

Modernization of Training Ranges.—In the past two years, and again taking advantage of combat lessons learned from Iraq and Afghanistan, we have initiated an unprecedented investment in our training range capabilities. We built a robust urban and convoy operations training program at our major desert training base at Twentynine Palms, California. Marine Corps battalions deploying to Iraq are provided a realistic training venue to hone their urban and convoy skills and to heighten their awareness of both improvised explosive devices and the complexities of stability operations.

To better prepare your Marines for this "graduate level" training at Twentynine Palms, we are also providing essential building block capabilities in urban warfare at their home stations. Camp Lejeune, North Carolina has recently completed fielding a suite of urban and convoy training systems on their ranges and with your continued support, we hope to do the same at Camp Pendleton, California and the Marine Corps bases in Hawaii and Okinawa. We also intend to upgrade our aviation urban training facility at Marine Corps Air Station, Yuma and to provide an enhanced aviation urban training environment.

Infrastructure

Encroachment Partnering.—In fiscal year 2005, the Marine Corps completed six projects to acquire development rights over 1,227 acres at a cost of \$8 million, which was split between the Marine Corps and our partners.

The Marine Corps continues to use legislation that allows the Secretary of the Interior to accept Integrated Natural Resources Management Plans as suitable substitutes for critical habitat designation to protect and enhance populations of these species while continuing to conduct essential training.

Public Private Venture Family Housing.—Our efforts to improve housing for Marines and their families continue. Thanks to previous Congressional action that eliminated the budgetary authority cap on Public Private Venture investments in military family housing, the Marine Corps will have contracts in place by the end of fiscal year 2007 to eliminate all inadequate family housing.

Military Construction.—Our Military Construction plan now focuses on housing for our single Marines. Barracks are a significant critical quality of life element in taking care of single Marines. We are committed to providing adequate billeting for all unmarried Marines by 2012. We tripled the amount in bachelor housing from fiscal year 2006 to 2007. We will triple it again in fiscal year 2008. We are also committed to funding barracks' furnishings on a seven-year replacement cycle and prioritizing barracks repair projects to preempt a backlog of repairs.

Energy Efficiency in Transportation.—The Marine Corps has exceeded the Energy Policy Act requirements for the past five years and has been a leader in the Department of Defense and among other Federal Agencies in the adoption of alternative fuels. Through use of biodiesel neighborhood electric vehicles, we have reduced petroleum use 20 percent from a 1999 baseline, and are expanding the deployment of hybrid vehicles in our garrison fleet. We are also supporting future use of hydrogen-powered fuel cell vehicles with the establishment of a refueling station aboard Marine Corps Base Camp Pendleton, California.

Manning the Force and Quality of Life

Though we embrace the advances of technology, we believe that the most important asset on any battlefield is a well-equipped, well-trained, and well-led United States Marine—our people make the difference. We hold that today's Marines are unique and special individuals, and the character of their service throughout the Global War on Terror has rivaled that of any preceding generation. Recruiting and retaining a force of this quality requires the dedicated efforts of our recruiters, career retention specialists, manpower experts, and leaders throughout the Corps. Ours is a force of active duty, reserve, and civilian Marines, as well as thousands of Marine families who share in the sacrifices to our Nation. Though the mission must always come first, we continue to search for opportunities to improve the experience of serving as a Marine both during and after their active service—once a Marine, always a Marine.

Retention.—Retaining the best and the brightest Marines is a top manpower priority. Our future officer and staff non-commissioned officer ranks are dependant on our successful accomplishment of this mission.

We have two enlisted retention measures to ensure healthy service continuation rates. The First Term Alignment Plan (FTAP) involves the first reenlistment of Marines and we consistently achieved our goals over the past thirteen years. The Subsequent Term Alignment Plan (STAP) involves the subsequent reenlistments of Marines, those who likely remain in the Corps for a career, and we have consistently attained our goals since creating the STAP in 2002. In fiscal year 2005, we exceeded the FTAP requirement by achieving 103 percent of this retention mission, with notable success in the infantry community; we also exceeded the STAP retention mission. The substantial increase in the infantry reenlistment rate during fiscal year 2005 was influenced by higher Selective Reenlistment Bonuses (SRBs).

Certain Military Occupational Specialties (MOS') perennially suffer high attrition, such as those involving highly technical skills or extensive security clearances. Contributing factors include lucrative civilian employment opportunities for those Marines who attain these specialized skills and qualifications. We address this challenge by targeting these military specialties with higher SRBs. Retaining high quality and the proper skills in our ranks necessitates military compensation that is competitive with the private sector. Sustainment of SRB funding remains a crucial element to our ongoing efforts to retain these valuable skills.

The retention forecast for the officer corps in the near term is positive and consistent with our historic average of 90.8 percent. The close of fiscal year 2005 saw officer retention at 91.3 percent. The Marine Corps has active programs in place, both monetary and non-monetary, to ensure that officer retention remains high. All of these programs provide incentives to officers for continued service even in the face of significant operational tempo, while allowing flexibility for Manpower planners to meet requirements across the Marine Corps Total Force.

Selected Reserve enlisted retention for fiscal year 2005 continued to be strong at 79.5 percent, well above our historical norm. Reserve officer retention of 80.1 percent was also above the historical norm of 75.3 percent.

Recruiting.—An equally important factor in sustaining a viable force is continuing to recruit tremendous young men and women with the right character, commitment, and drive to become Marines. In fiscal year 2005, the Marine Corps overcame unprecedented recruiting challenges and achieved over 100 percent of our active component accession goal with no degradation in quality.

The Marine Corps Reserve achieved 101 percent of its enlisted recruiting goals. We achieved our officer accessions goals as well, but reserve officer numbers remain challenging, as our primary accession source is from officers that are leaving active duty. We appreciate the continued authorization for a Selected Reserve Officer Affiliation Bonus in the fiscal year 2006 National Defense Authorization Act. It continues to make a significant contribution in this critical area.

We anticipate that both active and reserve recruiting will remain challenging in fiscal year 2006, and we welcome the continued support of Congress for a strong enlistment bonus and other recruiting programs, such as recruiting advertising, which will be essential to us in meeting these challenges.

Reserve Marines.—To date, more than 37,500 Reserve Marines have served on active duty in the Global War on Terror. As part of an integrated Total Force, our Reserve Marines and units receive the same pre-deployment training and serve alongside their Active Component counterparts. Currently, over 7,000 reserve Marines are on active duty, and the Marine Corps Reserve expects to provide approximately 4,250 Marines in support of operations in Iraq in 2006. Overall, our Reserves provide personnel for a wide-variety of operations and activities, including Iraq military transition, Afghan National Army embedded training, civil affairs, and personnel recovery and processing. They also perform anti-terrorist and humanitarian duties in the Horn of Africa, Afghanistan, Central America, and the Caribbean. The strength of integrating our Active and Reserve components into a Total Marine Corps Force epitomizes the warrior concept of “one team, one fight.”

Civilian Marines.—Civilian Marines continue to provide an invaluable service to the Corps as an integral component of our Total Force. Working in true partnership with Marines, Civilian Marines will continue to play an important role in supporting the mission of the Marine Corps and the Global War on Terror. Our commitment is to define for them what the Marine Corps will offer its Civilian Marines, and what the Corps expects from this select group who support our Marines.

Military to Civilian Conversions.—The Marine Corps continues to pursue sensible military-to-civilian conversions in support of Marine Corps Warfighting initiatives. These conversions are important because they increase the number of Marines in the operating force and help reduce stress on the force. Funding remains a critical issue to the success of this initiative. Congressional cuts in both the fiscal year 2005 Appropriations Bill (\$35 million) and fiscal year 2006 Appropriations Bill (\$20 million) has impacted our ability to execute our planned fiscal year 2005 program and will reduce our planned fiscal year 2006 conversions.

National Security Personnel System.—The Marine Corps is committed to successful implementation of the National Security Personnel System and creating and maintaining an innovative and distinctive Civilian Marine workforce capable of meeting the ever-changing requirements of today and the challenges of tomorrow. The Marine Corps is actively participating with the Department of Defense in the development and implementation of this new personnel system. Following an intensive training program for supervisors, managers, human resources specialists, employees, commanders and senior management, we will begin implementation.

Quality of Life for Our Marines and Their Families

For Marines, success has always been measured first on the battlefield, but part and parcel to this is the health and welfare of Marines and the families who support them. As an expeditionary force, Marines are accustomed to frequent deployments, yet the current environment contains increased elements of personal danger and family risk that must be addressed with appropriate and timely support. We have been careful to monitor our programs to ensure our Marines and their families receive the necessary care to sustain them throughout the deployment cycle. In this regard, our Marine Corps Community Services (MCCS) organizations' combined structure of Family Services, Morale, Welfare and Recreation Programs, Voluntary Off Duty Education, and Exchange operations has positioned us to efficiently and effectively leverage and direct community services assets to help Marines and their families meet the challenges associated with the Marine Corps lifestyle and current operational tempo.

For Marines in theater, few things are more important than staying in touch with their loved ones at home. To keep communication open between deployed Marines and their families, we provide phone service, mail service, and our Internet-based mail service, "MotoMail," which has created more than half a million letters since its inception in December 2004.

Combat and Operational Stress Control.—While our Marines and their families have proven to be resilient "warriors," combat and operational stress is not an uncommon reaction. We closely interact with Marines and their families to reassure them; we provide many services and programs for help and urge service members and their families to seek the help they require.

To integrate our combat and operational stress control (COSC) programs and capabilities properly, we have established a COSC Section within our Manpower and Reserve Affairs department. To gain clarity of mission, we instituted a tracking system that allows Commanders to monitor COSC training and decompression requirements. As a component of COSC, we created a web-based information and referral tool that leaders at all levels can readily access. The "Leader's Guide for Managing Marines in Distress" provides specific guidance on 40 distress areas.

The Marine Reserves, through their Chaplain Corps, have developed Marine and Family Workshops (MFW), which are a post-deployment program designed to assist Marines and their family members with return and reunion stressors and adjustment difficulties. The goals and objectives of the workshop are to: (1) provide an opportunity for Marines and their family members to strengthen their coping skills; (2) mitigate the impact of traumatic events and war zone stressors; (3) accelerate the normal recovery process; and (4) identify those who might need additional help and provide resources.

Casualty Support.—Our support and dedication to the families of our fallen Marines and their survivors is especially strong. Casualty support is a duty and honor. It is also a human process requiring a measured and thoughtful engagement by our Casualty Assistance Calls Officers (CACOs). As with our other deployment-related programs, our casualty process has evolved and improved significantly. Our CACOs monitor the survivor's transition through the grief process—from casualty notification, to burial, to ensuring survivors receive the appropriate benefits. CACOs connect families needing extended support to a Long-Term Survivor Case Manager who personally monitors and communicates with them to ensure they receive the support they need for as long as it is required.

Critical Incident Stress Management Teams.—In cases of mass casualties experienced by a command or unit, whether combat, natural disasters, training, or missions, we use a Department of Defense sponsored Managed Health Network capability where trained Critical Incident Stress Management teams provide crisis management briefings to family members and friends of the unit. During the briefings, Marine Corps personnel, Chaplains, and Managed Health Network counselors provide information and answer questions concerning the casualties. These crisis response teams provide support at remote sites throughout the country, making them highly useful in situations where Reserves are involved. In particular, after Lima Company, 3rd Battalion, 25th Marines experienced mass casualties in Iraq last summer, crisis management briefings were conducted at various cities in Ohio where questions about the unit were answered, briefs were provided on helping children cope, individual counseling was offered to family members, and materials on support services were distributed.

Marine for Life—Injured Support.—Built on the philosophy "Once a Marine, Always a Marine" and fulfilling our obligation to "take care of our own," the Marine For Life program offers support to approximately 27,000 honorably discharged Marines transitioning from active service back to civilian life each year.

Leveraging the organizational network and strengths of the Marine for Life program, we implemented an Injured Support program during January 2005 to assist combat injured Marines, Sailors serving with Marines, and their families. The program essentially seeks to bridge the gap that can exist between military medical care and the Department of Veterans Affairs, providing continuity of support through transition and assistance for several years afterwards.

The program recently assigned two full-time Marine Corps liaison officers to the Seamless Transition Office at the Veterans Affairs. These liaison officers interface between the Veterans Health Administration, the Veterans Benefits Administration, and the Marine Corps on individual cases to facilitate cooperative solutions to transition issues.

Additionally, the Injured Support program conducts direct outreach to injured Marines and Sailors via phone and site visits to the National Naval Medical Center, Walter Reed, and Brooke Army Medical Centers. On average, 30 percent of our seriously injured Marines requested and received some type of assistance.

Lastly, the program continues to work closely with Office of the Secretary of Defense (OSD) on Marine Corps-related injury cases. Information sharing between the program and OSD contributes to developing capabilities for the Military Severely Injured Center (formerly known as The Military Severely Injured Joint Support Operations Call Center).

Healthcare.—Marines receive high quality, state of the art care from a worldwide Military Health System. We enjoy the lowest disease, non-battle injury rates in history and our Marines know that if they are injured or wounded in action they have an unprecedented better than 97 percent survival rate once they arrive at one of our Forward Resuscitative Surgical units. The Military Health System provides a superb care and health benefit program for our Marines, their families, and our retired population—services we must sustain. Unfortunately, at its current rate of cost growth, the program is unsustainable. We fully support changes in legislation that would allow the Department of Defense to “renorm” the cost of health care.

Sexual Assault Prevention and Response.—The Marine Corps has maintained vigilance in engaging Marines to prevent sexual assault, to care for the victims, and to punish offenders. Our actions included establishing a Sexual Assault Prevention Office to serve as the single point of contact for all sexual assault matters, such as victim support and care, reporting, training, and protective measures. We have also instituted extensive sexual assault awareness training into all entry-level officer and enlisted training, provided procedures to protect a victim’s privacy, and trained hundreds of Uniformed Victim Advocates to support our deployed Marines. Lastly, to ensure victims receive appropriate and responsive care with timely access to services, we have appointed command level sexual assault response coordinators to serve as the single point of contact for sexual assault matters.

CAPABILITIES DEVELOPMENT

For 230 years, the Marine Corps has answered the Nation’s call to arms without fail, but we do not intend to rest on those laurels. To remain the world’s foremost expeditionary warfighting organization and preserve our tradition of being most ready when the Nation is least ready, the Marine Corps is steadfastly focused on the fundamental tenants of our success—a maneuver warfare mindset and a warfighting construct built around combined-arms air-ground task forces. We are forwarding and expanding these capabilities through aggressive experimentation and implementation of our Seabasing and Distributed Operations concepts. These transforming concepts will increase our agility and tempo in operations, from cooperative security to major combat, and perpetuate the unrivaled asymmetric advantage our Nation enjoys in its ability to project and sustain power from the sea.

Warfighting Concepts

Seabasing.—Seabasing is a national capability for projecting and sustaining power globally, using the operational maneuver of sovereign, distributed, and networked forces operating from the sea. Seabasing will provide unparalleled speed, access, persistence, and is recognized as the “core of naval transformation” (Naval Transformation Roadmap). Seabasing breaks down the traditional sea-land barrier, allowing us to use the sea as maneuver space. It enables us to rapidly deploy, assemble, and project joint and combined forces anywhere in the world, sustaining these forces during operations and reconstituting forces for employment elsewhere. Seabasing assures access by leveraging the operational maneuver of forces from the sea and by reducing dependence upon fixed and vulnerable land bases. This concept will provide our combatant commanders with unprecedented versatility in operations spanning from cooperative security to major combat. Seabasing also represents a present capability that can be tailored and scaled to meet a broad range of requirements.

The Nation invests tremendous resources with the full understanding that the ability to project power from the sea is a prerequisite for defending our sovereignty. As demonstrated by the Navy/Marine Corps response to Hurricanes Katrina and Rita, Seabasing is a relevant and adaptive capability possessing the flexibility to meet our countrymen’s needs around the world and at home. Marines and Sailors embarked from such platforms as the USS Iwo Jima (LHD 7) provided an asymmetric and sustainable solution to the storm ravaged Gulf Coast, and in several hundred instances saved the lives of their fellow Americans. In short, Seabasing is both a real-world capability and a transformational future concept. Realization of the future Seabasing potential is dependent upon an investment in ships and other Seabasing platforms.

Distributed Operations.—The attributes of sea power are extremely useful to the Combatant Commanders. However, this operational capability must also be matched by increased tactical capabilities that enhance the effectiveness of our “boots on ground” to enable operational maneuver and to create stability, especially in irreg-

ular and counter-insurgency operations. After a quarter century of unwavering commitment to our maneuver warfare philosophy, we are harvesting a generation of junior officers and noncommissioned officers who are better prepared to assume much greater authority and responsibility than traditionally expected at the small-unit level. As a complementary capability to our Seabasing concept, Distributed Operations describes an operating approach that will create an advantage over an adversary through the deliberate use of separation and coordinated, interdependent, tactical actions enabled by increased access to functional support, as well as by enhanced combat capabilities at the small-unit level. The essence of this concept lies in enhanced small units gained through making advances on the untapped potential of our Marines and the incorporation of emerging technologies which will support them.

Once implemented, a networked Marine Air-Ground Task Force operating in a Distributed Operations manner will disperse or mass to exploit opportunities the enemy offers. The integration of new doctrine, force structure, training, equipment, personnel policies and leader development initiatives will afford our tactical and operational commanders a significantly enhanced weapon in the increasingly sophisticated Global War on Terror.

Experimentation, Technology and Concepts.—The Marine Corps Warfighting Laboratory develops innovative concepts and conducts concept-based experimentation in support of the Marine Corps Combat Development Command's mission. By examining future warfighting concepts, the Lab identifies capability shortfalls and matches them with potential solutions that can be effectively addressed by the experimentation process. In support of current operations and the global war on terrorism, the Lab rapidly identifies transformational solutions in the areas of training, equipment, organization and doctrine needed to resolve critical short falls and gaps. Experiments have resulted in modified and new tactics, training, and procedures for Marines operating in Iraq.

The Marine Corps Warfighting Laboratory is specifically developing methods to defeat improvised explosive devices, provide superior body armour, improve vehicle armor, counter the urban sniper, and to counter attacks with rockets and mortars. The Marine Corps exploits the investment of the Defense Advanced Research Projects Agency (DARPA), other Services, and industry while focusing our Marine Corps unique investment to mature Marine Corps combat development and future materiel needs. This effort is highlighted by the Lab's interaction with DARPA in the successful testing and assessment of improved armor, small-unmanned aerial vehicles, and the deployment of extended user assessment in Iraq of small numbers of acoustic sniper location systems. These successful programs will result in early deployment of systems that will contribute to force protection and survivability.

Sea Viking 06 Advanced Warfighting Experiment.—The Sea Viking 06 Advanced Warfighting Experiment culminates years of planning, study, and experimentation. With a focus on Marine infantrymen, the experiment aims to revolutionize Marine Corps warfighting capabilities. By testing and examining our current training, organization and equipment against new warfighting initiatives (e.g., Distributed Operations), rooted in real-world lessons from Iraq and Afghanistan, we have adapted and overcome deficiencies, allowing the Marine Corps to actualize its experiment data and outcomes. Results have produced changes in, training, equipment and responsibilities of infantry small unit leaders. Such innovation has inspired the establishment of the Distributed Operations Implementation Working Group, which socializes the changes and implements the changes across the doctrine, organization, training, materiel, leadership and education, personnel and facilities pillars.

Because of Sea Viking 06's first Limited Objective Experiment, Training and Education Command (TECOM) developed new courses and curriculum to formalize the training culture of Marine infantry non-commissioned officers. TECOM and the Lab collaborated to establish "Mobile Training Cadres" to institute a Train the Trainer Course and a Tactical Small Unit Leader Course to support company level leaders in the development of their small unit leaders, as they will always remain our most critical assets in the Global War on Terror. Concurrently, Marine Corps Systems Command, through its project managers and Marine Expeditionary Rifle Squad program at the forefront, remains acutely attuned to all equipment aspects of the Sea Viking experiments, ensuring that our Marines have the best equipment available. These same innovations, when applied Marine Corps wide, will ensure that Marine Forces remain the force of readiness in response to our Nation's future needs.

Countering Irregular Threats.—Consistent with the emerging challenges laid out in the National Defense Strategy, we are developing new concepts and programs to address the rising salience of irregular threats to our security especially that posed by protracted, complex insurgencies and terrorism. The rise of irregular and catastrophic challenges to international order could potentially include the use of weap-

ons of mass destruction by non-state actors seeking to blackmail U.S. leaders and foreign policy. Exploring this challenge is a major aspect of our annual Expeditionary Warrior wargame this year.

Enabling Programs

Amphibious Warfare Ships.—Amphibious ships are the centerpiece of the Navy/Marine Corps' forcible entry and Seabasing capability, and have played an essential role in the Global War on Terror. Not only must our Naval forces maintain the ability to rapidly close, decisively employ, and effectively sustain Marines from the sea, they must also respond to emerging GWOT requirements, crisis response and humanitarian assistance missions on short notice. The Nation would be hard pressed to satisfy both requirements with separate forces. Fortunately, we possess the ability to conduct both forcible entry and persistent global engagement with the same naval force package.

The current Defense Department force-sizing construct requires the capability to respond to two major "swiftly defeat the efforts" events—each of which could require a minimum of 15 capable amphibious ships. One of these crises may further necessitate the use of a Marine Expeditionary Force requiring 30 operationally available amphibious ships. Ten of these ships should be large-deck amphibious ship capable of supporting the operations of the air combat element of a Marine Expeditionary Force. Today's 35 amphibious warships can surge the required 30 operationally available warships and provide the peacetime rotation base for Marine Expeditionary Units in up to three regions.

In part due to the recognized flexibility of these platforms, as well as the projected need to enhance their power projection capabilities to support stability operations and sustained counter-terrorism efforts, many of our coalition partners are planning to acquire amphibious shipping with the capacity to support both surface and aviation maneuver elements. Such efforts acknowledge the great utility of a robust amphibious capability in the face of growing anti-access threats.

Amphibious Transport Dock (LPD).—The LPD 17 San Antonio class of amphibious ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet and will assist our naval forces across the spectrum of warfare. The lead ship was successfully delivered in January 2006. The LPD 17 class replaces four classes of older ships—the LKA, LST, LSD 36, and the LPD 4—and is being built with a forty year expected service life. The LPD 17 class ships will play a key role in supporting the ongoing Global War on Terror by forward deploying Marines and their equipment to respond to crises abroad. Its unique design will facilitate expanded force coverage and decreased reaction times of forward deployed Marine Expeditionary Units. In forcible entry operations, the LPD 17 will help maintain a robust surface assault and rapid off-load capability for the Marine Air-Ground Task Force far into the future.

Amphibious Assault Ship (Replacement) (LHA(R)).—Our Tarawa-class amphibious assault ships reach the end of their service life during the next decade (2011–2015). An eighth Wasp-class amphibious assault ship is under construction and will replace one Tarawa-class ship during fiscal year 2007. In order to meet future warfighting requirements and fully capitalize on our investment in the MV–22 and Joint Strike Fighter, ships with enhanced aviation capabilities will replace the remaining LHA ships. These ships will provide increased jet fuel storage and aviation ordnance magazines, and an enhanced hanger to support aviation maintenance. The first ship, designated LHA 6, is a transitional ship to the succeeding ships in the class that will be transformational in capability and design. This lead ship is on track for a detailed design and construction contract award in fiscal year 2007 with advanced procurement funds provided in the fiscal year 2005 and 2006 budgets.

Maritime Prepositioning Force.—Our proven maritime prepositioning force—capable of supporting the rapid deployment of three Marine Expeditionary Brigades (MEBs)—is an important complement to this amphibious capability. Combined, these capabilities enable the Marine Corps to rapidly react to a crisis in a number of potential theaters and the flexibility to employ forces across the battlespace.

Maritime Prepositioning Force (Future).—In addition to the 30 operationally available amphibious ships needed to employ a MEF during a forcible entry operation, the Maritime Prepositioning Force (Future) (MPF(F)) is the key enabler for Seabasing, providing support and sustainment for early entry Marine Expeditionary Brigades. MPF(F) enables four new capabilities: (1) at-sea arrival and assembly of the Sea Base echelon of the MEB; (2) projection of one surface and one vertically delivered battalion landing team in one 8–10 hour period of darkness; (3) long-term, sea-based sustainment; and (4) at-sea reconstitution and redeployment. These capabilities will be invaluable in supporting joint forcible entry operations, forward engagement, presence, and relationship building operations with allies and potential

coalition partners by our forward deployed forces, as well as support of disaster relief and humanitarian operations. Additionally, this flexible asset can remain in support of post-conflict activities and forces ashore from a relatively secure location at sea. Each future Maritime Prepositioning Squadron will include one LHD, two LHA(R), three cargo and ammunition ships (T-AKE), three fast logistics ships (T-AKR), three Mobile Loading Platform ships, and two legacy maritime prepositioning ships. This mix of ships will be capable of prepositioning critical equipment and 20 days of supplies for our future MEB.

High Speed Connectors

High-speed connectors will facilitate the conduct of sustained sea-based operations by expediting force closure and allowing the persistence necessary for success in the littorals. Connectors are grouped into three categories: inter-theater, intra-theater, and sea base to shore. These platforms will link bases and stations around the world to the sea base and other advanced bases, as well as provide linkages between the sea base and forces operating ashore. High-speed connectors are critical to provide the force closure and operational flexibility to make Seabasing a reality.

Joint High Speed Sealift.—The Joint High Speed Sealift (JHSS) is an inter-theater connector that provides strategic force closure for CONUS-based forces. The JHSS is envisioned to transport the Marine Corps' non self-deploying aircraft, personnel, and high demand-low density equipment, as well as the Army's non self-deploying aircraft and personnel, and Brigade Combat Team rolling stock and personnel, permitting rapid force closure of this equipment. Additionally, the JHSS will alleviate the need to compete for limited strategic airlift assets, and reduce closure timelines by deploying directly to the sea base rather than via an intermediate staging base or advanced base. The JHSS program is currently in the early states of capability development and has merged with the Army's Austere Access High Speed Ship program. Current fielding of the JHSS is projected in fiscal year 2017.

Joint High Speed Vessel.—The Joint High Speed Vessel (JHSV) will address the Combatant Commanders' requirements for a forward deployed rapid force closure capability to support the Global War on Terror. The JHSV will enable the rapid force closure of fly-in Marine forces to the sea base from advanced bases, logistics from pre-positioned ships to assault shipping, ship-to-ship replenishment, and in appropriate threat environments, maneuver of assault forces to in-theater ports and austere ports. Army and Navy programs were recently merged into a Navy-led program office with an acquisition strategy intended to leverage current commercial fast ferry technology, and acquisition of a modified non-developmental item (NDI). Contract award for new vessels is expected in fiscal year 2008, with delivery in 2010. To meet the current and near-term Combatant Commanders' requirements, the Department of the Navy continues to lease foreign built vessels until the JHSV is delivered.

WESTPAC EXPRESS (WPE) is providing support to III MEF and other Okinawa-based forces, enabling III MEF to expand off-island training and engagement while reducing battalion-training days spent off island. Additionally, WPE played a key role supporting the Indian Ocean tsunami relief effort. HSC-2 "SWIFT" (picture below) provides a test bed for research and development prototypes as well as an operational platform in support of current real world requirements. Most recently, HSC-2 played a key role in support of JTF Katrina, providing high-speed delivery of supplies, equipment, and personnel to ships and ports along the U.S. Gulf Coast.



HSV 2 (SWIFT)

Joint Maritime Assault Connector.—The Joint Maritime Assault Connector (JMAC), previously known as the sea base to shore connector, will replace the venerable legacy landing craft air cushion (LCAC) as a critical tactical level platform supporting Marine Corps assault forces, as well as joint forces operating within the Sea Base. In comparison to the LCAC, the JMAC is envisioned to have many enhanced capabilities, such as the ability to operate in higher sea states, increased range, speed, and payload, increased obstacle clearance, and reduced operating and maintenance costs. The JMAC is planned for fleet introduction in fiscal year 2015.

Aviation Transformation

Marine aviation will undergo significant transformation over the next ten years as we transition from 13 types of legacy aircraft to seven new platforms. We developed a new transition strategy to better balance numbers of assault support and TacAir aircraft based on operational requirements. This strategy supports our Seabasing concept and enables Ship-to-Objective Maneuver utilizing the Joint Strike Fighter, MV-22, and Heavy Lift Replacement, recently designated CH-53K. At a distance of 110 nautical miles, a squadron of MV-22s will lift a 975 Marine battalion in four waves in under four hours. Similarly, the CH-53K will replace our aging, legacy CH-53E helicopter, lifting more than twice as much over the same range and serving as the only sea-based air assault and logistics connector capable of transporting critical heavy vehicles and fire support assets. An Assault Support Capability Analysis is underway to determine the optimal mix of MV-22 and CH-53K aircraft required to support Ship-to-Objective Maneuver and Distributed Operations. Similarly, the Short Takeoff and Vertical Landing variant of the Joint Strike Fighter represents a transformational platform that will generate 25 percent more sorties and provide a multi-spectral engagement capability for the Expeditionary Strike Force.

Ship-to-Shore Mobility

CH-53K.—The CH-53K is our number one aviation acquisition priority. Consequently, the CH-53K received full funding in 2005 and has reached “Milestone B” status—initiation of system development and demonstrations. Our current fleet of CH-53E Super Stallion aircraft enters its fatigue life during this decade. The CH-53K will deliver increased range and payload, reduced operations and support costs, increased commonality with other assault support platforms, and digital interoperability for the next 25 years (Figure 3).

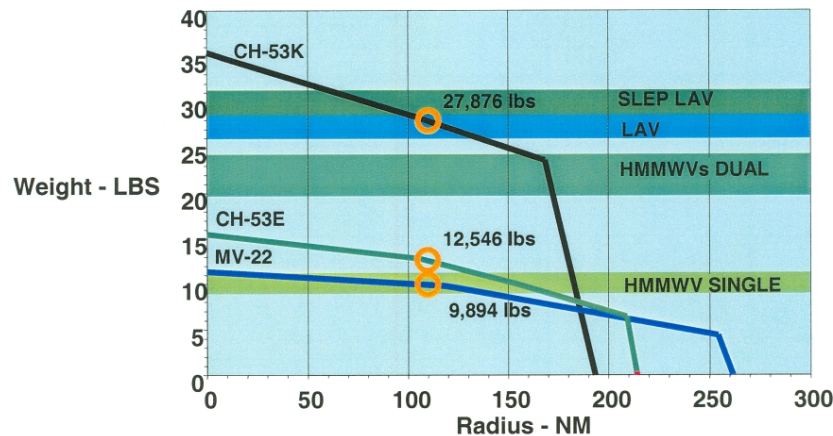


FIGURE 3

The CH-53K program will both improve operational capabilities and reduce life-cycle costs. Commonality between other Marine Corps aircraft in terms of engines and avionics will greatly enhance the maintainability and deployability of the aircraft within the Air Combat Element. The CH-53K will vastly improve the ability of the MAGTF and Joint force to project and sustain forces ashore from a sea-based center of operations in support of EMW, Ship-to-Objective Maneuver, and Distributed Operations.

Expeditionary Fighting Vehicle.—The Expeditionary Fighting Vehicle (EFV) is our number one ground acquisition program, and it replaces the aging Assault Amphibious Vehicle (AAV) that has been in service since 1972. It will provide Marine surface assault elements with better operational and tactical mobility both in the water and ashore, and will exploit fleeting opportunities in the fluid operational environment of the future. Designed to launch from amphibious ships stationed over the horizon, it will be capable of carrying a reinforced Marine rifle squad. The EFV will travel at speeds in excess of 20 nautical miles per hour in a wave height of three feet. This capability will reduce the vulnerability of our naval forces to enemy threats at sea and ashore. Our surface assault forces mounted in EFVs will have the mobility to react and exploit gaps in enemy defenses ashore. Once ashore, EFV will provide Marines with an armored personnel carrier designed to meet the threats of the future. The EFV has high-speed land and water maneuverability, highly lethal day/night fighting ability, and enhanced communications capability. It has advanced armor and nuclear, biological, and chemical collective protection. These attributes will significantly enhance the lethality and survivability of Marine maneuver units.

Supporting Capabilities

Logistics Modernization.—Logistics Modernization is the largest coordinated and cross-organizational transformation effort ever undertaken within Marine Corps logistics. It is a Marine Corps-wide, multi-year, three-pronged improvement and integration initiative focusing on Marine Corps people, processes and technology dimensions. This will produce a far more effective and efficient Logistics Chain Management process to include: supply, maintenance, and distribution processes, integration of emerging information technology, and the introduction of new occupational specialties to support these advancements.

Global Combat Support System—Marine Corps.—Global Combat Support System—Marine Corps (GCSS—MC) is the Marine Corps' member of the overarching Global Combat Support System Family of Systems as designated by the Joint Requirements Oversight Council and the Global Combat Support System General Officer Steering Committee. GCSS—MC is designed to provide logistics information technology capabilities to satisfy the Marine Air Ground Task Force and Combatant Commander/Joint Task Force requirements, as well as support the Marine Corps Logistics Modernization strategy. The goal of GCSS—MC is to provide modern, deployable information technology tools for both supported and supporting units. Achieving this goal requires the establishment of a shared data environment so that

GCSS—MC data and information may be shared across the Marine Corps enterprise and with other services and agencies. GCSS—MC is being implemented in phases, or “blocks”. Block 1 provides logistics chain management and basic planning tools, while Blocks 2 and 3 will see the expansion of Block 1 capabilities and provide major upgrades to the Oracle software. The focus will be on logistics planning, command and control, and asset visibility.

CONCLUSION

Your Marines are fully dedicated to serving and protecting this Nation. Their bravery, sacrifice, and commitment to warfighting excellence have added new chapters to our Corps’ rich legacy. We recognize we have an essential mission, and that we have the solid backing of the American people. The Marine Corps fully understands that our greatest contribution to the Nation is our high-level of readiness across the spectrum of conflict. That readiness is predicated upon your sustained support, for without it your Marines will not enter the coming battles as the well-equipped, well-led, and well-trained fighting force you have come to expect. We face the unprecedented reality of overlapping and competing fiscal priorities—resetting the force from an extended war while undertaking a comprehensive modernization plan to prepare for the challenges of tomorrow. Marines and their families greatly appreciate the unwavering support of Congress, which is material to achieving our high level of success and securing the Nation’s interests.

NAVY EXPEDITIONARY COMBAT COMMAND

Senator STEVENS. Thank you very much, gentlemen. Let me start out with you Mr. Secretary. And unless there are objections, we’ll have a 10 minute round for each Senator.

There’s funding requested for the Navy Expeditionary Combat Command in the 2006 supplemental, but there’s no money in the 2007 budget. Can you tell us why? What is the strategy? This is for you Mr. Secretary. I think it is a basic question of the Secretary and Admiral Mullen, too, this is a strange circumstance. Why should we put money in the supplemental if it’s not going to be funded in the 2007 budget?

Mr. WINTER. Admiral, could you help on this one?

Admiral MULLEN. Mr. Chairman, I’ll have to get back to you. I’m not aware that it is not funded in the 2007 budget.

Senator STEVENS. That’s my information, I could be wrong.

Admiral MULLEN. My understanding was we had money in that. The idea in the 2006 supplemental was to get it moving as rapidly as possible and we started to fund it in 2007.

Senator STEVENS. All right. Thank you very much.

[The information follows:]

The Navy requested funding in the DON fiscal year 2006 Emergency Wartime Supplemental submission for the Riverine Force (\$73.1 million); the Maritime Civil Affairs Group (\$6.4 million); the Expeditionary Training Team (\$2.5 million); the Maritime Security Force (\$6.5 million); Inshore Boat Units, which are components of the Naval Coastal Warfare community (\$16.5 million); and the NECC Headquarters (\$2.5 million). The primary rationale for the funding requested in the fiscal year 2006 supplemental for the new components of the NECC is that the final decision to establish the NECC and the aforementioned components was not made until after the submission of the regular fiscal year 2007 budget.

The following summarizes all of the efforts currently in motion and planned to fund the Riverine Force (Riverine Group ONE [headquarters] and three deployable Riverine Squadrons) in the OPN, WPN, OMN and PANMC appropriations. The first Squadron-level operational deployment to the U.S. Central Command Area of Responsibility is scheduled for March 2007. Principal rationale behind requesting procurement funding on an accelerated timeline is due to the relatively long delivery projections for much of the equipment required by the deploying Riverine Squadrons (in many cases delivery forecasts are 12 months or longer, subsequent to contract/contract option award).

- Fiscal Year 2006 Below Threshold Reprogramming.*—\$7.47 million to begin equipping Riverine Squadron ONE (RIVRON ONE). Fleet Forces Command is also providing OMN funding from existing resources in fiscal year 2006 to support the establishment of RIVRON ONE and the Riverine Group ONE headquarters on an accelerated timeline.
- Fiscal Year 2006 Above Threshold Reprogramming.*—\$17.34 million to continue equipping RIVRON ONE, less combatant craft, which the Marine Corps will “loan” RIVRON ONE for initial training and the March 2007 deployment. With one exception, funding will “pay back” other Navy programs from which required equipment for RIVRON ONE is being redirected.
- Fiscal Year 2006 DON Emergency Wartime Supplemental Request.*—\$73.1 million to equip RIVRONs TWO and THREE, commands scheduled to sustain the aforementioned initial operational deployment in November 2007 and July 2008, respectively.
- Fiscal Year 2007 President’s Budget.*—\$22.31 million initially intended to begin establishment of one modestly sized riverine unit. This baseline concept was superseded by a more robust Riverine Force concept subsequent to submission of the PRESBUD. Currently, fiscal year 2007 funding would be used to sustain the Force being stood up in fiscal year 2006.

SPECIAL OPERATIONS FORCES

Senator STEVENS. Secretary Winter, in the Quadrennial Defense Review there was significant emphasis on increasing the Special Forces Operations capabilities including Navy SEALs, and additional naval personnel to train foreign units, and a new Marine Corps Special Operations component. Will those activities require an increase in the Navy’s end strength in 2007?

Mr. WINTER. Sir, I believe that the end strength considerations associated with the Navy and the Navy SEALs have been factored into the proposed end strength into 2007 of 340,700 for the active component and that includes, to my understanding, the factoring in of the additional SEALs that are required.

Senator STEVENS. General Hagee, this new Marine Corps Special Operations component, will it be under the control of the Special Operations Command or under your control?

General HAGEE. Sir, from an operational standpoint, of course it’s under the control of the Combatant Commander or Special Operations Commander General Brown. I am responsible for the training, equipping of traditional types of equipment, not the Special Operations equipment and the training of those marines before they go down there, like we are for any Combatant Commander, sir.

Senator STEVENS. And Admiral Mullen, it is my information that this is going to require an increased level of Navy SEAL team force levels. Are you going to be able to do that type of specific recruiting to meet the Navy SEALs without sacrificing the level of training for the Command as a whole?

I’m looking at this QDR and my staff has looked at it and compared it to the budgets. Have we got the funding in this budget to meet the goals of the Quadrennial Defense Review?

Admiral MULLEN. We initiated the funding in the 2007 budget, but we clearly don’t have it. I mean, we’ve got additional work to generate both the funding, and refine the steps, and the program builds from 2008 on out—2007 was the beginning.

As far as the SEALs, Mr. Chairman, our concern they are—as the Secretary said—they are taking into consideration their end strength increase is taken into consideration in the overall decrease of the Navy’s end strength.

That said, last year for example, we graduated about 170 or 175 SEALs from basic underwater demolition school (BUDS) and we need to generate the kind of numbers we're talking about in the future. We need to get that number up above 200.

We have taken some steps both at the recruiting and in boot camp to ensure that those who are desirous of going are better prepared. We're working pretty hard in terms of making sure those who want to do this and are qualified can get through the training. But in no way, shape, or form is there any intent to decrease the quality.

MENTAL HEALTH CARE

Senator STEVENS. Let me ask two more questions. One is, we know there's going to be an amendment offered to the supplemental that Chairman Cochran is managing dealing with additional funds for the Veterans Administration and for the Department to meet the mental health concerns.

Researchers at Walter Reed Army Medical Center surveying soldiers, sailors, airmen, and marines found that 19 percent reported mental health concerns. Now that's potentially a large problem not only for the Armed Forces, but for the veterans health care system.

Are you adequately funded in the 2007 bill to meet that, or do we need to add money that we're going to be asked to add for the care of these veterans?

Mr. Secretary, have you discussed this?

Mr. WINTER. Sir, I've not discussed this at this level of detail. CNO, do you have a view on this?

Admiral MULLEN. Mr. Chairman, I would really have to get back to you on whether we're adequately funded. I will say that from the Navy's perspective, this is an issue we are aware of and we are working literally from the field back into the hospitals and back into the support mechanisms, that we have—not just in the hospitals, but also at our fleet and family support centers. That is something we are very much aware of.

The adequacy of the funding to support that, I would just have to—I'm comfortable we can do that in the near term. Whether we've got it laid in for the long term, I just don't know. I would have to get back to you on it.

[The information follows:]

Navy Medicine can and will continue to meet the demand for mental health services required by our fighting Marines and Sailors. We have identified the need for an additional \$11.4 million in the 2006 GWOT supplemental to support the Post Deployment Health Re-Assessment (PDHRA) of returning Sailors and Marines, active and reserve component. If Congress passes this supplemental request and our current fiscal year 2007 budget request we will have adequate funding for this initiative and for our mental health requirements throughout fiscal year 2007.

Senator STEVENS. Well I have to tell you, we don't have long term. We're going to have to face this very soon when we get back. Chairman Cochran can maybe tell us when.

That's one of the issues that worries me a little—the amendment to add substantial monies to the supplement for the mental health care. So I hope you can get back to us as soon as possible.

MV-22

General Hagee, about the problems of additional funds for V-22 aircraft as replacement for the CH-46. That money is not in the supplemental that was forwarded to us. And it's my understanding that this is really a problem. I sent you a letter, and you responded to it, and I thank you for that. Have you discussed this with the Department and should we consider increasing the 2006 level—I mean the 2007 level, to meet these V-22 requirements?

General HAGEE. Sir, we have. As you know, we've identified the MV-22 to replace those four 46s we have lost. We put that in the supplemental. It was deferred to next year—to 2007, if in fact we have those funds. We could have executed in 2006, but if we get the funds in 2007 we can execute in 2007.

If you ask me, what I would prefer to do? I would prefer to execute it in 2006, but I also understand the fiscal environment in which we are in.

Senator STEVENS. You didn't get any money out of the so-called bridge funds for 2006 for the V-22?

General HAGEE. Not for aircraft replacement. No, sir.

Senator STEVENS. What's the timing as far as the rate of production now? Is it declining?

General HAGEE. No, sir. In fact, as you know, it went through a successful Defense Acquisition Board. The rate that we had planned a couple of years ago, has in fact been reduced. But we're going to produce 9 this year and the plan is to produce 14 next year.

Senator STEVENS. These are actually going to be used to replace equipment that was lost or destroyed in the war zones of Iraq and Afghanistan, right?

General HAGEE. Yes, sir. Any 46—and we have lost four of those so far, or any CH-53 Delta will be replaced by a MV-22.

Senator STEVENS. Thank you very much. Senator Inouye.

STEAMING DAYS

Senator INOUE. Mr. Secretary, traditionally for the past several years, the Navy has had about 51 steaming days per quarter. Add to this the fact that announcements have been made indicating your intention to increase Navy presence in the Pacific, which would increase steaming days.

Taking these two things into consideration, don't you think that a budget request, requesting 36 steaming days in a quarter is taking a huge risk?

Mr. WINTER. Sir, there clearly is a risk assumption associated with that. I will note however, that we have ensured, taking the proper steps to be sure that the pre-deployment, the readiness part of the steaming, the operations and maintenance are funded at the full level to ensure that we're able to maintain the readiness of the fleet, relative to the operational deployment. This is a matter we're going to have to track very carefully in terms of the ongoing activities, as well as the conduct of phase zero activities that may be dealt with outside of the area of responsibility (AOR). It is a matter we're going to continue to track and we will watch very closely.

CNO, if you want to add to that.

Admiral MULLEN. Senator, clearly it's a calculated risk. We have funded the surge capability from both a training and a readiness standpoint in order to be able to deploy and meet requirements.

These are deployed steaming days which would move from 51 to 36 and we have been at 51 steaming days for a significantly long period of time. It is something I have no desire to return to, what I call the readiness bathtub, that we've filled in recent years, and that we will watch this very carefully. And if we have to, we'll have to move money around in order to fund it to meet the need for the steaming days deployed.

The deployed days are going to be the same. In other words, the ships will still be overseas deployed. It's a question of managing that risk. I actually expect to get some of that returned. Some of those steaming days have, over the last couple of years, been tied to supplemental funds. I'm not looking for that, but that has happened in the last couple of years. So it is an account we just have to manage very, very carefully.

Senator INOUE. So as far as you're concerned, it is a risk that you can live with?

Admiral MULLEN. Yes, sir. At this point in time, it is.

Senator INOUE. What about the 2 percent increase in deferred maintenance?

Admiral MULLEN. Again, that is relatively small at this particular point in time. I'm anxious to not return to a large amount of deferred maintenance and we'll watch this. I actually have some deferred in 2006, as well as in 2007 and I have no desire to return to where we were before and have to watch it literally maintenance availability by maintenance availability to ensure that we don't return to that. And I may have to move resources around to do that, but we are.

The other thing we've done, Senator, is we've worked hard to do maintenance differently than we have in the past and to operate much more efficiently than we have in the past, and we've put an extraordinary amount of money in readiness in the last several years, and I'm anxious to keep pressure on those accounts to make sure we're spending effectively, as well as efficiently.

MARINE CORPS END STRENGTH

Senator INOUE. General Hagee, you're now operating at an end strength of 179,000 marines, with the hope of reaching 181,000 by the end of this fiscal year. In addition, as the chairman noted, you're going to have 2,600 assigned to special operations.

In your professional military judgment, what level of end strength is required to fulfill the current and future missions of your Corps? And I say this because, recently in a statement you said 180,000 is about right.

General HAGEE. Sir, thank you for that question. You are right. We are currently authorized today 179,000. The program budget pays for 175,000. The additional marines authorized by the Congress are funded by the supplemental. In addition as you know, the title 10 allows us to go about 3 percent above our authorized level during times of war. And so, we're at about 180,000 marines right now.

I believe based on the current operational tempo and training tempo that that is about right for us right now. The last review that we had on structuring the Marine Corps was in 2003 and several things have changed since that time.

You've mentioned that we have stood up the Marine Special Operations Command. There's a significant review of our major war plans that are undergoing, as I said, review. And we're also—the QDR report came out, which is shifting it from—re-balancing probably is a better word—from traditional to irregular and so, in order to look at all of that, I have stood up a capabilities assessment group.

It's been going for just over about 1½ weeks. It is headed by Major General Steve Johnson who just returned from Iraq, and they're going to report out late spring—early summer on what the Marine Corps should look like from a structure standpoint and the end strength to support that both now and into the future.

I would like to comment, if I could, just a little bit on Marine Special Operations Command (MARSOC). There are 2,600 marines that will ultimately end up underneath SOCOM. Three major muscle movements. One of them is a foreign military training unit which we stood up last year in the Marine Corps and we're going to move that to SOCOM.

It's where it should be. It's for an internal defense. We will not reconstitute that inside the Marine Corps. We're going to take our Maritime Special Purpose Force which currently trains up with the Marine Expeditionary Unit, goes out with the Marine Expeditionary Unit, and operates with them. We're going to take that force and transfer that to SOCOM. They are still going to train up with and deploy with the Marine Expeditionary Unit.

However in theatre, they will be under the operational control of the Theatre Special Operations Commander. We will not reconstitute that force. We're going and the final capability set, we're going to give to SOCOM, are some signals intelligence (SIGINT) capability, fire support coordination capability, intelligence (INTEL) capability. Those capabilities we will have to reconstitute inside the Marine Corps.

RECRUITING AND RETENTION

Senator INOUE. Thank you very much. Admiral, although you seem to be meeting overall recruitment goals, we note with some concern your problems with recruiting women and minorities. And second, doctors and nurses, the SEALs, and lower re-enlistments in the first quarter of the fiscal year.

If there is anything that you feel that this subcommittee can do to help you in this matter, because I think we've got to meet our goals, I hope you will let us know.

Admiral MULLEN. Yes, sir. Overall from a recruiting standpoint and both the recruiting and a retention level, we are meeting our goals. We've had extraordinary retention for the last—since really—since 2000 and the retention numbers even this year are very good. As is our recruiting, there are some aches on the Reserve side for Seabees and medical where we have not met our goals for a significant period of time and we're anxious to get that incentivized correctly.

And we're working on that as well from the diversity aspect of it. It's a priority for me as a chief to make sure we have this right. Our overall balance in the force is really pretty good, with the exception of senior flag officers in both women and minorities in terms of percentages.

That's a priority for me to get right in the future and to do that, I need to certainly do that at the base so that we have, many years from now, an opportunity. There are opportunities to make sure that we reflect this country. It is a very important issue for me and one that I pay a lot of personal attention to. And so I appreciate your offer. And if there is, I certainly will let you know.

Senator INOUE. Thank you very much, Admiral. Thank you, Mr. Chairman. Chairman Cochran.

SUPPLEMENTAL REQUEST

Senator COCHRAN. Mr. Chairman, thank you very much. Thank you for being here, Mr. Secretary, General Hagee, Admiral Mullen, to discuss the budget request for the Navy and Marine Corps for the next fiscal year. The supplemental has provided part of the request that the Navy and Marine Corps says it needs to repair and replace equipment and other items in your inventory.

I wonder, taking the supplemental request and looking at the request for this next fiscal year, do you think, Mr. Secretary, that you have enough funds to carry out the missions you expect the Navy and Marine Corps to be required to carry out?

Mr. WINTER. Senator, within the ground rules we've been given, which is to say that the incremental cost of operations associated with the conflict to be included in the supplemental and not into the base budget, we do believe that we have adequately provided for the needs of the Navy and Marine Corps for the next year.

Senator COCHRAN. General Hagee, the Marine Corps is asking in the supplemental for approximately \$3.2 billion to repair or replace ground vehicles, Humvees, and other equipment that has been damaged or lost in Iraq and Afghanistan. How will you deal with the remaining unfunded requirements in ground equipment to complete for example, resetting the aviation assets that have been depleted.

General HAGEE. Sir, thank you for that question. What we did is, last year we drew a line and we looked at October 1, 2005, and we said, what will it cost to reset the Marine Corps as of October 1, 2005? And we came up with \$11.7 billion.

If we had that and the industrial base could execute it, we would be just where we should be as far as capabilities and capacities in the Marine Corps. And that's what we have called our reset and we submitted that as part of the supplemental. We got a portion of that for 2006. The rest that's over here is a recommendation for 2006. The rest is then deferred to 2007.

We could not, even if we got the \$11.7 billion, we couldn't execute it in 2006. Industry could not execute it in 2006. We believe we could execute about \$6 billion of that. I think \$5.1 billion in 2006 and the balance is in 2007.

Then there's a cost of war. And the cost of war for 2006, as I mentioned in my opening statement, is about \$5.3 billion. And as long as the war goes on that will continue if we get that funding,

then there will not be another requirement for a reset once we obligate and execute those \$11.7 billion.

SHIPBUILDING PLAN

Senator COCHRAN. Thank you very much. Admiral Mullen, looking at the long-range ship building plan for the Navy, we had the tragedy of Hurricane Katrina, as you know, that struck the gulf coast of our State and we have a major ship building firm located in the Pascagoula area. What impact is that going to have on your requirements, or the budget submission that you have presented for Navy ship building?

Admiral MULLEN. The long-range ship building plan in great part depends on the shipyard. Actually all of our shipyards, but certainly the shipyard in Mississippi as well. And so clearly as I've structured the long-range ship building plan, put the plan, submitted it to you this year. My goal is to create a strategic alliance between the Hill, the Navy, the Department, and industry. And a viable industry is a very important aspect of this.

What I'm trying to do is submit a plan that is stabilized, doesn't change year to year, so that industry can make investments to deliver ships which we can control their cost. And all of us have work to do in that area.

So the viability of that shipyard is very key in terms of the future of building the ship plan for the Navy and for the Nation.

LPD-17 AMPHIBIOUS SHIP

Senator COCHRAN. One of the responsibilities there at that yard, I understand includes the LPD-17 amphibious ship. We appreciate the fact that that's an important part of our State's economy and we're very proud of the good work that has been done there. Particularly, in mobilizing a workforce that have been dispersed and preoccupied with just trying to stay alive and keep families together in the aftermath of that hurricane. But I think they seem to be back working. I think I heard 12,000 employees available and dependable for work every day there.

I noticed the fiscal year 2006 submissions, Mr. Secretary, shows that the ship plan for fiscal year 2007 has been pushed into 2008. But it is also listed as part of the Navy's unfunded requirements list.

So I'm wondering, it would seem that it would be appropriate to fund something that is on the unfunded requirements list, rather than push it into the next fiscal year. What is the problem?

Mr. WINTER. Well sir, that was a move that was made recognizing that by dealing with the advanced procurement, we were able to actually buy the last of those Amphibious Transport Docks (LPD), in I believe the 2008 time period, without impacting the actual delivery of that particular ship.

At the same time obviously, if we could pay for that earlier, it would provide additional headroom in the out-years. This is something we clearly want to do. It is a matter of providing an appropriate allocation of the resources in the time period we're discussing.

Senator COCHRAN. General Hagee, I remember last year we talked about how many amphibious ships the Marine Corps needed

and how many would you like to have to support Marine Corps operations. I believe you said you would like to have 10 LPD-17s. Is this still something that you think would be helpful and satisfy the Marine Corp's strategic lift requirements?

General HAGEE. Sir, you know I'm an infantry man, you never have enough information and I'm a marine, you never have enough amphibious shipping. I would love to have 10 LPDs. I understand the fiscal environment that we are in. I think there's—as I testified last year, there's a risk with nine. But that's a risk that I believe that we can take.

Senator COCHRAN. Thank you very much, Mr. Chairman. Thank you all for your cooperation and your great performance of duty.

Senator STEVENS. Thank you, Senator. Senator Burns.

Senator BURNS. Thank you very much, Mr. Chairman and welcome all of you to this hearing this morning.

MARINE CORPS EQUIPMENT REPLACEMENT

General Hagee, could you give me an assessment right now on replacement equipment and modernization of equipment? I know it changes everyday and our losses, could you give me kind of assessment of how we're replacing, and how we're modernizing?

General HAGEE. Yes, sir. Probably the best example is with our maritime pre-positioning squadrons. As you know, we have three of those squadrons. Each one of the squadrons has the ground equipment and the sustainment for a brigade of 15,000 marines—a lot of equipment.

Last year at this time, two of those squadrons were down below 35 percent availability of equipment because it was gone and it was in Iraq. Because of the support that we have received on supplemental funding, today two of those squadrons are just about at 100 percent and the one remaining squadron is up around 90 percent. The equipment is actually on order. The money has been obligated, we're just waiting for it to come in. So the supplemental funding has improved our readiness significantly.

The CNO talked about the bathtub. We used a lot of equipment. As you know, the rules said in the first 2 years of supplementals, we could not use it or at least, not very much of it for procurement. Last year we were able to do that and we're starting to fill that bathtub up.

MARINE CORPS RESERVE

Senator BURNS. Tell me about your Reserves and the equipping of the Reserves, and are they ready for deployment should they be needed?

General HAGEE. I've been in the Marine Corps for 38 years. I've never seen a more ready, battle hardened Marine Corps than we have today, both regular and Reserve. Ninety-seven percent of our selected Marine Corps Reserve units have been activated. And over 70 percent of those individuals who have been activated have in fact, served in either Iraq and Afghanistan. They are ready to deploy.

Now we have taken equipment and we have pushed it to Iraq, and we have pushed it to Afghanistan—exactly where it is needed. They have sufficient equipment back here to train. If we had to mo-

bilize all of them, we would have to draw down our preposition stocks again.

Senator BURNS. When you deploy your Reserves, when you call your Reserves up, are they blended into regular units or are they a unit unto themselves?

General HAGEE. They are a unit unto themselves, sir. If they're called up as an infantry battalion or an artillery battalion, in some cases if we call a debt or a detachment, it could in fact blend into another unit.

Senator BURNS. That's the reason I asked those questions, is because of I can see a depletion of those Reserve units not having the necessary equipment to actually be combat ready whenever they are called up.

In other words, do they have to be retooled or does new equipment have to be issued? Because I know there's been a draw down in the equipment at the Reserve level.

General HAGEE. Yes, sir. That is correct and I say, especially for the major end items for the personal gear we're fine. On the major end items, we would have to take some of those out of pre-positioned stocks, if in fact we called up everyone.

MARINE CORPS RECRUITMENT

Senator BURNS. Your recruitment—tell me how your recruiting is going. Now I know you're going to send some of your personnel into Special Ops, do you plan to replace those numbers back into your regular ranks?

General HAGEE. We won't replace all of the capabilities in the regular ranks. The classic example is the Foreign Military Training Unit which we stood up in the Marine Corps last year. It's about 400 marines. It's a capability that the Nation will continue to have, but it will be under SOCOM. We will not reconstitute that under the Marine Corps.

MARINE CORPS TRAINING

Senator BURNS. I appreciate that because I'm mostly concerned you know, from my background. I'm concerned about the people on the ground and in your training. I don't think the American people really understand how 9/11 changed our lives and how we look at the world now at a different kind of an enemy than we did, say in the cold war era, or in the past.

You're training, especially boot camp. Now I know at one time that Marine Corps Recruiting Depot (MCRD) San Diego was talked about to go on the base realignment and closure (BRAC) and move all boot camp and primary training to boot training to Parris Island. I understand now, that you need both units in your operation now, is that correct?

General HAGEE. That is correct, sir.

Senator BURNS. And when I talk about training now, it takes on a different kind of training. In other words, the psychology of training has not changed in the Marine Corps. I congratulate you for that, but also, to deal with an enemy that we've never been able, or never ever seen before. And I'm wondering if the wing of the hearts and minds of wherever we travel is now a part of your boot

camp training, or is a part of your Infantry Training Regiment (ITR).

General HAGEE. It's a part of our—what we call now, our school of infantry which was the old ITR. It is absolutely a part of that, sir, and as I mentioned in my opening statement—

Senator BURNS. I hated to date myself.

General HAGEE [continuing]. The same thing, the same tough hard training. Where we have made the most significant change is in Twentynine Palms. As you know, we use to do the combined arms exercise out there, which is an industrial war type of exercise, coordinating artillery, and aircraft fires. We have changed that to where it is in a regular battlefield now.

We have a couple of mock Arab villages—really quite large. We have role players that are actually Iraqi's speaking Arabic, that populate these villages when we're doing training out there. The marines learn how to interact with them, how to deal with IEDs. So we have significantly changed the training that a unit experiences before it goes over.

Senator BURNS. Well I'm one of these and due to the leadership of our chairman and ranking member on this subcommittee for their vision and insight, because I still believe our success around the world, the best Ambassadors we have is the warrior that is on the ground and their ability to deal with the people that they run into, new cultures, new languages, new everything.

And being able and having the versatility as a person, as an individual, to deal with those changes. And so I congratulate you on that and I just know that the young people that we encounter when we're in the service and we're abroad, the effect that we have on them is the future of this country. Because the impressions our warriors make on them, will last them for a lifetime and that is winning the hearts of the future and I congratulate you on that also and I yield back my time.

SERVICE MEMBERS' ABSENTEE VOTES

Oh, there's one other question. We're concerned a little bit about it's an election year and I'm up. But new ways of making sure that our men and women can vote absentee, we've been looking at different systems in our office and have been in contact with your offices.

I wish you would take a look at that for us, and to make sure that our men and women who serve in uniform, especially abroad, do not lose their voice in Government. And we've been working on that and I would hope that you would visit with us just a little bit in our offices, because there's a couple of plans out there that we think could facilitate and to make sure that they do not lose their voice in their government. Because I think it is very important and I thank the chairman and I yield my time.

Senator STEVENS. Thank you very much. Pardon us, we're discussing another subcommittee's ability to meet this afternoon. We have a series of votes.

UNMANNED COMBAT AIR VEHICLE (UCAV)

Admiral, during the coming recess we're going to go out and take a look at the predator development ground out in Nevada and we

understand you're thinking about developing unmanned combat aircraft now, and the Defense Advance Research Projects Agency (DARPA) has been involved in the whole subject in the past.

You're requesting \$239 million in fiscal 2007 and tell us, between 2007 and 2011 that this unmanned combat air vehicle will request funds in excess of \$1.8 billion. Now are you satisfied that this is right for the Navy to separate off from the joint program that's been going on in the past?

We've had a joint program for unmanned combat aircraft for all the services and now, it looks like you're going to go it alone, tell us why?

Admiral MULLEN. Sir, the intention is not to go it alone. It was really to take what was the joint program, move this \$1.8 billion to focus on the unmanned carrier suitability piece of this which was also part of that joint program. But it was not as clean a part per se.

Both General Mosley and I are very committed to the joint outcome of this—of what was going on in this joint program. General Mosley and his—also has a significant portion of that money. I believe the other half of what was almost a \$4 billion program across the time line you described and we have pledged to each other, to ensure that as this evolves we share the technologies and the developments, and down the road come back together.

So I have great confidence in that for us, the unmanned piece, as I've said, is the carrier piece. As I come in as Service Chief, I'm anxious to do more unmanned work, not just on the carrier side but other unmanned developments which are all ongoing. I just have not had a chance to get at those myself and intend to spend a fair amount of time on that in the 2008 program.

Senator STEVENS. Well respectfully, Admiral, I don't think anyone in any group has been more supportive of the unmanned research program than this subcommittee. As a matter of fact, we initiated it as an add-on one year.

Even the Air Force wasn't interested in it. But now, everybody's interested in it. But we have an ongoing program. It is a joint program at a time when money is so tight. Why should we split off \$1.8 billion and give it to you to duplicate what's being done in a joint program?

The joint program will still be going on and I understand some of the problems we've had in the past about the structure of the landing gear and everything else for carrier landings, but this should not be that much different for an unmanned combat aircraft.

I seriously questioned—this whole thing is just going up like this—I questioned whether we need to duplicate another program and split this off and have different personnel, different costs. Why can't you keep up with the joint program?

Admiral MULLEN. We believe that the outcome of this decision was a better outcome than that, which was coming from the joint program at the time. The combined output, and it also included where we were. Not just with the Air Force, but obviously where we were with DARPA.

Senator STEVENS. But if you get a separate program, why doesn't the marines, or why doesn't the Army? The Air Force already has

the major program. I asked the Coast Guard to look at unmanned aircraft for the purpose of exploring the maritime boundary. We asked Intelligence, the immigration people to look at unmanned aircraft for the purpose of exploring or maintaining our surveillance of our borders.

Why don't we just add a national program, instead of all of these separate offices that cost money? And I will tell you we are losing support up here because of redundancy of programs. And I urge you to go back and think that one over. I think the whole budget has to be thought over from the point of view of what's necessary now?

We went over and saw the movement of bases from Germany into Italy—wonderful plan. But why does it have to be done now? A half million dollars for one base, three-quarters of a million dollars for another—excuse me, half a billion dollars for one base, three-quarters for another one. Now, moving them now, at time when we're at war, why should you separate to a different program now?

I'm being too hard on you, I know. But that unmanned combat air vehicle for you, won't enter the fleet until 2018. These gentleman and I won't be here in 2018.

We are anxious in making sure that the budgets for the next 4 or 5—10 years, we hope to be here maybe that long—will meet the needs of the people in the services. I think we're causing expenses out into the future that are unnecessary and we ought to have one program for the Department of Defense on unmanned aircraft and I urge you to consider it.

Do you have anything further, Senator?

WAR DEFINITION

Senator INOUE. One short question. In recent times, in many discussions and debates, we hear two phrases, big war, small war. Can any one of you tell me what you consider a big war, and what is considered a small war?

For example, more specifically, is Iraq a big war? Is Afghanistan a big war? Was the Battle of Panama considered a small war? I would like to know what we're discussing.

General HAGEE. I think from a little bit, obviously it depends upon who you are. Lance Corporal Hagee, it's a big war, regardless of what it is, because he's up there, he's out front.

I think regardless of whether it's the Battle of Falluja or whether it's World War II, as you know very well, I think at a higher level it's the impact throughout the world and it's the amount of resources.

I would suggest that Iraq and Afghanistan—really Iraq right now, are a subset of the long war, which is a war against radical fundamentalism throughout the world. The focus right now is in Iraq and we're expending, as you know very well, Senator, quite a bit of resources over there. And so, I would call that a big conflict. Yes, sir.

Admiral MULLEN. Sir, I would chime in basically the same way. I think it is tied to sustainment, it is tied to resources, it's tied to the kind of combat capability you have to deliver over that extended period of time.

We've certainly got war plans for major conflicts. So in that context, at least I think about a big war along those lines. I think, at least as I listen to your example, what happened in Panama, I would certainly put it in the small category.

We probably have a tendency to think more along the lines of both time, capabilities, sustainment, and risk in other parts of the world when you are involved in a big way, somewhere else. And so I'm consistent with what Mike is saying here. I'm comfortable with that description.

Senator INOUE. Thank you.

Senator STEVENS. Senator Cochran, do you have anything further?

Senator COCHRAN. I have no further questions.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. Gentlemen, thank you for your testimony. We appreciate you being here today and we thank you all for your distinguished service to the Nation and the work that all of the armed services people under your command do. We're proud of them and want to support them as much as possible.

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

QUESTIONS SUBMITTED TO DAVID C. WINTER

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

NAVY EXPEDITIONARY COMBAT COMMAND GLOBAL WAR ON TERROR

Question. In January 2006, the Navy stood up a Navy Expeditionary Combat Command designed to provide forces that operate in an expeditionary environment, and to relieve other forces in the Global War on Terror.

The Command plans to establish three Riverine Squadrons. The first Squadron will deploy to Iraq in March 2007 to relieve a company of Marines.

Funding to equip two Riverine Squadrons was requested in the fiscal year 2006 Supplemental. The House denied the requested funding citing an incomplete concept of operations and the lack of validated equipment requirements. As a result, the Navy is considering reducing the number of Riverine Squadrons in the near term.

The 2006 Quadrennial Defense Review (QDR) endorsed the concept of the Navy Expeditionary Combat Command.

In accordance with the Quadrennial Defense Review, the Navy is standing up a new Expeditionary Combat Command. What role will this Command and its components play in the Global War on Terror (GWOT)?

Answer. The mission of Navy Expeditionary Combat Command (NECC) is to man, train and equip Navy forces to operate in an expeditionary environment and to provide the full spectrum of capabilities within its assigned forces to extend the Joint Force Maritime Component Commander's (JFMCC) tactical and operational reach near coastlines, inshore and the riparian environment. NECC will become a force multiplier to GWOT by:

- Aligning current force structure under a single command;
- Creating a process for irregular warfare development;
- Capitalizing on synergies of current expeditionary forces; and
- Task organizing force packages and reducing force closure time.

When fully implemented, NECC will merge the following existing and developing capabilities: Explosive Ordnance Disposal, Cargo Handling, Coastal Warfare, Mobile Diving and Salvage, Navy Construction Force, Expeditionary Logistics Support Group, Riverine Force, Maritime Civil Affairs Group, Expeditionary Combat Readiness Center, Expeditionary Training Team, and Expeditionary Security Force.

NAVY EXPEDITIONARY COMBAT COMMAND EQUIPPING STRATEGY

Question. Funding for the Navy Expeditionary Combat Command (NECC) has been requested in the fiscal year 2006 Supplemental, but not in the regular fiscal year 2007 budget. What is the equipping strategy for the Navy Expeditionary Combat Command?

Answer. The Navy requested funding in the DON fiscal year 2006 Emergency Wartime Supplemental submission for the Riverine Force (\$73.1 million); the Maritime Civil Affairs Group (\$6.4 million); the Expeditionary Training Team (\$2.5 million); the Maritime Security Force (\$6.5 million); Inshore Boat Units, which are components of the Naval Coastal Warfare community (\$16.5 million); and the NECC Headquarters (\$2.5 million). The primary rationale for the funding requested in the fiscal year 2006 Supplemental for the new components of the NECC is that the final decision to establish the NECC and the aforementioned components was not made until after the submission of the regular fiscal year 2007 budget.

The following summarizes all of the efforts currently in motion and planned to fund the Riverine Force (Riverine Group ONE [headquarters] and three deployable Riverine Squadrons) in the OPN, WPN, OMN and PANMC appropriations. The first Squadron-level operational deployment to the U.S. Central Command Area of Responsibility is scheduled for March 2007. Principal rationale behind requesting procurement funding on an accelerated timeline is due to the relatively long delivery projections for much of the equipment required by the deploying Riverine Squadrons (in many cases delivery forecasts are 12 months or longer, subsequent to contract/contract option award).

—*Fiscal Year 2006 Below Threshold Reprogramming.*—\$7.47 million to begin equipping Riverine Squadron ONE (RIVRON ONE). Fleet Forces Command is also providing OMN funding from existing resources in fiscal year 2006 to support the establishment of RIVRON ONE and the Riverine Group ONE headquarters on an accelerated timeline.

—*Fiscal Year 2006 Above Threshold Reprogramming.*—\$17.34 million to continue equipping RIVRON ONE, less combatant craft, which the Marine Corps will “loan” RIVRON ONE for initial training and the March 2007 deployment. With one exception, funding will “pay back” other Navy programs from which required equipment for RIVRON ONE is being redirected.

—*Fiscal Year 2006 DON Emergency Wartime Supplemental Request.*—\$73.1 million to equip RIVRONs TWO and THREE, commands scheduled to sustain the aforementioned initial operational deployment in November 2007 and July 2008, respectively.

—*Fiscal Year 2007 President’s Budget.*—\$22.31 million initially intended to begin establishment of one modestly sized riverine unit. This baseline concept was superseded by a more robust Riverine Force concept subsequent to submission of the PRESBUD. Currently, fiscal year 2007 funding would be used to sustain the Force being stood up in fiscal year 2006.

SEALS EFFECT ON END STRENGTH

Question. The 2006 Quadrennial Defense Review (QDR) addresses a significant increase to our nation’s Special Operations Forces’ (SOF) capabilities which will include additional Navy SEALs and additional Navy personnel to train foreign military units, and a new Marine Corps Special Operations Component.

Will the Department of the Navy increase its end strength to stand up these additional units?

Answer. The Department of the Navy will not need to increase overall end strength to meet the growth of SOF. While aggregate Navy strength may be decreasing, Navy’s overall force shaping provides for growth in certain manpower specialties, including SOF. The Navy has already established a specific plan that will add over 650 personnel (above a fiscal year 2004 baseline) to the Navy’s SOF communities through fiscal year 2008, and is developing plans to rapidly, but prudently, implement QDR-directed growth increases in SOF and SOF supporting communities. This growth is based upon combatant commander requirements (U.S. Special Operations Command), as well as the ability to fully train, equip, and deliver SEALs and Special Warfare Combat Craft crewmen to the fleet.

The establishment of the Marine Special Operations Command (MARSOC) will be accomplished within the current 175,000 Marine Corps end strength funded in the fiscal year 2007 President’s budget. It should be noted that several of the functions performed by the Marines assigned to MARSOC (e.g., Foreign Military Training) will, in the future, continue to be performed by those Marines, as a component of SOCOM, without affecting the end strength requirements of the Marine Corps. Furthermore, the Commandant of the Marine Corps has directed the creation of a Ca-

pabilities Assessment Group (CAG) to ensure the proper incorporation of QDR guidance and will look for efficiencies and changes within the Marine Corps to enable end strength to be stabilized at the QDR level of 175,000. The Group will report its recommendations this summer.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

WATER PURIFICATION PROGRAM

Question. Mr. Secretary, the Office of Naval Research (ONR) is working on a water desalination program in southern New Mexico. The goal of this program is to study techniques in reverse osmosis that will lead to the production of a transportable water purification unit. In turn, these units would be used by Marines engaged in humanitarian and disaster relief efforts. They would also help meet the water demands of our expeditionary war fighters.

As a long-time supporter of this program, I was proud to hear of ONR's success in this area, with one water purification system being transported to Alaska last year to provide fresh water for the Coast Guard, and two units being deployed to Mississippi in the aftermath of Hurricane Katrina to provide pure water for relief workers.

Can you tell us a little about these missions and the value of the Expeditionary Unit Water Purification (EUWP) program?

Answer. While the project has no formally designated phases, the following activities will be supported during the fourth year that congressional enhancements were received. The two EUWP Generation I (GEN I) systems, 100,000 gallon per day technology demonstrators, are currently located at the U.S. Navy Facilities Engineering Support Center, Pt. Hueneme, California, and the Tularosa Basin National Desalination Research Facility, Alamogordo, New Mexico. While under going testing and data collection, both GEN I systems were requested to support Hurricane Katrina relief efforts. The first GEN I was positioned near the Biloxi Regional Medical Center to provide potable water using water from the Gulf of Mexico as source water. The second GEN I was positioned at the Pascagoula Port to provide a Carnival Cruise ship a source of potable water. Mission Assignment#DOD-23, assigned by NORTHCOM was supported from September 9, 2005 through October 19, 2005.

Question. What are the next goals of this program?

Answer. A critical effort in the fiscal year 2006 plan is to put the Generation I systems through a third party validation program. The two selected programs both reside within the Environmental Protection Agency (EPA) and are called Environmental Technology Verification (ETV) program and Technology Testing and Evaluation Program (TTEP). TTEP is an outgrowth of the EPA's successful and internationally recognized ETV program. TTEP rigorously tests technologies against a wide range of performance characteristics, requirements or specifications. ETV test plans are used after being modified to meet homeland security requirements.

The current plan also includes the effort of extending the development of science and technology in areas that will increase the output of water purification facilities while holding costs constant or at a reduced cost. While enhancing "through-put" is one of the principal objectives, no specific plans have been made to demonstrate this technology on a 500,000 gallon per day (gpd) demonstration model. Existing plans are to integrate and evaluate promising technology achieved, by conceptually designing them into a 300,000 gpd engineering prototype model. This effort, designated as Generation II (GEN II) is on schedule. On March 8, 2006, a kickoff meeting (Contract Award) was held at Pt. Hueneme, California to start the fabrication of the Naval Sea Systems Feasibility Demonstrator. The preliminary design of the GEN II is suitable for consideration as a replacement for large amphibious ship water purification system(s).

Another part of the fiscal year 2006 plan is to award second year options to the promising performers who were selected last year in response to Office of Naval Research's, (joint with NASA), Broad Agency Announcement (BAA) 05-005 titled, "Science and Technology in Water Desalination and Purification". Also the EUWP program plans to initiate the commercialization (scaling up) of selected technologies from BAA 03-011; same title as mentioned above.

Question. What further successes do you foresee with fiscal year 2007 funding for this program?

Answer. All efforts initiated to date will be completed with the fiscal year 2006 funding provided.

Question. Does the Department of Defense have the authority it needs to transfer this technology to the public sector?

Answer. The Expeditionary Unit Water Purification program brought together the expertise of many organizations, to include other Department of Defense (DOD) Services, Federal Agencies, International Partners, and private contractors to ensure the success of this effort. The participation of the Bureau of Reclamation (BOR) with their extensive background in water use and reclamation is expected to assist in the smooth transfer of beneficial desalination technology to the civilian desalination market through the direction of test and evaluation activities, and the coordination of test results with industry. The BOR is a recognized leader in desalination and water purification research, both domestically and internationally, and is a principle conduit to both the consumer and most suppliers. It is expected that the promising technology(s) provided by the EUWP program will be utilized by the BOR and the DOD Services.

Question. What can Congress do to help the Office of Naval Research (ONR) make this research and technology more readily available commercially?

Answer. Through the foresight of the Congress in funding this effort, ONR has had the opportunity to develop the Expeditionary Unit Water Purification program to be useful in a variety of situations, such as the disaster of Hurricane Katrina. However, at this time additional resources are not required for this program.

NAVY HIGH ENERGY LASER TESTING

Question. The High Energy Laser Systems Test Facility at White Sands Missile Range has allowed for much development and demonstration of High Energy Laser Weapon programs. It is my understanding that the high energy laser testing by the Navy at this facility has met with a number of recent successes.

Can you describe some of these successes for us?

Answer. The High Energy Laser—Low Aspect Target Tracking (HEL—LATT) program was created to determine requirements and develop tools to support tracking and laser aim point maintenance for the shipboard high-energy laser weapon system.

In fiscal year 2005, ONR funded the completion of the integration of new hardware and evaluation of the optical tracking system to perform laser aim point maintenance. The objectives of HEL—LATT have been to adapt a well-proven AIM-algorithm aided by an appropriate set of modern sensors on the Sea Lite Beam Director (SLBD) for precision aim point tracking. The potential tracking and aim point solution is based on Advanced Tactical Anti-Air technology. SLBD is employing the adapted algorithm and its new sensors for a sub-sonic shoot down. SLBD is to acquire and track maneuvering targets against the sky, against a transitional sky to mountain and finally against the mountain backgrounds.

In an initial series of dynamic tests using the software and track processors, high G maneuvering targets against the sky background have been tracked in nine out of ten passes, and the laser quality aim point was maintained for impressive durations.

During the past two years, the HEL—LATT program has added three passive IR sensors for precision tracking to support the Sea Lite Beam Director (SLBD). These are:

- Mid-Wave Infrared (MWIR) sensor to Automatic Aimpoint Selection and Maintenance (AuASAM) telescope for target acquisition from a Radar handover. This sensor has twice the field-of-view of the Forward-Looking Infrared (FLIR) and has greatly improved sensitivity (Noise equivalent delta Temperature that is 250 times lower). This sensor allows the SLBD to acquire a target between 15 to 20 kilometers against a mountain background; the FLIR requires a range of less than 5km to perform this mission.

- Long-Wave Infrared (LWIR) sensor in the Hot Spot Tracker (HST) port to provide fine tracking during a Mid-Infrared Advanced Chemical Laser (MIRACL) with jitter of a few micro-radians.

- MWIR sensor in the HST port to improve target lethality during a MIRACL.

Question. What would fiscal year 2007 funding for High Energy Laser Testing allow you to achieve?

Answer. The PB07 request did not include any funds for this purpose. Additional resources could be used for additional tracking tests in the presence of a high energy laser beam, and pursuit of upgrades to improve tracking algorithms.

Question. What do you need from White Sands Missile Range and/or New Mexico in order to achieve these goals?

Answer. Missile range time and personnel at WSMR to perform and finish the testing.

MAGDALENA RIDGE OBSERVATORY

Question. The Magdalena Ridge Observatory project is an international scientific collaboration that involves the Office of Naval Research. The observatory will house a 2.4 meter diameter telescope and an array of optical/infrared telescopes.

What is the value of these telescopes to the Navy and the Department of Defense as a whole?

Answer. The military value derives from development of new technologies for implementation of the Navy's Prototype Optical Interferometer (NPOI), currently providing operational data to the United States Naval Observatory. These technologies, such as the coupling of adaptive optics with optical interferometry, will increase the sensitivity of ground-based interferometers to improve their use for accurate star catalogs for navigation and precise timekeeping, and for space object monitoring and identification.

The 2.4 meter telescope will have rapid tracking capability that will allow it to slew to any target and acquire data within one minute of receipt of notice. The telescope is situated to enable tracking of missiles launched from White Sands Missile Range.

Question. When is this project scheduled to be complete?

Answer. The single 2.4 meter telescope delivery is on schedule and first light is projected in early fiscal year 2007. The delivery of the first of the unit telescopes for the interferometer array is scheduled for late fiscal year 2007 with the final unit telescope delivery in fiscal year 2009.

LONG WAVELENGTH ARRAY

Question. The Long Wavelength Array project includes the Naval Research Laboratory and will build a very large aperture radio astronomy telescope designed to study the electromagnetic spectrum in the areas of astrophysics and space physics. Such an instrument would keep the United States on track with instruments being built in Europe, Australia, and China.

What is fiscal year 2006 funding for this project being used for?

Answer. Initially, fiscal year 2006 funding will be used to define the system requirements for the array including dipole array antennas and detectors and overall array dimensions. Development of a prototype dipole antenna will be carried out and funds will be used to begin site preparation for the ultimate long wavelength array.

Question. What will the project accomplish in the scope of national defense and security efforts?

Answer. The Long Wavelength Array (LWA) will provide unprecedented spatial and temporal ionospheric imaging; it will provide unique data on the structure of Solar Coronal Mass Ejections (CMEs) for an improved understanding of space weather effects including geomagnetic storm prediction. This research will help provide improved ionospheric models which can affect GPS, communications and targeting systems, geolocation of tactical emitters, imaging by space-based radars, satellite communications, and over-the-horizon radars.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

C-130 CANCELLATION

Question. Secretary Winter, you are undoubtedly aware of the controversy over last year's C-130 cancellation and restoration. As a former businessman, can you assure the Committee that the new approach makes sense and will meet the Marine's requirements for KC-130s?

Answer. The Marine Corps is currently in a multi-year procurement program with the Air Force to procure a total of 34 aircraft by the end of fiscal year 2008. A study has just been initiated by OSD (PA&E) to examine alternative business cases: refurbishment of F and R model KC-130 aircraft versus additional new buys of KC-130Js. The Department of the Navy will work with PA&E while monitoring KC-130 OPTEMPO and availability of F and R model aircraft for refurbishment while being mindful of the value of avoiding a production break in the KC-130J line. The Department of the Navy views this as a likely fiscal year 2009 budget issue.

SHIPBUILDING AND OPERATIONS COSTS

Question. Secretary Winter, the Navy is under significant fiscal constraints given the high cost of shipbuilding, yet its operating cost requirements are not decreasing. How are you planning on alleviating some of this pressure?

Answer. Management of the cost of Navy's shipbuilding program is a priority to me. In this context I use the term shipbuilding in a holistic way—the hull, mechanical, and electrical (HME) systems plus the weapons, C4ISR, and other systems that give the ship its combat power.

The Department of the Navy is actively working with our partners in industry and with the Congress to alleviate the cost pressure on shipbuilding. We must recognize the need to build a Fleet with the capabilities our nation needs at a cost that is sustainable across time.

The Department is responsible for recommending to Congress shipbuilding requirements and capabilities such that stable funding can be planned and provided for industry across the FYDP. The Department is off to a good start with the analysis that underpins the recently submitted 30 Year Shipbuilding Plan, a plan that identifies a Navy of 313 ships at an average cost of \$13.4 billion (in fiscal year 2005 dollars) each year to achieve that plan. The Department is also responsible for controlling shipbuilding requirements/capabilities: both in new programs and in programs already in production. This is an area where, clearly, we must do better—and it will take strong leadership on the part of both the senior civilian and uniformed leadership to curb the Department's appetite for increased requirements/capabilities. Within the Department, our civilian and uniformed leadership will need to work side-by-side in this endeavor, at all levels of program management and execution, to ensure the Department gets the maximum combat value for every dollar invested.

The Department will also work alongside industry to identify a model that supports a viable business base through construction and integration of highly capable ships at low rates of production. The Department will work with industry to motivate and implement rigorous process improvements such as Lean Six Sigma, investments in capital improvements that support low rates of production of high capability systems, and workforce investments which will ensure the composition of skill sets within the industry. Finally, the Department will tailor contracts and business arrangements with industry to motivate these desired behaviors that are in the national interests.

The Department will also work closely with Congress to ensure funding and a funding profile that supports execution of the 30 Year Shipbuilding Plan. Stability in funding at an average of \$13.4 billion per year (in fiscal year 2005 dollars) is the sine quo non of achieving the plan, as it provides the stabilized business base necessary for industry to confidently plan for the future and it provides industry acceptable risk to implement the changes discussed above.

In addition to their contribution to shipbuilding, the Navy is working several additional initiatives to reduce cost in the areas of operations and maintenance. These measures include a ship maintenance process called SHIPMAIN, used for maintenance process improvement, a revitalized Energy Conservation Program (ENCON), and implementation of continuous process improvement at Naval Sea Systems Command (NAVSEA) and Naval Air Systems Command (NAVAIR).

- SHIPMAIN aligns the modernization of surface ships and aircraft carriers into a cohesive, single process. The process combines all modernization information into a single database, Navy Data Environment (NDE). Initial baselining of the modernization database in support of SHIPMAIN avoided nearly \$200 million in costs across the FYDP. The SHIPMAIN process also administers Multi-Ship Multi-Option (MSMO) contracts allowing longer terms for the execution agent. MSMO contracts create a stabilized workload for Private Industry, which allows a more stabilized workforce, thus reducing cost.

- The Energy Conservation Program includes a centralized ENCON website that provides training, guidance, and historical data that Ship Commanding Officers and Engineering Department personnel use to assist in reducing energy costs. The ENCON program includes on-site and VTC training for ship and squadron personnel, and a compilation of the Navy Energy Usage Reporting System (NEURS) data. Operational target incentives are paid by Type Commanders to ships and aircraft squadrons who use less fuel during operations. Another part of ENCON develops and validates shipboard performance of mature energy saving systems/components. This program reduces energy costs for a relatively minor investment.

- Navy must transform the way it does business within its systems commands to dramatically cut costs. This means improving throughput, reducing new product development cycles, enhancing personnel development, and preserving fundamental values. Both NAVAIR and NAVSEA are aggressively adopting a culture of continuous process improvement with a standardized, disciplined approach that includes industry-recognized best practices of Lean, Six Sigma, and

Theory of Constraints; with prioritized application of these methodologies to the right value streams.

FUNDING FOR RECRUITING AND RETENTION INCENTIVES, BONUSES AND ADVERTISING

Question. Secretary Winter, both the Navy and Marine Corps rely on supplemental funding to augment recruiting and retention incentives, bonuses, and advertising.

Knowing that the recruiting and retention challenges will continue, what is your plan to fund these programs?

Answer. Funding for recruiting, retention, bonuses and advertising requirements to include new missions such as the Marine Corps Special Operations Command and the Navy Riverine Force, will be included in the baseline budget requests to Congress. However, variations in the manpower environment and extraordinary demands for critical skills make it impossible to anticipate these costs with complete accuracy. Given the uncertainty of the impact of the Global War on Terror (GWOT) on recruiting new Servicemembers and retaining existing Servicemembers, costs for recruiting and retention incentives, bonuses, and additional advertising may be submitted for consideration in future GWOT Supplemental Budgets, if circumstances warrant.

There are unique challenges and stresses on recruitment and retention precipitated by the GWOT, particularly with respect to SEALs and Medical personnel whose communities are very heavily utilized to support the Global War on Terror. To address these challenges, we have intensified our efforts to recruit and retain SEALs and Medical personnel. Examples of these efforts include raising the enlistment and reenlistment bonus and restoring active component recruiters along with funding the associated O&MN support costs.

BASIC ALLOWANCE FOR HOUSING (BAH) BUDGET SHORTFALL

Question. Secretary Winter, the Navy is facing a \$150 million shortfall in fiscal year 2006 as a result of the increased rates for the basic allowance for housing.

How is the Navy planning on addressing this shortfall and how can they be prevented in the future?

Answer. There is a shortfall in the Military Personnel, Navy (MPN) account attributable to higher than expected BAH rates, which became effective in January of this year. The Department of the Navy has experienced higher than CONUS wide average BAH increases, due to higher costs in our fleet concentration areas compared to other Service locations. This shortfall was exacerbated by inclusion of military personnel accounts in the across-the-board rescission and other funding reductions. To offset these reductions, Navy is considering reprogramming from other appropriations as well as reducing certain expenditures within the MPN account. For example, Navy is delaying shore-to-shore moves of 3,788 Sailors and accepting early voluntary separations among some enlisted personnel, consistent with force shaping plans.

To prevent similar shortfalls in future budgets, the Departments of the Navy and Defense are working closely on more accurate predictions and budgeting. Navy has developed, and is using, more sophisticated modeling scenarios to track the changing demographics of our force. The Department of Defense, in conjunction with the Runzheimer survey team, is making progress on instituting Service-specific rates for projecting and budgeting BAH, rather than using a single average rate-of-increase for all Services.

QUESTIONS SUBMITTED TO ADMIRAL MICHAEL G. MULLEN

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

DECLINING BUDGET AND THE 313 SHIP NAVY

Question. Admiral Mullen has proposed a shipbuilding strategy to increase the size of the fleet from 281 ships to 313 ships during the next five years.

The Navy estimates that executing the 313-ship proposal would require an annual average of \$13.4 billion for new ship construction. The current request for ship construction is \$11.5 billion.

However, the Congressional Budget Office (CBO) and the Congressional Research Service (CRS) both estimate that the shipbuilding strategy will require \$18 to \$20 billion per year, or about 37 percent more. This is primarily due to rising ship costs and poor Navy cost estimates.

We cannot sustain the current level of Defense spending. I anticipate flattening or declining budgets over the next few years. Under these budget conditions, how likely is it that the Navy will be able to increase funding for construction of new ships to achieve your new 313-ship plan?

Answer. It is my intention to invest the funds, within the Navy's topline budget, needed to support the 30 year shipbuilding plan presented to Congress.

The Navy is making internal resource allocation decisions necessary to quickly increase the shipbuilding account to approximately \$13.4 billion and to maintain that level of funding annually (adjusted for inflation). We believe that by strictly controlling requirements and holding ourselves to a stable ship construction plan, our shipbuilding, current personnel and readiness requirements can be balanced and sustained in the face of flattening budgets. This strategy becomes more difficult in the face of declining budgets.

313 SHIP PLAN

Question. To fund the 313-ship plan, does the Navy plan to reduce other procurement programs?

Answer. We believe the shipbuilding plan is affordable and executable, but it is going to take discipline and a commitment to controlling requirements and costs. Navy will look carefully at all other procurement accounts and I expect some to be reduced or moved to the right. The SCN budget is balanced with all other Navy procurement accounts so that all are adequately funded to sustain near-term operational readiness and prepare for an uncertain but potentially dangerous future.

The 30-year shipbuilding plan and the requested resources to procure it reflect the Navy's commitment to stabilize the industrial base while still achieving the appropriate balance of affordability and capability in all ship classes.

Question. What assumptions does the Navy make about its ability to control personnel and operation and maintenance spending?

Answer. We recognize the pressures that personnel expenditures and operation and maintenance spending place on the Navy's procurement accounts. The Navy has made the assumptions that Operations and Maintenance accounts will remain flat for the foreseeable future and Military Personnel accounts will show zero net growth in light of rising health care costs and anticipated reductions in end strength. We are working diligently to balance near-term readiness, personnel requirements, and our procurement accounts.

UNMANNED COMBAT AIR VEHICLES (UCAV)

Question. The Department of Defense (DOD) has been thinking about developing an unmanned combat aircraft for years. In 1999, the Air Force and the Defense Advanced Research Project Agency (DARPA) awarded contracts to begin research for capability.

In December 2004, the DOD decided to move the program from DARPA to a joint Air Force and Navy program office. However, in January 2006 the decision was changed and now the Navy and Air Force are pursuing separate programs to develop unmanned air vehicles.

The Navy is requesting \$239 million for fiscal year 2007. Investment over the fiscal year 2007 through fiscal year 2011 period will exceed \$1.8 billion.

Are you satisfied that separating the Navy and Air Force programs is the best way to proceed in developing unmanned combat aircraft known as UCAV?

Answer. I believe there is enormous value in joint programs but in this particular case the Navy requirements are unique enough to warrant a separate program from the Air Force. The 2005 Quadrennial Defense Review (QDR) recommended restructuring the Joint Unmanned Combat Air System (J-UCAS) program to better focus limited resources on developing and fielding future unmanned warfighting capabilities.

Initial Navy Unmanned Combat Aircraft System (Navy UCAS) program efforts will be specifically tailored to develop the technologies required for carrier-based operations, leading to a carrier demonstration in fiscal year 2011. The results of this demonstration will inform a decision to develop a low-observable, carrier-based, penetrating surveillance/strike platform capable of operating in a high threat environment.

The Navy UCAS program will leverage the technology developed in the J-UCAS program to date, and future advancements developed in other DOD programs.

Question. What was the problem with the joint program?

Answer. The joint program wasn't able to address the unique requirements of a carrier-based, Navy Unmanned Combat Aircraft System (Navy UCAS). The 2005 Quadrennial Defense Review (QDR) recommended restructuring the Joint Un-

manned Combat Air System (J-UCAS) program to better focus limited resources on developing and fielding future unmanned warfighting capabilities, not because of a problem with the Joint program.

Navy is committed to sharing technology developments from the UCAS program with the Air Force and other DOD entities to facilitate efficient development of complementary unmanned capabilities that meet Naval and Joint requirements.

Question. The current plan won't see Unmanned Combat Air Vehicles entering the fleet until 2018. Does this schedule meet the needs of the Navy for persistent intelligence, surveillance and reconnaissance?

Answer. Campaign analysis has shown a need for persistent, penetrating ISR capability in the 2015 timeframe. The Navy will continue to rely on our stand-off ISR capability and accept some warfighting risk until Navy UCAS reaches IOC. At IOC, Navy UCAS will provide a carrier-based, low-observable platform able to penetrate the battle space and provide persistent intelligence, surveillance and reconnaissance.

Question. What equipment will the UCAV replace?

Answer. The Navy Unmanned Combat Air System (Navy UCAS) will not replace, but rather complement the capabilities of current and future Naval aircraft. It will fill gaps identified in the JROC validated Joint Strike Enabler Initial Capabilities Document.

SEAL RECRUITING

Question. Does the Navy believe that it can increase its recruiting for the additional Navy SEALs without sacrificing quality standards or sacrificing the quality of the training?

Answer. The Navy believes it can maintain the high training standards and caliber of its SEAL forces in this time of growth.

To this end, the Navy will ensure recruiting and accession efforts target only those individuals most capable of completing the rigorous Basic Underwater Demolition/SEAL (BUD/s) training and contributing to the most challenging combat operations.

BUD/s has the capacity to train over 900 enlisted SEAL candidates per year. BUD/s maintains definable and objective standards of performance for SEAL selection and training. These combat-proven standards will not be compromised as the Navy increases its SEAL operator inventory.

Through a collaborative effort between Navy Recruiting Command and Naval Special Warfare Command, we have implemented several new initiatives to enhance our selection, monitoring and mentoring of SEAL candidates. These initiatives include:

- Increasing the yearly goal for enlisted SEAL recruits by 27 percent;
- Increasing financial incentives for successful SEAL recruits by over 100 percent;
- Hiring former SEALs to focus recruiting efforts on the proper candidate pool, and to test, educate and mentor SEAL recruits for success in the Basic Underwater Demolition School (BUD/s).
- Establishing a specific SEAL monthly recruiting goal for each Navy Recruiting District (NRD) in addition to the aggregated national goal.
- Designating a SEAL coordinator at each NRD to mentor all SEAL recruits in the Delayed Entry Program (DEP). This is expected to reduce attrition from the DEP and to help motivate prospective SEALs to physically and mentally condition themselves for the challenges they will face when they come on active duty.
- Establishing a requirement for NRD Commanders to report weekly to Commander, Navy Recruiting Command, on the status of SEAL DEP personnel.

These measures are intended to increase the number of men who successfully complete SEAL selection and training without sacrificing the Navy's high standards.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

SEA-BASED MISSILE DEFENSE

Question. Admiral Mullen, one of the most successful aspects of our nation's missile defense program has been the Navy's sea-based missile defense program. I am told that six of the seven tests of this system have been successful. In the Pacific, we face several potential missile threats. Can you update the Committee on your plans to deploy the sea-based missile defense program and the role you see for its use in both Western Pacific and Hawaii.

Answer. The Navy is collaborating with the Missile Defense Agency (MDA) to develop and field a sea-based missile defense program.

By the end of calendar year 2007 we will have modified seven destroyers to track ballistic missiles and seven destroyers and three cruisers to both track ballistic missiles and engage them with SM-3 missiles. All of these ships are based in the Pacific. Two Pearl Harbor-based AEGIS cruisers are capable of firing this new missile—*Lake Erie* (CG 70) and *Port Royal* (CG 73). The San Diego-based AEGIS cruiser, U.S.S. *Shiloh* (CG 67), is currently being so modified and will be shifting homeports to the Western Pacific later this year. As the Navy continues to develop enhanced missile defense capabilities, we will work closely with MDA to develop the most effective operational concepts for their use in support of Combatant Commanders and national security objectives.

PACIFIC MISSILE RANGE FACILITY (PMRF) PERFORMANCE

Question. Admiral Mullen, as you know testing of the AEGIS system is done in Hawaii at the Pacific Missile Range Facility. Are you pleased with the way these tests have been conducted?

Answer. We are very pleased with the test and evaluation (T&E) capabilities PMRF provides to the AEGIS ballistic missile defense program and the RDT&E community. We remain committed to using PMRF as our primary test range for AEGIS BMD and the future testing of SM-6.

We conducted four key T&E events at PMRF during fiscal year 2005, including one successful AEGIS Ballistic Missile Defense (BMD) test critical to the Navy's development and fielding of a ship-based BMD system. Three additional tests have been planned for fiscal year 2006 at PMRF.

RESTORE PRIVATE SHIPYARDS

Question. Admiral Mullen, the supplemental request includes more than \$1 billion to restore private shipyards damaged by Hurricane Katrina. I have been advised that there may be a problem because insurance claims are in dispute. In the meantime, damages aren't being repaired. The longer the shipyards aren't fixed, the more it will cost the Navy to build its ships.

Could the Navy pay to fix the infrastructure today and be reimbursed from the shipyards after the claims were adjudicated?

Answer. The Supplemental Section of the fiscal year 2006 DOD Appropriations Act appropriated money to pay portions of the shipbuilding costs related to Hurricane Katrina. There is no current legal or regulatory authority for the Navy to pay costs that are actually or potentially covered by a shipyard's private insurance policies. However, the Navy believes such payment would set a very dangerous precedent for the future. The Navy's position is that it is not liable for any costs covered by private insurance. The Navy would therefore incur only those costs that were already allocable, allowable and reasonable under existing cost accounting principles and contract terms and would return as much of the Supplemental funds as possible to the Treasury. Consistent with this Navy position, the Conference Report language accompanying the Hurricane Katrina funding (Defense Appropriations Conference Report 109-359) specifies that the Navy will submit a report to Congress certifying that the increased costs to contractor funded programs are "... not subject to reimbursement by any third party (e.g., FEMA or private insurer) ...". The Navy provided this certification to the Defense Committees on February 28, 2006. The costs to fix shipyard infrastructure are subject to reimbursement by private insurance, even though the amount is likely to be a subject of litigation. Therefore, absent specific statutory authority to do so, the Navy is prohibited from using appropriated funds to reimburse a shipyard for these private costs.

HEALTH BENEFIT COSTS

Question. Admiral Mullen, the health benefits provided to our military and their families have proven to be a useful recruiting and retention tool. The Department of Defense is proposing new enrollment fees and pharmacy co-pays to address the rising costs of providing these benefits. While the majority of these increases affect retired personnel, all service members and their families will have new pharmacy co-pays.

Do you foresee this having a negative effect on your service members and their families?

Answer. I am committed to maintaining the quality of our health care for our service members and their families, but I also think it is reasonable to assume that any rise in out-of-pocket expenses—in any Navy program or benefit—will be negatively perceived by some members and their families.

The effect this perception has on recruiting or retention behavior is difficult to predict, as such behavior hinges on many factors. However, I expect the impact of

increasing the cost of pharmacy co-pay to be small on our Sailors and their families. Active duty members and their families may continue to obtain prescriptions at military treatment facilities at no personal expense. Family members may also use the TRICARE Mail Order Program with reduced co-pays for generic drugs. If, however, the family member chooses to use a retail pharmacy, there would be an increase in the co-pay charge.

HEALTH BENEFIT COST—AFFECT ON RECRUITING/RETENTION

Question. Admiral Mullen, do you believe these benefits will have a substantial affect on recruiting and retention?

Answer. Recruiting and retention behavior depends upon a great many factors and is often difficult to predict, but I do not believe that increasing the pharmacy co-pay share for active members and their families will have a significant negative impact on recruiting or retention.

The health benefits we deliver will not diminish. Indeed, the proposed increase in co-pay fees only serve to ensure that our health care system remains the gold standard that it is today. Active duty members and their families may continue to obtain prescriptions at military treatment facilities at no personal expense. Family members may also use the TRICARE Mail Order Program with reduced co-pays for generic drugs. If, however, the family member chooses to use a retail pharmacy, there would be an increase in the co-pay.

Historical responses to Navy surveys indicate that our medical and dental benefits are one of the primary reasons for staying in the Navy among junior and senior Sailors alike. I am committed to making sure they remain such an incentive. I do not believe that restoring TRICARE enrollment cost sharing proportions, for retirees, to their 1995 levels will have a significant negative impact on retention when considered in the broader context of the excellent medical and dental benefits offered.

QUESTIONS SUBMITTED TO GENERAL MICHAEL W. HAGEE

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

COST ESTIMATE TO RESET THE FORCE

Question. Continuing operations in Iraq and Afghanistan have taken their toll on Marine Corps equipment.

As a result, Supplemental requests include significant funding for equipment reset. Funding for Marine Corps procurement in Supplementals is typically two to three times higher than in the regular budget.

For example, in fiscal year 2005, Congress provided \$3.7 billion to reset Marine Corps equipment. In fiscal year 2006, Congress provided \$2.1 billion in a “bridge fund” attached to the regular Defense Appropriations bill for that purpose. The fiscal year 2006 Supplemental requests \$3.3 billion for Marine Corps reset.

The Marine Corps estimates that after approval of the fiscal year 2006 Supplemental request, it will have a remaining reset bill of \$6.5 billion.

Resetting equipment is a major challenge for the Marine Corps.

What is the Marine Corps’ strategy for reconstituting equipment over the long-term? Is there a cost estimate for reset over the next few years?

Answer. Last summer we evaluated the impact of Operations Iraqi Freedom and Enduring Freedom on the entire Marine Corps inventory. Using October 1, 2005 as a cut off date, we assessed what would be required to “reset the force”, i.e., restore the Marine Corps to the readiness it enjoyed before Operations Iraqi Freedom and Enduring Freedom. We took a comprehensive approach that accounted for the material condition of equipment in use in the theater of operations, the need to restock our prepositioning sites (afloat and ashore), the need to replace equipment that had been “borrowed” from home stations/CONUS-based forces and the requirement to support Iraqi Training Teams. The resultant reset cost is the amount of money required to reset the force as of October 1, 2005.

We estimate this total cost to be \$11.7 billion. We believe that we could execute this funding in two years and have phased our supplemental requests accordingly. We cannot execute the entire amount in one year due to industrial base limitations. When the resultant equipment is delivered, the readiness “bathtub” caused by the war would be filled.

We will identify all costs (fuel, personnel, ammunition, spares, attrition losses, etc.) incurred after October 1, 2005 in our annual Cost-of-War request.

The Title IX Bridge Supplemental provided \$4.4 billion: \$2.8 billion for cost of war and \$1.6 billion to reset the force. The current Supplemental request before the Congress is for \$6 billion: \$2.5 billion for cost of war and \$3.5 billion to reset the force. Our total fiscal year 2006 Supplemental request is thus \$10.4 billion: \$5.3 billion for the cost of war, which includes \$3.6 billion for operational costs and \$1.7 billion to replace destroyed equipment, and \$5.1 billion to reset the force.

Given approval of the current Supplemental request, the Marine Corps will need an additional \$6.6 billion to complete resetting the force, which we will continue to seek through supplemental funding.

SUPPLEMENTAL FUNDING AND USMC EQUIPMENT RESET

Question. How long do you plan to pursue Supplemental funding to reset Marine Corps equipment? When will you transition the costs for reset into the regular defense budget?

Answer. The Marine Corps requirement to reset the force is \$11.7 billion. We believe that we could execute this funding in two years and have phased our supplemental requests accordingly. We cannot execute the entire amount in one year due to industrial base limitations. The Title IX Bridge Supplemental provided \$4.4 billion: \$2.8 billion for cost of war and \$1.6 billion to reset the force. The current Supplemental request before the Congress is for \$6 billion: \$2.5 billion for cost of war and \$3.5 billion to reset the force. Our total fiscal year 2006 Supplemental request is thus \$10.4 billion: \$5.3 billion for the cost of war, which includes \$3.6 billion for operational costs and \$1.7 billion to replace destroyed equipment, and \$5.1 billion to reset the force.

Given approval of the current Supplemental request, the Marine Corps will need an additional \$6.6 billion to complete resetting the force. Since we plan to pursue supplemental funding for the remainder of our \$11.7 billion total reset requirement, reset costs will not transition into the regular defense budget.

MV-22 OSPREY

Question. The V-22 Osprey program has completed final operational testing and is authorized to enter full rate production.

The fiscal year 2007 budget request includes \$1.3 billion for procurement of V-22 Ospreys. The request funds the purchase of 14 aircraft.

The current supplemental request does not include funding for V-22s. However, General Hagee advocated for funding in the supplemental to replace Marine Corps helicopters destroyed and damaged in Iraq and Afghanistan. His request was denied by OMB. In the attached letter, General Hagee asked for your support for this program in the supplemental.

The V-22 Osprey will replace CH-46E and CH-53D helicopters. Both legacy assets are no longer in production and are experiencing significant wear and tear in support of the war.

The V-22 Osprey program has completed final operational testing and is authorized to enter full rate production. As you know, I have long supported this cutting-edge aircraft.

Could you provide us a program update and describe how the aircraft is performing?

Answer. The MV-22 Osprey is performing very well; the program has flown over 15,000 flight hours since May 2002. The first CH-46 squadron (HMM-263) stood down on June 3, 2005 to begin transitioning from the Sea Knight to the Osprey. VMM-263 was re-designated as a MV-22 squadron on March 3, 2006 at a ceremony at MCAS New River, North Carolina.

To date 29 Block A aircraft have been delivered and are being used to conduct training at VMMT-204 and fleet operational testing at VMX-22 at MCAS New River. Additionally, 3 Block B aircraft, the deployable configuration, have been delivered to VMX-22 for operational evaluation and subsequent transfer to VMM-263. VMM-263 will deploy to combat next year. The MV-22 will provide the Marines and Sailors who ride in them the most capable and survivable assault aircraft available.

SUPPLEMENTAL FUNDING FOR V-22

Question. Why is no funding included in supplemental for V-22s? Considering the declining inventory of helicopters the V-22 replaces and the wear and tear they are experiencing after four year of combat, should V-22s be included in the supplemental?

Answer. The Marine Corps top unfunded aviation supplemental requirement is the MV-22. The Marine Corps has lost a total of 23 helicopters in support of the

war, to include four CH-46s. The only active Marine Corps helicopter production line capable of replacing the 40-year-old CH-46 is the MV-22.

While it is our intent to field two 12-plane MV-22 squadrons per year with the first deployment to Iraq in 2007, budgetary restrictions have limited the rate of buy to less than what is needed to smoothly transition the force and replace combat losses. Although 15 aircraft were originally planned for fiscal year-06, funds were only made available for 9 aircraft in the Presidents budget. The MV-22 operational inventory will not meet the required number of aircraft to fulfill our transition plan until fiscal year 2012 with the current program of record. Only additional aircraft procurement in fiscal year 2006-2008 can sufficiently address this shortfall.

Based upon near-term industrial production constraints, the Marine Corps requested \$230 million in fiscal year 2006 Supplemental funding for the MV-22 Program: \$215 million to fully fund three new MV-22 Block B aircraft, and \$15 million in non-recurring engineering to determine the requirements needed to modify eight existing Low-Rate Initial Production aircraft into an operational configuration. This request was deferred until 2007. Funding of this request is crucial to the success of our Marines in both the near and long term.

MARINE CORPS SPECIAL OPERATIONS COMMAND

Question. Will the Marine Corps maintain any control over the new Marine Corps Special Operations Component, or will this new unit be under the exclusive control of the Special Operations Command?

Answer. Marine Corps Forces Special Operations Command (MARSOC) is assigned to and will be under the operational control of USSOCOM. USSOCOM will execute its title 10 service authorities over Special Operations Forces, relating to MARSOC.

The Marine Corps will continue to be responsible for the traditional training and equipping of Marines before they attach to SOCOM.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

KC-130 INVENTORY OBJECTIVE

Question. General Hagee, last year in a move related to the termination of the C-130 line, the Marine Corps purchase in 2006 was first increased to 12, then reduced by DOD when it decided to continue production into the future. This year, the request would purchase only 4 KC-130s.

Does this new plan make sense and will it allow you to meet your inventory objective?

Answer. The Marine Corps is currently in a multi-year procurement program with the Air Force to procure a total of 34 aircraft by the end of fiscal year 2008. This number is 17 aircraft short of the inventory objective of 51 necessary to support the Marine Corps requirement. Our Unfunded Programs List includes a request for \$678.7 million to provide funding for an additional 8 aircraft in fiscal year 2007 and advance procurement for 9 additional aircraft in fiscal year 2008, which would allow us to meet our inventory objective.

SELECTIVE REENLISTMENT BONUSES

Question. General Hagee, like other Services, the Marine Corps relies heavily on bonuses and other incentives to meet recruiting and retention goals. As of January 2006, the Marines have obligated more than the appropriated level for selective reenlistment bonuses, and are relying on supplemental funds to carry it through the year.

Could you explain why the fiscal year 2007 budget request also underfunds this program from its anticipated expenditures by \$30 million?

Answer. The Marine Corps' Selective Reenlistment Bonus (SRB) expenditures have increased as a result of the Global War on Terrorism (GWOT). The fiscal year 2007 budget request for the SRB program is based on peacetime requirements supporting an end strength of 175,000. SRB requirements above the peace time level in fiscal year 2007 will continue to be paid out of supplemental funding as a result of the Global War on Terror.

RESERVE HEALTH BENEFITS

Question. General Hagee, many of our colleagues continue advocating for increased health benefits for our reservists and their families.

Is it your impression that there is an unmet need for increased benefits?

Answer. The Marine Corps greatly appreciates the efforts of Congress to expand health benefits for our Reserve Marines. However, at this time, we do not see a requirement for any additional increases. We are currently working with DOD on the development of the implementation policy to support the increases offered to TRICARE Reserve Select in the fiscal year 2006 NDAA. As I'm sure you are aware, the mechanics of implementing and administering the various rules and regulations associated with all health benefit programs are very complex. Therefore, it is our belief that we should give these programs some time to develop and allow us to obtain some data on their impact before adding any new benefits or provisions.

SUBCOMMITTEE RECESS

Senator STEVENS. This subcommittee will reconvene on Tuesday, March 28 to hear from the Department of the Army. The subcommittee will stand in recess until that time. Thank you very much.

[Whereupon, at 11:15 a.m., Wednesday, March 15, the subcommittee was recessed, to reconvene at 2:30 p.m., Tuesday, March 28.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

TUESDAY, MARCH 28, 2006

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

The subcommittee met at 2:38 p.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens, Bond, Shelby, Inouye, and Dorgan.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

STATEMENTS OF:

HON. FRANCIS J. HARVEY, SECRETARY OF THE ARMY

GENERAL PETER J. SCHOOMAKER, CHIEF OF STAFF, UNITED STATES ARMY

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good afternoon, Mr. Secretary, General. We appreciate you bringing these young heroes to meet with us. We're happy to see them back, and pleased to see all of you here today.

Our subcommittee today will receive testimony from the Secretary of the Army and the Army Chief of Staff. Secretary Harvey and General Schoomaker, we do welcome you back to our subcommittee, and I look forward to your testimony.

As we meet today, we're still a Nation at war. Over 110,000 Army soldiers are serving in harm's way in Afghanistan and Iraq. Our men and women in uniform are performing superbly under your challenging circumstances. And we're proud of our Army and are grateful for their service to the country, as I'm sure you are, Mr. Secretary and Commanding General.

This appropriations cycle poses a number of important budgetary issues that will receive considerable debate and attention over the next few months. The budgetary challenges facing the Army include sustaining current operations, recruiting and retaining an All Volunteer Force, recapitalizing damaged and destroyed equipment, restructuring into a modular force, reposturing our forces around the globe, and fielding new technologies to the warfighter. I am told we have men and women in uniform in 146 nations as we speak today.

A critical tool for addressing these issues is the Army's fiscal year 2007 budget proposal, which totals \$111.8 billion. This represents a \$12.7 billion increase over last year's enacted level. In addition, supplementals continue to increase Army spending accounts to pay for operations in Iraq and Afghanistan, as well as emerging equipment and soldier protection needs. The bridge supplement enacted just 3 months ago provided \$31.1 billion for the Army. The current supplemental under consideration includes \$34.5 billion for the service, and we're anticipating another supplemental request in the near future to help pay for operations during the first few months of fiscal year 2007.

The large question is, Can we sustain this level of spending? History tells us we may not be able to do so.

Mr. Secretary, General Schoomaker, the Army's going to be faced with many difficult choices in the near future. This afternoon, we're looking forward to hearing about your budget priorities and how you're positioning our forces for success today, as well as tomorrow.

Let me turn to our co-chairman for his statement. We're proud and honored to have you with us.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. I thank you very much, Mr. Chairman. And I join you in welcoming our Secretary, as well as the Chief of Staff, General Schoomaker. And I wish to join my chairman in welcoming our heroes. Thank you very much for your service.

Last year, we noted that the Army was in the midst of a period of dramatic change while simultaneously sustaining a high level of combat operations. We continue on this path as you transform the Army with new brigades, including the Stryker, while maintaining a large force in Iraq and Afghanistan. And as the chairman noted, the cost of these efforts, both in stress on the force and monetary resources, is understandably higher. One might even question whether it remains affordable.

There is great concern that the pace of overseas operations, coupled with the upheaval of transforming the Army, is placing a very heavy burden on our volunteer force. We are concerned how these two changes will impact recruiting and retention, and impact the cost of maintaining this force.

In the supplemental request presently before the subcommittee, we find a request for \$3.4 billion to support the modular brigades, and an additional \$5 billion requested for fiscal year 2007. And we have been advised that there are shortfalls in your fiscal year 2007 request for recruiting and retention activities. At the same time, there has been much discussion about how the National Guard fits into the Army plans, and whether changes in the force structure or force totals are advisable. So, I believe it is obvious that the request before the subcommittee contains controversial matters which require our attention.

I'm equally positive that this subcommittee will maintain its strong support of the Army and the men and women in uniform, especially during these trying times. So, Mr. Chairman, I look forward to listening to our witnesses discuss the many challenges facing the Army.

Thank you very much, sir.

Senator STEVENS. Well, thank you.
 Senator Bond, you have a statement?

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Mr. Chairman, I have a lengthy statement that I will not give. I'll give a few highlights of it, and anybody who wants to, we'll have it in the record, where it can be read.
 [The statement follows:]

PREPARED STATEMENT OF SENATOR CHRISTOPHER S. BOND

Secretary Harvey, General Schoomaker, I join with Chairman Stevens and Senator Inouye in recognizing the tremendous responsibilities you have been given in leading our soldiers in a time of intense conflict where the stakes could not be higher for our troops or our Nation.

I want to comment briefly on three issues that impact Army readiness.

It is my understanding that the Army procurement account currently stands at 16 percent of the Pentagon's overall budget which is the lowest amount among your sister services. Resources are always scarce and especially so in today's environment—so tough choices remain for you and this committee as we sort through the Army's and the Pentagon's overall budget. I mention this because the Guard and reserve accounts are sometimes adjusted in an effort to identify savings. The problem arises when accounts are impacted without the full and substantive input of Guard and reserve leaders—your Total Force partners. I believe you ran into this head-on with the issue of National Guard force structure before the ink was even dry on the Administration's fiscal year 2007 budget.

I join with my National Guard Caucus co-chair, Senator Leahy, in applauding you for committing to fund fully the Army National Guard at an end-strength of 350,000 personnel. If we learned one important lesson, it is that the National Guard Bureau is not the only member of the Total Force team. The Nation's Governors and their Adjutant's General also have a vital role to play in the defense of the Nation, both at home and abroad. If we fail to give our Guard leaders a substantive role in the decision making process you can rest assured that the Congress will hear about it and is prepared to act decisively when core programs are threatened.

This morning I was advised by Lieutenant General's Blum and Vaughn that Army National Guard end-strength will reach 337,000 by the end of the month and will reach the authorized end-strength of 350,000 by this Christmas at the earliest and a year from now at the latest. Betting against the Guard's ability to achieve its fully authorized end-strength might be akin to betting against the George Mason University Patriots in this year's NCAA tournament so I'd advise you to watch the Guard's recruiting numbers closely so that you can ensure their accounts are funded in a manner commensurate with their end-strength.

Late in December, Senator Leahy and I were successful in convincing our Chairman and Ranking Member to add \$900 million to Guard accounts for homeland response related equipment. You will recall that the Guard was in some cases hindered from responding to all the calls it received for assistance—not because our Guard forces were not willing but because they did not have the necessary equipment. I hope, and trust, that the \$900 million in funds the Congress added specifically for Guard equipment will eventually reach the right Guard accounts and ask that you provide my staff with an update on the status of those funds at your earliest convenience.

On the topic of Army Transformation and Modernization, I am encouraged by the Army's insistence on sustaining the funding profile for Future Combat Systems. As the Congress reviews the relevance of specific programs and defense accounts it is imperative that Army and its industry partners continue to provide the Congress with updates on the overall status of the program to include both successes, challenges and failures. The level of sophistication and technology challenges resident within Future Combat Systems development is not without inherent risk. Yet failure to succeed in this endeavor is not an option because as we ask more from our soldiers it is imperative that we provide them with the most relevant, reliable and efficient materials for waging war on our enemies as possible. Future Combat Systems will translate into the decisive defeat of enemies and ensure that more of our soldiers return home. That is a goal worth pursuing.

Finally, I have a question about Airlift and Logistical Support. The reason this is an area of concern for me is because portions of the C-17 are made in my home state of Missouri which is why I know firsthand about the issue.

As you are fully aware, the Army is heavily dependent upon Air Force and the C-17 for its strategic lift. I am told that on Monday of last week in Iraq, C-17s achieved the millionth flying hour in service—which is equal to a cargo jet flying every minute of every day nonstop for more than 114 years. Assets like the C-17 are being used at 170 percent of what was anticipated and they are carrying 80 percent of the cargo in support of the war on terror. Since September 11, 2001, the C-17 has flown 358,000 hours, or 59 percent more than originally scheduled, partly because of the wars in Afghanistan and Iraq, the Air Force said in an article published March 6 2006.

With the reliance upon the C-17 so apparent I am concerned that the Pentagon's decision to limit the size of the C-17 fleet is premature. Once we close the line, Army's options for airlift will be severely constrained because the costs for reopening the line are prohibitive. I cite a Commerce Department report that projects the cost for closing and then reopening the line at \$4.46 billion. With national security policy, and particularly Army and Marines forces, dependant upon the principles of rapid deployment and force projection we cannot afford to cut corners and pursue logistical airlift capabilities on the cheap.

It was reported in the November 2005 edition of National Defense that "The Army did away with the C-130 transportability requirement and, instead, stipulated that three FCS vehicles must fit in a C-17 heavy lift cargo aircraft. This would allow for a 24-ton FCS."

The article further explains that concerns over the weight of FCS vehicles under development precludes them from being transported realistically by the smaller C-130 family of aircraft because of the need to "strip down" these vehicles so they will fit into the smaller C-130 aircraft. I can site other articles that mirror the concern that the Pentagon's plan to close down C-17 production may be woefully premature.

This leads me to my first question.

Based on the Army's dependance upon airlift for rapid mobility, the high usage rate of the C-17, and the ability this platform has over other logistical aircraft to transport the FCS family of vehicles to remote areas not accessible by other aircraft—are you confident that the Army has sufficient C-17 assets to meet its future logistical support needs?

I have one additional question that regards what I understand is the Army's desire to outsource its lodging activities but in the interest of time I will submit the question for the record and ask that you get back to me.

Senator BOND. Mr. Secretary and General, I join with the chairman and Senator Inouye and recognize the tremendous responsibilities you've been giving, leading our soldiers. And we welcome those brave men and women back who have been overseas. I'm proud to say that my son also has just returned, last month, from a year in Fallujah.

It's my understanding that the Army procurement account currently stands at 16 percent of the Pentagon's overall budget, the lowest amount among your sister services. As resources are scarce, especially so in today's environment, you have tough choices facing you, and facing this subcommittee. I mention this, because the Guard and Reserve accounts are sometimes adjusted in an effort to identify savings. And this causes some problems. It causes some problems with Governors, with adjutants general, and with, oh, about 80 of us in the Senate. And I was pleased to be able to join with Senator Leahy and applaud you for committing to full funding of the Army National Guard at an end strength of 350,000 personnel. And we look forward to working with you on Guard issues.

On a topic of Army transformation and modernization, I am encouraged by the Army's insistence on sustaining the funding profile for future combat systems (FCS). And it's imperative that the Army's industry partners continue to provide Congress with updates, but it is certainly a very appealing and possibly lifesaving effect-enhancing effort.

Finally, about the C-17, you know—we all know how heavily dependent the Army is upon the Air Force and the C-17 for strategic

lift. I'm told that, on Monday of last week in Iraq, C-17s achieved the millionth flying hour in service, equal to a cargo jet flying every minute of every day nonstop for more than 114 years. They're being used at about 170 percent of what was anticipated. They are carrying 80 percent of the cargo in support of the war on terror.

With the reliance upon the C-17 so apparent, and I—as an amateur, as an outsider, I'm very impressed with what the C-17 can do, but I'm concerned that the Pentagon's decision to limit the size of the C-17 fleet is premature. If we were to close the line, the Army's options for airlift would be severely constrained, because the costs for reopening the line are prohibitive, and there is no other airlift that I believe gives you the capacity that you have there. And I will look forward to asking a question about that at the appropriate time.

Thank you.

Senator STEVENS. Thank you.

Senator Dorgan.

STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you very much. Let me thank those who are here to testify, Secretary Harvey, General Schoomaker, and others.

I do want to just mention—I don't know that I'll be able to stay for the entire hearing, but I do want to mention one issue with respect to Guard and Reserves and the length of deployment. I think that, you know, a substantial number of Guard and Reserve have been deployed in and out of the Iraq/Afghanistan theater. And it appears to me now that when active duty folks are deployed, it's generally a 12-month period. I think the marines, it's 7 months. But the Guard in our State, when they are deployed, in—generally speaking, they are gone 16 months—by the time they leave, go through the original base they're going to be assigned to and then get some training, then sent overseas, it's about a 16-month deployment. And these are citizen soldiers who have jobs, homes, and families. And it's sort of a paradox that they would have the longest deployment, because the Guard and Reserve, you would expect, would have the shorter deployments. So, I think my expectation is, that's going to have, and has had, a significant impact on retention. And my hope is that you might address some of that.

I want to thank you, who represent America's soldiers. I think all of us on this subcommittee are determined that whatever is necessary for them to carry out their mission and to meet their responsibilities, we want to provide. We in this country, do not ever want to be in a circumstance where we would ask soldiers to go abroad and then not provide them everything that is absolutely necessary for them to do what we ask them to do for our country.

So, let me thank you and hope, on behalf of this subcommittee, you will thank the troops, as well.

Mr. Chairman, thank you very much.

Senator STEVENS. Thank you.

Mr. Secretary, we'd be pleased to have your statement. Both of your statements, we'll print in the record as though read. We leave it to you how long—how much time you take.

Mr. HARVEY. Mr. Chairman, Senator Inouye, and distinguished members of the subcommittee, General Schoomaker and I appreciate the opportunity to be here today and to offer testimony on the posture of the United States Army.

America's Army is the world's preeminent land power with a quality force of over 1 million soldiers supported by nearly 240,000 Department of the Army civilians. An Army of Active, Guard, and Reserve soldiers deployed, forward stationed overseas, are securing the homeland, soldiers from every State, soldiers from every corner of this country serving the people of the United States with incredible honor and distinction.

We provided the subcommittee the 2006 Army posture statement as our written statement, and I would like to take this opportunity to briefly highlight some of the Army's key initiatives and programs.

General Schoomaker will also make an oral statement at the conclusion of my remarks. I know that this subcommittee, like me, appreciates the insight and unique perspective that General Schoomaker provides from his distinguished career of service to the Nation as a soldier.

The soldier remains the centerpiece of America's Army. General Schoomaker will introduce to you three of those soldiers, here with us today, during his remarks.

The 2006 Army posture statement is a succinct summary of the Army plan, which addresses the challenges of today, while preparing us for those we will face tomorrow. The Army plan is a comprehensive, fully integrated, strategic and operational plan which provides the roadmap to, first, build a more capable and relevant Army for the 21st century through transformation and modernization, and, second, sustain the full range of the Army's current commitments, particularly fighting and winning the global war on terror (GWOT).

ARMY MODULAR FORCE

On 9/11, the Army's operational capabilities lacked the breadth and depth for the long war. We appreciate the continuing support of the Congress as the Army shifts its center of gravity to provide a broader portfolio of operational capabilities to meet the complex challenges of the 21st century security environment, particularly irregular, asymmetric warfare. For example, we have already completed the first 2 years of converting the operational Army to a modular brigade-based combat force. Our objective is 70 brigade combat teams (BCTs), or, as we like to call them, BCTs, and 211 support brigades. This is an increase of 46 percent in the number of BCTs over the current force. To date, we have completed the conversion or activation of 19 BCTs to the modular design, or approximately 27 percent toward the objective of 70 BCTs. In addition, we started the conversion or activation of another 18.

Even though the modular force is not complete, it has already increased our operational capabilities and established the foundation for a rotational force generation model that is structured, predictable, and provides more combat-ready units, while reducing stress on the force.

In order to sustain the current mission and continue to posture for future commitments, the Army needs the full support of the Congress for the Army plan and the Army's request in the 2007 Presidential budget.

FUTURE COMBAT SYSTEMS

Additionally, beyond the importance of maintaining full funding for the modular force transformation, we also want to emphasize the importance of full funding for the future combat systems program. This is a key modernization program for the Army, and is really the first major ground force modernization effort in over four decades. Although the word "future" is in the program title, this is not a program that only exists on PowerPoint slides. FCS is becoming a reality today, and spinouts of FCS technology to the current modular forces will begin in 2008.

Simply put, the FCS program is the fastest and surest way to modernize the Army. Furthermore, it is the only way to effectively modernize the Army in an integrated manner.

The FCS program and the modular force initiative (MFI), in conjunction with the full spectrum of other programs in the area of research and development (R&D), acquisition, training, leadership development, advanced tactics, techniques, and procedures, business transformation, as well as the growth of the operational Army, will ensure that our overall capability to conduct both traditional and nontraditional operations, including the global war on terrorism, will continuously and methodically increase and improve as we go forward in the uncertain and unpredictable 21st century.

ALL VOLUNTEER FORCE

We also need to draw your attention to the importance of our efforts, with your support, to sustain an All Volunteer Force, including recruiting, retention, and providing a quality of life for our soldiers that matches the quality of their service. This is the first time in our modern history that the Nation has tested the concept of an All Volunteer Force in a prolonged war. Full funding and support of Army programs in this way is critical to sustain the finest Army in the world.

Finally, I want to emphasize that the Army plan is a total plan to transform the entire Army—Active, Guard, and Reserve. 2005 reaffirmed to the people of the United States that we are truly an Army of one. Simply put, the Army could not perform full-spectrum operations without the tremendous contributions of the Guard and Reserve. For example, last year the Army National Guard had 10 brigade combat teams and a division headquarters serving in Iraq, Afghanistan, and the Balkans for at least a portion of the year. Despite this overseas commitment, the National Guard was still capable of responding with 42,000 soldiers in a little over a week to support Hurricane Katrina relief operations. And, I might add, there were still tens of thousands more Guard and Army Reserve soldiers available, if needed.

Based on the insights of 9/11, homeland defense operations, hurricane recovery operations, and lessons learned from the global war on terror, the Army plan shifts the focus of the Reserve component from a strategic Reserve to an operational force and rebalances the

Reserve component's force structure to the operational skills they need for the 21st century security environment. For example, in the current plan the Army National Guard will continue to maintain a total of 106 brigades, which are beginning to be transformed to the same modular design as the Active Army. However, we are changing the organizational mix of brigade combat teams and support brigades based on the capabilities needed to conduct both their national defense, as well as their State, missions. In essence, the Army National Guard and the Army Reserve are transforming and modernizing from an underresourced standby force to fully equipped, manned, and trained operational-ready units.

Let me close, and give General Schoomaker an opportunity to address the subcommittee, by saying that I remain confident that with the continued strong support of the Congress, America's Army can accomplish its mission and reach our strategic goal of being relevant and ready both today and tomorrow.

Thank you.

Senator STEVENS. Thank you, sir.

[The statement follows:]

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

FEBRUARY 10, 2006.

We have the confidence of the Nation as we continue to engage in a long struggle against global terrorism and the conditions that give it life and sustain it. Over a half-million active and reserve Soldiers have served overseas in the war on terrorism. More than 600,000 Soldiers are on active duty today. Almost half of them are deployed, serving in 120 countries worldwide in defense of United States interests.

While fighting, we are preparing Soldiers and leaders for the challenges that they will face. We continue to transform, to modernize, and to realign our global force posture. Our Army continues to evolve from a force dependent on divisions to deter and to wage war against traditional adversaries, to a force dependent on modular brigades, specially designed for the full range of non-traditional adversaries and challenges it will face.

With the support of the President, the Congress, and the Secretary of Defense, we have developed and resourced a fully integrated plan to best serve the Nation, to deal with the challenges we will face today and tomorrow, and to sustain our volunteer Soldiers in this time of war.

To execute this plan, we are depending upon continued Congressional leadership in three areas:

- Obtaining legislative authorities to assure predictable access to our Army National Guard and Army Reserve Soldiers who have become, by necessity, our operational rather than our strategic reserve;
- Expediting wartime acquisition processes needed to equip and protect our Soldiers; and
- Of greatest importance, maintaining the support of the American people whom we serve.

To continue to meet the needs of the Combatant Commanders and the Nation, the Army will require the full support of the resources requested in the base budget and in supplemental appropriations.

FRANCIS J. HARVEY,
Secretary of the Army.

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

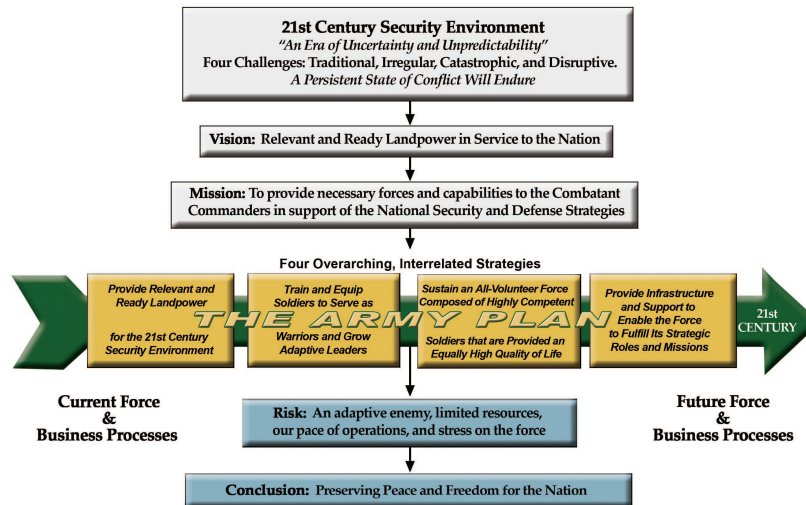
PURPOSE AND ORGANIZATION OF THE 2006 ARMY POSTURE STATEMENT

The 2006 Army Posture Statement describes how the Army is executing The Army Plan to meet the challenges of today and to be better prepared for those we will face tomorrow. Focusing on the Soldier, our centerpiece, the Posture Statement summarizes key implications of the 21st century security environment. This discus-

sion provides the context to examine the Army Vision to accomplish our enduring, constitutionally-derived mission.

The Army Plan consists of four overarching, interrelated strategies, focusing on people, forces, training and infrastructure. We explain our initiatives, accomplishments, and compelling needs as they relate to each of these strategies. We describe transformation, not as an end in itself; but rather, how it has helped us to accomplish our mission and to realize our vision.

We conclude with a discussion of risk to underscore our compelling needs.

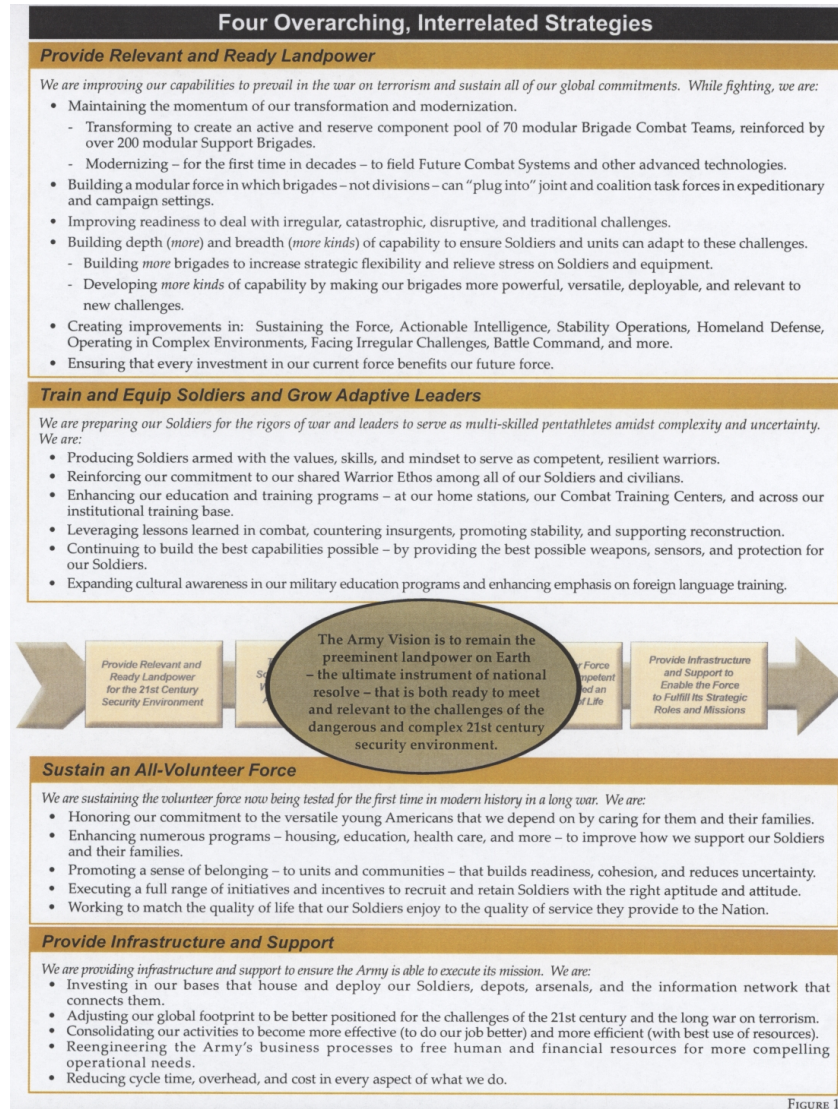


This Posture Statement is designed to serve as a primary portal to learn about the Army. A listing of helpful Army-related websites and a glossary of acronyms are also provided.

2006 ARMY POSTURE STATEMENT EXECUTIVE SUMMARY

Soldiers are making enormous contributions and sacrifices while serving at the forefront of a long struggle of continuous, evolving conflict. Their presence has enabled historic elections in Afghanistan and Iraq, and is setting the conditions for democratic institutions to take hold. Our Soldiers are also preventing attacks on our Nation and responding to natural disasters at home and abroad, while sustaining the full range of America's global commitments. At the same time, to be ready for the challenges we face today and tomorrow, we are accelerating our plan to transform and modernize.

We are executing The Army Plan to accomplish our mission and to realize our vision: to remain the preeminent landpower on Earth—the ultimate instrument of national resolve—that is both ready to meet and relevant to the challenges of the dangerous and complex 21st century security environment. Our plan consists of four overarching, interrelated strategies (Figure 1).



This fully integrated plan is driving change at an unprecedented pace. We are becoming a more powerful, more flexible, and more deployable force with a broad set of capabilities to deal with the full spectrum of challenges we will face. Our improvements will enable our Soldiers to sustain the full range of global commitments which extend beyond today’s current theaters of war. We are improving our ability to operate with joint and coalition partners and to perform nontraditional operations. We are also developing better ways to manage increasing demands for forces and relieve stress on Soldiers, their families, and civilian workers to sustain our All-Volunteer force.

Four key ideas underpin our planning:

—First, we remain committed to producing units that are ready for the challenges they will face and to overcoming years of underfunding prior to the events of 9/11. We have received unprecedented support to “buy back” much needed capability. We cannot, however, fool ourselves by maintaining large numbers of

forces on paper that, in reality, lack the people, equipment, training, and support needed to accomplish the missions that they will be assigned. We are determined to support our Soldiers and their families with an improved quality of life that matches the high quality of service they perform for America.

- Second, we recognize that intellectual change precedes physical change. For this reason, we are developing qualities in our leaders, our people, and our forces to enable them to respond effectively to what they will face. We describe the leaders we are creating as “pentathletes,” whose versatility and athleticism—qualities that reflect the essence of our Army—will enable them to learn and adapt in ambiguous situations in a constantly evolving environment. We have undertaken a major review of how we train, educate, assign, and develop our military and civilian leaders to ensure that our Soldiers are well-led and well-supported as they deal with complexity and uncertainty for the foreseeable future.
- Third, reinforced by the American military experience of the 20th century, we believe that our Soldiers’ effectiveness depends upon a national commitment to recruit, train, and support them properly. This commitment must be underwritten by consistent investment in their equipment and infrastructure. We remain acutely aware of fiscal constraints; however, our duty to do what is right for our Soldiers, their families, and the Nation remains firm and unwavering.
- Fourth, we remember our position at the start of the long struggle in which we are engaged. After years of insufficient modernization investments, many of our units were underequipped and not immediately ready for deployment, especially in our reserve units. To meet Combatant Commanders’ wartime needs, we pooled equipment from across the force to equip those Soldiers deploying into harm’s way. This increased risk in other capabilities, as seen in the Army National Guard during our national response to Hurricanes Katrina and Rita. With help from the President, the Congress, and the Department of Defense through supplemental appropriations, we have addressed many of our equipment shortfalls. We still have much to accomplish to ensure force readiness and to mitigate risk.

To sustain the current mission, posture for future commitments, and maintain risk at acceptable wartime levels, the Army needs:

- Full funding of the Army request in the 2007 President’s Budget and special consideration, in light of wartime demands, for avoiding any reductions to the Army’s budget and program. In addition, supplemental funding is required for combat and contingency operations and to continue to reset, repair, recapitalize, and replace battle losses of equipment for several years beyond major deployments. Supplemental funding is needed to overcome the stress on equipment resulting from sustained combat operations in harsh environments. These resources will ensure that the Army is fully manned, trained, and equipped to achieve victory in the war on terrorism. These resources will also enable the Army to maintain the momentum of key programs, while accelerating transformation.
- Funding to increase Army capabilities and overall capacity as well as support for the legislative authorities and programs needed to assure access to our reserve components—who, by necessity, have become an operational vice a strategic reserve. We must achieve a proper balance of capabilities and skills among our active and reserve forces and continue to build high-quality units to increase capability and ease the strain on our deployed Soldiers.
- Support and funding to achieve critical recruiting and retention goals needed to grow operational forces. Meeting these goals for our active and reserve Soldiers sustains the quality and effectiveness of our All-Volunteer force.
- Funding for the Future Combat Systems (FCS) program—to enhance current force capabilities today with “spin outs” of available technology—and accelerate more than 300 other modernization programs. Our most critical investment program, FCS will be the Army’s first major modernization in over 30 years and will better prepare and protect Soldiers for current and future threats. These capabilities will directly benefit our active and reserve components, all United Statesground forces, and our allies that support ground campaigns.
- Full funding to maintain momentum in building a rotational pool of 70 Brigade Combat Teams (BCTs) and more than 200 modular Support Brigades and headquarters. Already well under way, our transformation to become a fully modular force is preparing our Soldiers to conduct sustained operations of the type we see today. In addition, our transformation is increasing the depth and breadth of our capabilities to prepare our Soldiers for tomorrow’s challenges, particularly as we evolve to maintain overseas presence with rotational units.

- Full funding for Army installations and support to execute a carefully synchronized plan to achieve a new global basing posture, while fulfilling the requirements of the National Military Strategy. This plan will make full use of the resources currently apportioned and projected to be recouped through consolidation and closings. Unanticipated costs associated with environmental remediation, renovation, construction, and other areas, may require additional resources in future years (a situation that will require continuous reevaluation). Full funding and continued support for Army installations and quality-of-life programs is required to sustain the All-Volunteer force, now being tested for the first time in a prolonged war.
- Support for funding and authorities for Army Business Transformation initiatives to achieve targeted efficiencies through management reform, Institutional Army adaptation, and reengineered business practices. These initiatives will free human and financial resources for more compelling operational needs and accelerate other aspects of our transformation.

A complete, detailed list of our Compelling Needs for 2007 is provided in Figure 2.

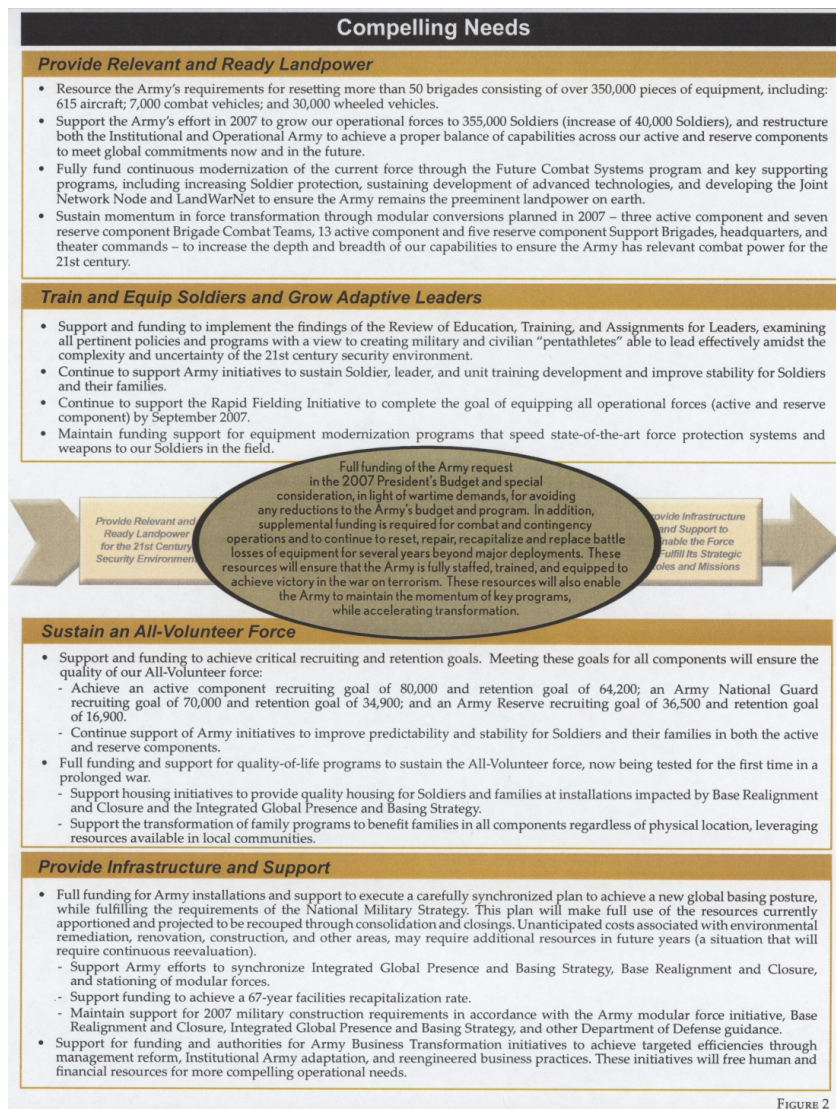


FIGURE 2

2007 will be a pivotal year for the Army. We will continue to conduct operations while transforming the force, its global infrastructure, and all of our supporting business processes. The resources provided to the Army in 2007 and beyond will enable the Army to maintain the momentum of key programs, while accelerating aspects of our transformation. Moreover, this funding will determine our ability to continue to accomplish our mission and to be postured to meet future commitments.

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

In the four years since the terrorist attacks on the Nation, the international security environment has changed dramatically. As a result, military commitments and especially the demand for Soldiers have increased both at home and abroad. With the support of the President, the Congress, and the Secretary of Defense, we have

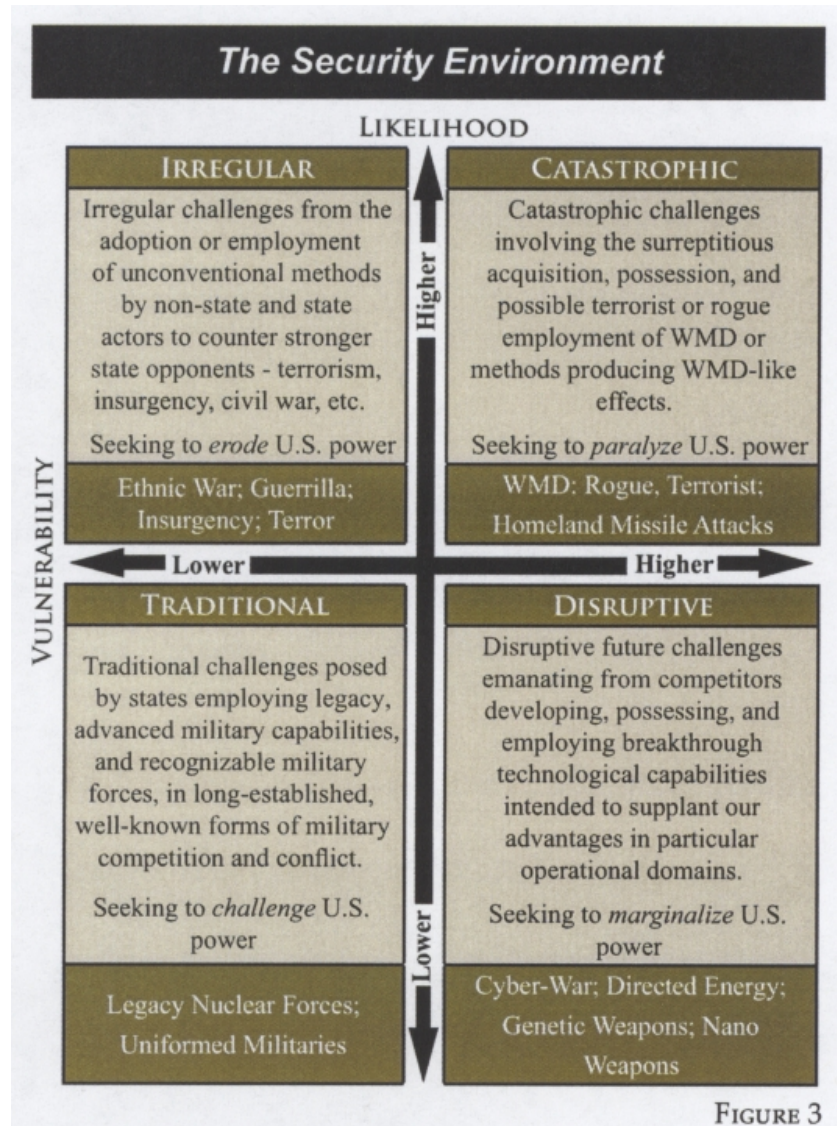
increased our capabilities to deal with the challenges we are facing today and accelerated our preparation for those we will face tomorrow.

Complex Security Challenges

The National Defense Strategy identifies an array of traditional, irregular, catastrophic, and disruptive challenges that pose threats to the Nation (Figure 3). These threats are becoming increasingly complex. We no longer face only conventional armies who operate within clearly established political boundaries. In addition, we will face enemies that employ irregular tactics, terror, and asymmetric warfare. These enemies will be increasingly transnational and dispersed.

Fueled by ideologies that oppose our Nation's bedrock values, al-Qaeda and other enemies are committed to reducing American global presence and to destroying our society. They have publicly stated their goal: to gain control in the Islamic world by establishing a unified caliphate, stretching from North Africa to Indonesia.

We are engaged in a long struggle against adversaries who are ruthless and unconstrained in achieving their ends. Our previous conceptions of security, deterrence, intelligence, and warning do not adequately address the threats we now face. To defeat our adversaries, who will be neither deterred by nuclear or conventional weapons nor defeated in battles with decisive outcomes, we must remain vigilant in employing all forms of national and international power—diplomatic, informational, military, and economic—in a concerted, integrated manner.



Increasing Complexity

The security environment in which our Soldiers will operate is characterized by challenges and uncertainties, including:

- Progress in the war on terrorism;
- The pace of democratic reform in the Middle East and elsewhere, especially in fledgling democracies such as Iraq, Afghanistan and the emerging Palestinian State;
- The ability of existing governments to perform traditional state functions and deny safe haven to terrorist groups;
- Progress in controlling the proliferation of weapons of mass destruction to state and nonstate actors; and
- Decisions in four major areas:
 - Defense priorities amidst growing fiscal pressures;

- Roles and missions of the Armed Forces as defined in the Quadrennial Defense Review;
- Role of the Armed Forces in defense support to civil authorities; and
- Pace of implementation of Base Realignment and Closure (BRAC) legislation and Integrated Global Presence and Basing Strategy (IGPBS) plans.

Competing Fiscal Priorities

The Army will remain engaged around the globe, while operating in a constrained fiscal environment. This will continue to limit the resources available to accomplish our missions.

National Budget Trends

The Office of the Secretary of Defense, Comptroller, projects 2007 Defense spending will be 3.9 percent of Gross Domestic Product (GDP), continuing a downward trend (Figure 4). Defense resources have not kept pace with growth in GDP.

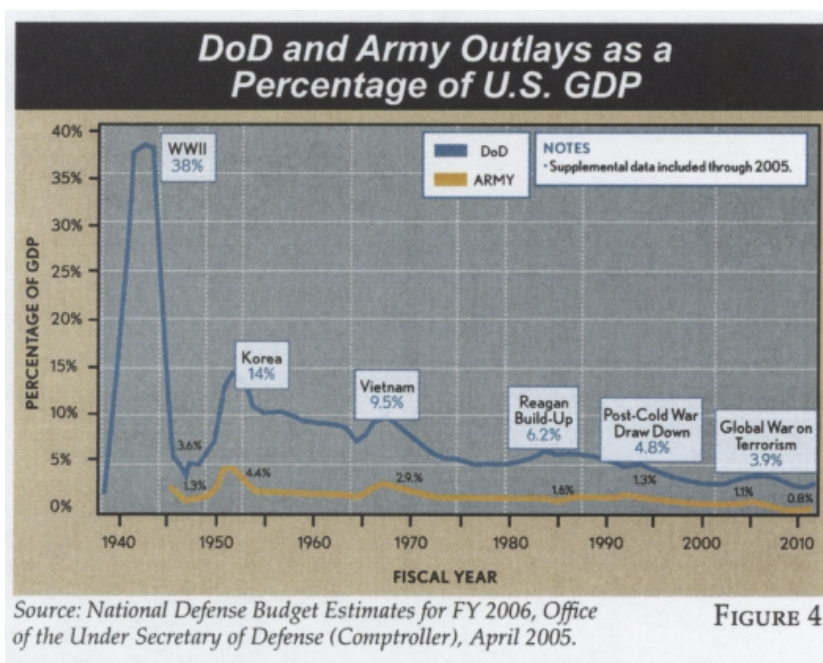
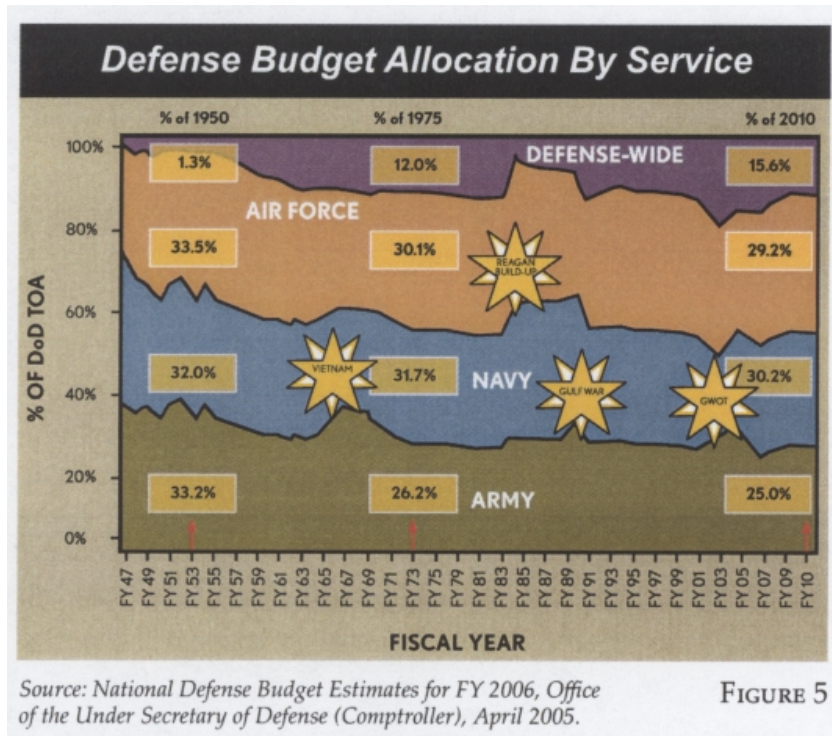


FIGURE 4

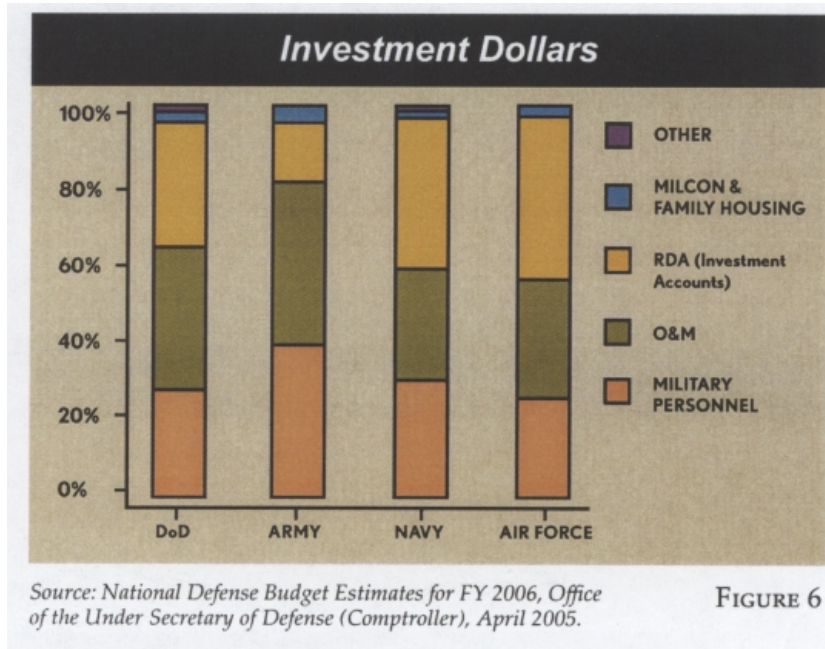
Defense Budget Trends

The allocation of Defense resources has changed over time (Figure 5) in response to the focus and demands of the National Military Strategy. Today, despite providing the bulk of the forces for the war on terrorism, the Army receives the smallest share of programmed resources. Increasing pressure to reduce the federal deficit, coupled with rising fuel, health care, and other costs, may impact the resources appropriated to accomplish Army missions.



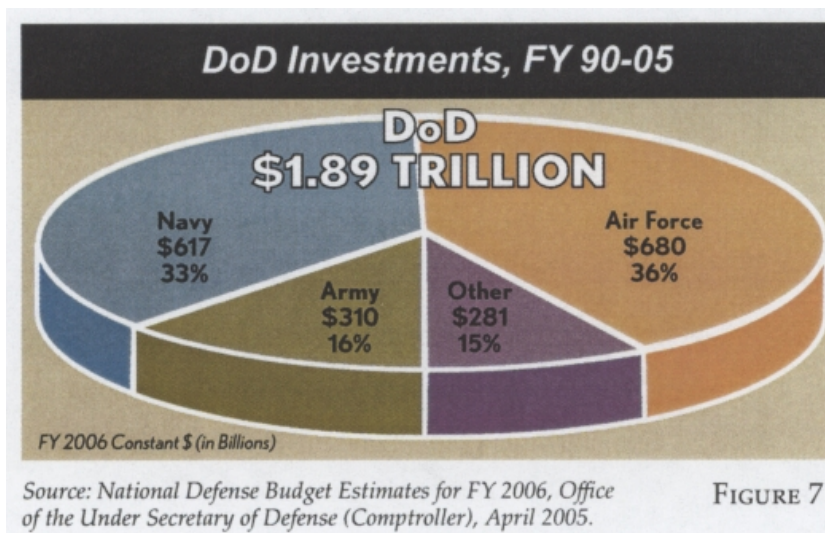
Army Investment Trends

The bulk of the Army's funds are committed to sustaining people, maintaining vital infrastructure, and preparing equipment for combat deployment. As a result, our ability to fund investment accounts is extremely limited (Figure 6). This creates a perennial tension between current and future demands.



Investment Trends

Since 1990, the Army's share of investment dollars has been considerably smaller than that of the other Departments (Figure 7). Consequently, the Army has been unable to invest in the capabilities to sustain a rising operational tempo and to prepare for emerging threats. Supplemental authority has enabled the Army to "buy back" crucial capability to meet the operational demands of the war on terrorism and to improve our ability to sustain the full scope of our global commitments.



Implications for the Army

The implications of the evolving security environment are clear.

—The Nation will continue to be engaged in a long struggle of continuous, evolving conflict that, as in Afghanistan and Iraq today, will manifest itself in complex, traditional, and irregular challenges to include cyberspace attack. These struggles will be waged by Soldiers who will be expected to perform difficult tasks and create decisive outcomes to accomplish the objectives of the National Military Strategy.

—Our Soldiers must be prepared to deal with the full spectrum of threats. As described in the Army's capstone concept for the future force, they must be able to operate effectively as part of joint, interagency, and coalition teams.

Therefore, we must continue to improve the strategic responsiveness of our forces and our generating base through improvements in:

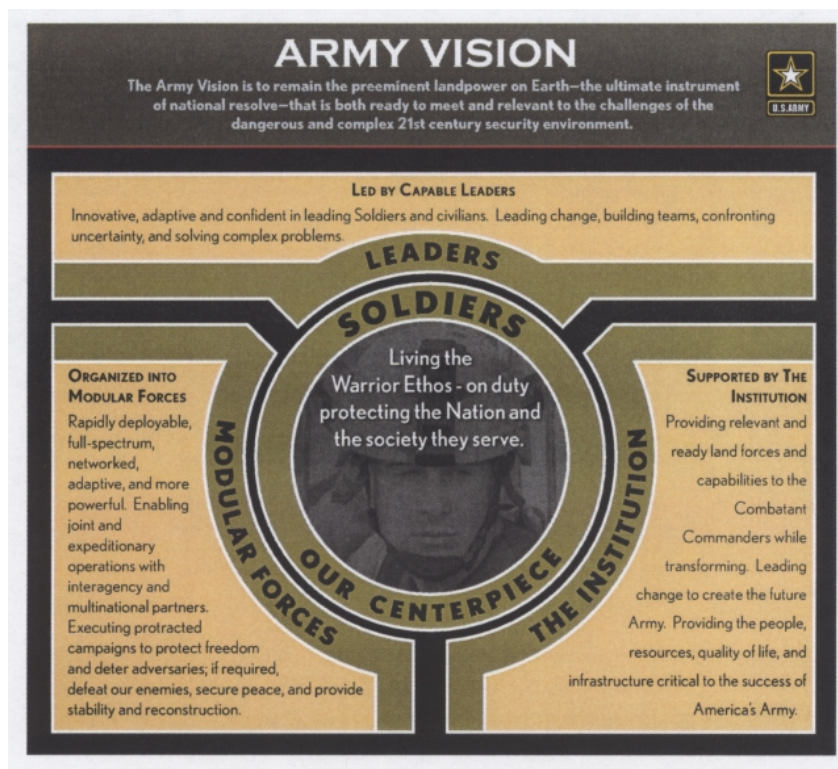
- strategic agility;
- joint interdependence;
- speed;
- survivability;
- lethality;
- sustainability;
- networks to improve situational awareness and command of forces; and
- information assurance and network security

—Our Soldiers and units must be prepared to operate with little to no warning. We will no longer have the luxury of partially manning, equipping, or training a unit and relying on significant warning time to mobilize, train, and prepare to deploy. Rather, the units we have designated to be available for deployment will need their full complement of Soldiers, equipment, and training to be ready for immediate deployment from our power projection infrastructure.

Failure to invest in Soldiers to build the right capabilities—by improving our doctrine, organizations, training, materiel, leaders, people, and facilities—will increase risk for the Army, the Joint Team, and our Nation. Building the capabilities required to hedge against the uncertainty of tomorrow will require prudent investments today. These investments must be sustained at predictable, consistent levels over time. Investing in defense capabilities in this manner would reflect a significant departure from historic patterns of spending, which have increased America's vulnerability prior to each of the major conflicts of the 20th century.

THE ARMY VISION: RELEVANT AND READY LANDPOWER IN SERVICE TO THE NATION

The challenges posed by the 21st century security environment drive our vision of the force we must become to continue to accomplish our mission. The Nation has entrusted us to preserve peace, maintain freedom, and defend democracy. We have performed this role for more than 230 years. Today, because of the actions of our Soldiers and our record of accomplishment, the American people regard the Army as one of the Nation's most respected institutions. We will maintain this trust.



MISSION: PROVIDING FORCES AND CAPABILITIES

The Army exists to serve the American people, to protect vital national interests, and to fulfill national military responsibilities. Our mission is enduring: to provide necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies. The Army is also charged with providing logistics and support to enable the other Services to accomplish their missions. The Army organizes, trains, and equips Soldiers who, as vital members of their units, conduct prompt, sustained combat on land as well as stability operations, when required.

Accomplishing the Mission Today: Sustaining Global Commitments

The Army continues to provide Combatant Commanders with a wide range of capabilities to prevail in the war on terrorism and to sustain our global commitments. These capabilities include support to civil authorities in response to threats and crises at home. Our worldwide commitments extend far beyond Iraq and Afghanistan. Today, approximately 600,000 Soldiers are on active duty (currently 487,000 active component, 72,000 Army National Guard and 41,000 Army Reserve), with 245,000 Soldiers serving worldwide in 120 countries (Figure 8). More than 1,700 Army civilians serve side-by-side with them in the field. Our Soldiers and civilians perform a variety of missions vital to America's national defense. Here at home, more than 13,000 Soldiers are on duty specifically fulfilling critical missions to support the Global War on Terrorism.

The Army's operational pace remains high, sustaining obligations and continuing trends established during the post-Cold War era. In addition to Iraq and Afghanistan, our forward presence continues to preserve peace on the Korean Peninsula, the Sinai, the Balkans, and numerous other places of strategic importance.

Whenever and wherever needed, Soldiers continue to answer the Call to Duty. During this past year, Soldiers supported civil authorities during a variety of disaster relief and recovery missions. More than 42,000 National Guard Soldiers; 7,300 active component Soldiers; and 3,500 Army civilians assisted citizens in Louisiana,

Mississippi, Texas, and Florida after Hurricanes Katrina and Rita. Active and reserve aviation units flew thousands of helicopter sorties. These pilots and crews saved countless lives while distributing food, water, and other supplies. Working closely with state and federal agencies, the Army Corps of Engineers provided emergency support and is now executing more than \$4 billion worth of projects to support recovery. Soldiers also provided relief for earthquake survivors in Pakistan. At home and abroad, on a daily basis, our Soldiers and civilians are doing critical work in service to our country.



FIGURE 8

In the four years since September 11, our National Guard has mobilized more than 329,000 Soldiers for both state and federal missions. On any given day, the Army National Guard provides vital capabilities in virtually every mission area. As of January 2006, more than 72,000 Soldiers from the National Guard are mobilized. Besides their commitments in Iraq and Afghanistan, National Guard Soldiers are protecting the homeland by securing borders, protecting key infrastructure, and securing special events such as the Super Bowl. They also support other missions of U.S. Northern Command. They are preserving peace in the Sinai and in the Balkans. They are also establishing the conditions for continued progress in Iraq and Afghanistan.

Since September 11, the Army Reserve has mobilized over 143,000 Soldiers who, together with their fellow active and National Guard Soldiers, have enabled the Army to accomplish its mission at home and abroad. The Army Reserve provides vital capabilities across a diverse range of mission areas. As of January 2006, more than 41,000 Army Reserve Soldiers serve on active duty. The Army Reserve's 98th and 80th Divisions (Institutional Training) deployed to Iraq and Afghanistan to support U.S. Central Command's training of security forces.

Major Decisions in 2005

During 2005, the Army made four key decisions to accelerate change needed to win today and to continue to prepare for tomorrow's challenges.

—*Accelerated the Fielding of the Future Force.*—In April 2005, the Army announced refinements of its plan—The Army Plan—to transition continuously from the current force to the future force to realize the Army Vision. This plan guides our efforts to transform the Army into a modular force, while continuing to modernize by fielding Future Combat Systems (FCS) and other technologies. We are leveraging recent combat experiences to train and educate our Soldiers and leaders and provide the campaign and expeditionary capabilities needed to deal with future challenges.

—*Restructured the FCS Program.*—In April 2005, the Army restructured the FCS program for two reasons: (1) to improve contractual arrangements with industry and provide a better framework to manage the cost and schedule aspects of this vital program; and (2) to further leverage FCS technologies as quickly as feasible to improve our Soldiers' ability to fight and to protect themselves. By improving control and oversight, these new arrangements are paying dividends now.

- Established the Business Transformation Initiatives.*—In February 2005, the Army decided to implement an Army-wide Business Transformation initiative. (We are reviewing all of our business, resourcing, management, and acquisition processes to become more effective, improve quality, reduce cycle time, and achieve cost reductions.) To do so, we are applying the Lean Six Sigma methodology. Just as we are leveraging the lessons of war to improve fighting effectiveness, we are applying relevant corporate best practices to improve our business processes and make best use of our financial, human, and materiel resources. Other key aspects of Business Transformation include: Information Management Systems Portfolio Management, Institutional Army Adaptation, and Business Initiative Councils.
- Adopted the Army Force Generation (ARFORGEN) Model.*—The Army began to implement the ARFORGEN model to ensure all units are fully ready for deployment. This model will establish and coordinate cycles of readiness and training for all active and reserve units. To sustain our ability to execute the National Military Strategy, this model schedules deployment windows for our units while balancing the requirements associated with transforming, modernizing, implementing a new global stationing plan, and other mission demands.

THE ARMY PLAN TO ENABLE MISSION ACCOMPLISHMENT

We are executing The Army Plan, consisting of four overarching, interrelated strategies, to enable mission accomplishment and to achieve the Army Vision over time. This plan accelerates the redesign of the forces, support structures, and headquarters that are accomplishing our mission today. This plan also guides our initiatives to provide the Combatant Commanders the assets to protect the Nation today and tomorrow.

The Army is:

- Providing relevant and ready landpower for the 21st century security environment;
- Training and equipping Soldiers to serve as warriors and growing adaptive leaders;
- Sustaining an All-Volunteer force composed of highly competent Soldiers that are provided an equally high quality of life; and
- Providing infrastructure and support to enable the force to fulfill its strategic roles and missions.

We are transforming to create a future force with a broad set of capabilities to enable our Soldiers to address strategic problems the Nation will face (See Figure 9).

The benefits of our approach are clearly evident in the attitudes and levels of commitment we see in our Soldiers, as well as the attributes of our combat formations, the forces that sustain them, and the facilities and business processes that generate them from their home stations. The combined effects of transformation, modernization, innovation, and improvement—reinforced by positive change in the attitudes and behaviors that create the culture of our service—are helping us to become the force the Nation will need to safeguard its peace and freedom in the 21st century.

EXAMPLES OF UNIQUE ARMY CAPABILITIES TO SUPPORT JOINT, COMBINED, AND INTERAGENCY OPERATIONS

Countering Terrorism

Assist friends, allies, or partners to conduct military operations by providing logistics, command and control, intelligence, protection, and other support to the Joint Force.

Train military and security forces to counter extremist, radical, or insurgent elements.

Provide ground forces (conventional and special operations) to sustain large-scale counter-terror and counter-insurgency operations.

Rapidly deploy substantial numbers of ground forces from strategic distances to meet Combatant Commanders' requirements for counter-terror or combat operations.

Conduct extended stability operations.

Defending the Homeland

Detect and prevent hostile actions against the homeland through the presence of the National Guard and the Army Reserve within states and communities.

Support civil authorities in consequence management, disaster relief, and other roles including: reinforcing public safety and providing logistics, transportation, communications, utilities management, engineering, and other services.

Shaping Choices of Countries at Crossroads

In support of Combatant Commanders, establish relationships with foreign leaders, forces, and people through: security cooperation, training, humanitarian and civil assistance, medical, engineering, exercises, and other national and international programs.

Seize control and defend key facilities or terrain to preclude actions by potential adversaries.

Conduct expeditionary operations to deter, destroy, or defeat potential adversaries.

Conduct extended campaigns to deter or prevent potential adversaries from engaging in protracted conflict with joint or U.S.-led coalitions of forces.

Preventing Acquisition of Weapons of Mass Destruction by State and Non-State Actors

Conduct irregular or unconventional warfare in support of the Joint Force.

Deny sanctuary and safe haven for terrorist groups.

Assist the forces of other nations to conduct operations against adversaries seeking to possess or transfer control of weapons of mass destruction.

While the problems we face will evolve, Soldiers' "boots on the ground" will remain vital to our solutions.

SOURCE: Strategic Problems drawn from 2006 Quadrennial Defense Review, Office of the Secretary of Defense, February 2006.

FIGURE 9

The Army Plan is continuously improving our ability to operate as part of the Joint Team, while ensuring our ability to dominate in any environment against current, emerging, and unforeseen threats. We believe that every dollar spent to build capability for our current force is an investment in our future force. Our initiatives are guiding our efforts to:

- Grow innovative, adaptive Soldiers and leaders through training and education programs that build on recent combat experiences and leverage the Training Transformation Program;
- Adapt the doctrine which guides how we fight, how we sustain our forces, and how we train Soldiers;
- Create far more capable, strategically deployable brigades that are designed to receive new technologies and equipment as soon as they become available;
- Increase Soldier and unit effectiveness and protection; and
- Apply better business practices to free resources to use for our most pressing operational requirements.

Our ongoing intellectual and cultural transformation is dramatically improving how our leaders, Soldiers, civilian workforce, and families are adapting to the reality of protracted conflict. This transformation is reinforcing the commitment to continuous improvement that has taken hold across the Army.

PROVIDE RELEVANT AND READY LANDPOWER FOR THE 21ST CENTURY SECURITY ENVIRONMENT

To support current global operations and prevail in the war on terrorism, we are increasing the quality and the effectiveness of our essential fighting units, the Brigade Combat Teams (BCTs). We are forming a rotational pool of 70 BCTs that will allow us to sustain global commitments, surge forces for unforeseen contingencies, and reduce stress on Soldiers and equipment. We are also creating the right mix of Support Brigades to ensure that our Soldiers receive the logistical, engineering, intelligence, protection, aviation, and communications capabilities they will need to support the Combatant Commanders.

We are rebalancing the force by placing the right Soldiers with the right skills into our jobs and organizations in greatest demand. At the same time, we are stabilizing Soldiers, to keep them with their units longer, to improve teamwork and reduce stress on families caused by frequent moves between posts. We are maintaining momentum in transforming and modernizing our formations—through modular conversion, pursuit of future combat systems, and fielding other advanced technologies. These complementary initiatives will ensure that our Soldiers are well prepared to operate in campaign and expeditionary settings with our joint and coalition partners.

Support Current Global Operations with Relevant and Ready Landpower

To sustain a steadily increasing demand for military forces, we are building a modular force centered on BCTs. Our modular conversion across the active and reserve components is designed to meet the demands of the current war, sustain other global commitments, establish the organizational structure needed to accelerate modernization, and support a new global basing posture that will rely more heavily on rotational presence.

Our plan will create a rotational pool of 70 BCTs: 42 in the active component and 28 in the Army National Guard. These BCTs will be organized into one of three standard designs: Infantry, Heavy, or Stryker. We will support these BCTs with more than 200 active and reserve Support Brigades. These Support Brigades will enable the BCTs to accomplish a broad range of missions. They will also provide essential capabilities to support civil authorities in homeland defense missions, including consequence management and disaster relief.

Our Support Brigades are organized into two categories: Multi-functional Support Brigades and Functional Support Brigades. The multifunctional brigades will perform operational roles including: Combat Aviation, Combat Support (Maneuver Enhancement), Sustainment, Fires, and Battlefield Surveillance. The functional brigades will perform broad support roles on a theater-wide basis including: Air Defense, Engineer, Explosive Ordnance Disposal, Military Police, Signal, and others.

ACCOMPLISHMENTS

Since 9–11

Soldiers helped to overthrow two terrorist regimes, rescue two nations from oppression, and to liberate over 50 million people.

More than 144,000 Army Reserve Soldiers, 329,000 National Guard Soldiers, and 498,000 active component Soldiers supported Combatant Commanders in Iraq, Afghanistan, Guantanamo Bay, the Balkans, the Sinai, and elsewhere.

120,000 National Guard Soldiers and 31,000 Army Reserve Soldiers, along with active component Soldiers, helped secure the homeland through key asset security, special events security such as the Super Bowl, airport security, and Air Force Base security augmentation.

Began 37 of the 70 planned Brigade Combat Team modular conversions; 18 of these 37 conversions completed.

Doubled depot output in just three years to refurbish and reset vehicles and equipment for future deployments.

Extended the life of more than 4,000 HMMWVs and 1,200 aircraft through the reset program.

2005

Soldiers and coalition forces secured vital elections in Iraq and Afghanistan where millions voted.

Two training divisions plus 4th Brigade Combat Teams worth of officer and noncommissioned officer leadership trained Iraqi and Afghan security forces.

Soldiers trained and equipped 88,000 Iraqi Security Forces during 2005, increasing their ranks to 224,000 in 136 battalions.

Soldiers deployed to South Asia and Southwest Asia to provide tsunami and earthquake relief.

More than 42,000 National Guard Soldiers; 7,300 active component Soldiers; and 3,500 Army civilians; complemented with Army Reserve aviation and transportation units, provided hurricane relief support (including Katrina and Rita).

Deployed advanced systems to share information and improve situational understanding and command of forces for four divisions and three Brigade Combat Teams in Iraq and Afghanistan.

Equipped most deploying units with the Joint Network Node to enhance command of forces.

Advanced \$2.2 billion contract for production of 368 Armed Reconnaissance Helicopters—the Army's first new manned helicopter acquisition since 1983.

Like our theater commands, our corps and division level operational command posts and headquarters, Support Brigades will also be converted to modular designs. They will be trained, manned, and equipped to work directly for each of these headquarters without augmentation of people or equipment.

We are also improving the readiness of our reserve forces that are making vital contributions on a daily basis—and have transitioned from a strategic to an operational reserve as our global commitments have increased. We are working to improve our access to these forces to support our strategic requirements. Access will be enabled by reducing reserve component overstructure and managing reserve Soldiers in ways that will improve assigned strength in each of our units, while increasing opportunities for education and special skills training. These improvements, coupled with modular conversion, will improve the Army's overall ability to provide ready forces and capabilities to the Combatant Commanders and to civil authorities in a timely manner.

In addition, to make best use of our resources, we are both rebalancing and redistributing our forces. We are rebalancing to create the right mix of units in high demand, and Soldiers with critical and high demand skills in each of our active and reserve components. At the same time, we are redistributing Soldiers to create the right mix between our operational forces and our institutional structures.

—To assure timely access to the right types of units and Soldiers, we are rebalancing skills within our three components. We have determined the types of units and skills that are in greatest demand in today's environment—including infantry, engineer, military police, military intelligence, Special Forces, chemical, civil affairs, and psychological operations units—and have identified over

100,000 positions to rebalance. We have accomplished more than half of this rebalancing and project to be completed by 2011.

—To sustain increased global commitments, we are also increasing, or “growing,” the Operational Army in the active component. Our goal is to grow the Operational Army by 40,000 Soldiers by 2008 (from the 2004 baseline of 315,000) to bring our active component operational force total to 355,000 Soldiers. This change will be enabled by military-to-civilian conversions and better management of our Individuals Account.

The combined effect of rebalancing, redistributing, and growing the Operational Army is increasing our overall effectiveness. We are improving our ability to provide trained Soldiers in cohesive formations to the Combatant Commanders and to support civil authorities, while reducing stress on Soldiers and families.

To support global operations while transforming, we are preparing our forces for war—or resetting them—as quickly and efficiently as we can. Our reset program is restoring units returning from war to required levels of readiness to prepare them for future missions. As we reset our units, we are simultaneously converting them to their new modular designs. We have reset more than 20 major units. Many of these units have already returned to theaters of war in their new configurations.

The Army Plan introduces a new readiness model, ARFORGEN, to manage the force and ensure the ability to support demands for Army forces. ARFORGEN sequences activities for all active and reserve Army units to include: Reset; Modular conversion; Modernization; Manning adjustments; Soldier and leader training and education programs; Unit training; Employment; and Stationing decisions.

To sustain global commitments, we will transition units through a progression of three sequential readiness pools: *Reset and Train, Ready* (eligible for deployment and exercises), and *Available* (immediately available for world-wide employment). This model establishes a plan for scheduled deployment on an Army-wide basis. Through semi-annual synchronization conferences, we will organize our forces into three Expeditionary Force Packages: Ready Expeditionary Forces that are training and preparing for potential future missions; Contingency Expeditionary Forces that are ready for employment or exercises but not yet deployed; and Deployment Expeditionary Forces executing assigned missions.

Our goal is to be able to generate a continuous output of trained and ready forces that will support one operational deployment in three years for the active component, and one operational deployment in six years for the reserve component. At lower levels of demand, this model may allow the Army to support one operational deployment in four years for active forces. This new model establishes the basis to bring all units to a full state of readiness—with people, equipment, and training—before they are scheduled to deploy. It allows the Army to accomplish the following critical objectives: Reduce uncertainty for Soldiers, families, and the communities that support installations; Improve availability of forces for Combatant Commanders; Generate a continuous force of 18–19 BCTs, along with all required Support Brigades; and Surge up to an additional 15–19 BCTs in response to crises.

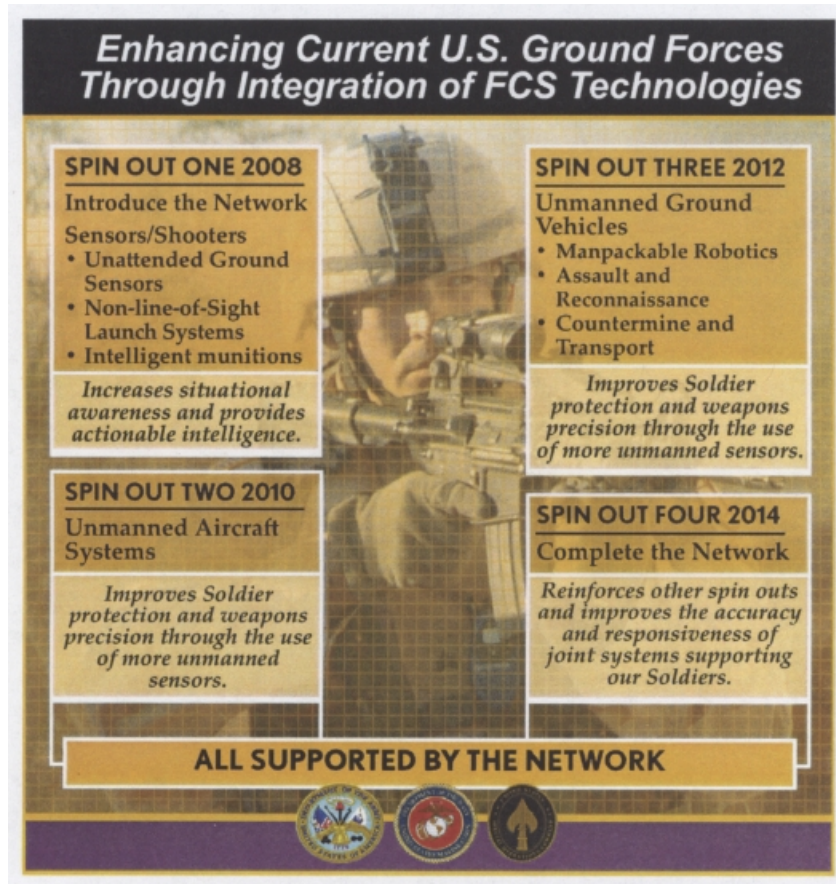
Build a Campaign-Quality Modular Force with Joint and Expeditionary Capabilities for Today and Tomorrow

The war on terrorism and the changing paradigm for maintaining forward presence have created both the necessity and the opportunity to accelerate change from the current to the future force. Our conversion to a modular force—one that is carefully balanced between active and reserve component BCTs, Support Brigades, and division and corps level operational command posts—is well under way. This conversion is transforming the Army into a more lethal, flexible, deployable, and sustainable force. It is enabling us to shift the center of gravity of our capabilities (previously focused primarily on traditional challenges) to better address the full spectrum of traditional, irregular, disruptive, and catastrophic challenges.

The combination of transformation to build a modular Army and continuous modernization, to field Future Combat Systems (FCS) and other advanced technologies, is methodically producing the future force.

FCS is our primary modernization program and most critical investment. This program will pioneer the next generation of warfighting capabilities which will improve Soldiers’ ability to find and fight their enemies. FCS includes a new class of manned and unmanned air and ground vehicles, interconnected by a modern network to better support and sustain Soldiers.

The program is currently in the developmental phase. The first unit fully equipped with manned ground vehicles is projected to achieve initial capability by 2014 (and will be able to fight by 2017). When we complete our intended fielding plan in 2025, new manned ground vehicles will replace 40 to 50-year old tactical vehicles designed in the 1970s to defeat Cold War enemies.



A significant contribution of FCS is that it will immediately place advanced technologies into the hands of our Soldiers that will increase their capability and provide greater protection. By integrating advanced technologies into our formations in four “spin outs” that will occur in roughly two-year increments, we will strengthen our current forces in distinct ways:

- The first “spin out,” on track for delivery in 2008, will introduce Unattended Ground Sensors, Non-Line-of-Sight Launch Systems, the Intelligent Munitions System, and the Network. These capabilities will enhance Soldiers’ understanding of their situation in dynamic, battlefield conditions by promoting a common perspective of enemy and friendly locations on digital maps. This improvement will greatly increase the area that Soldiers can influence and control. The Network will also provide Soldiers with more timely Actionable Intelligence.
- The second and third “spin outs,” are currently on track for 2010 and 2012 respectively and will introduce new types of unmanned aircraft systems and ground vehicles for our Soldiers. These technologies will enable Soldiers to employ greater numbers of sensors to see and find their enemies first. These “spin outs” will also enable robotic reconnaissance of dangerous areas, mines, and booby traps. Together, they will increase Soldier protection and enhance the precision of their weapons.
- The fourth “spin out” will complete the Network, currently on track for 2014. When completed, this improvement will reinforce the comprehensive efforts now under way to improve the accuracy and responsiveness of the joint weapons systems designed to support Soldiers.

When whole BCTs are fielded with the full complement of FCS systems, these units will be able to generate significantly more capability. These FCS-equipped BCTs will contain more fighting vehicles and more infantry squads than the units we field today. They will be able to generate more capability and control more area with significantly fewer Soldiers than today. They will require less fuel, supplies, and other logistical support.

These new capabilities will directly benefit all U.S. ground forces, including the Marine Corps and the Special Operations Forces from all Services. They will fundamentally alter how we deploy, employ, and sustain our ground forces. These capabilities will improve our capability to put “boots on the ground,” to stabilize contested zones, and to support joint and interagency teams.

The future force comprises more than just FCS-equipped, modular BCTs. It includes all of the improvements in strategic agility and efficiencies that will result from implementing BRAC and IGPBS decisions. These decisions will enable the repositioning of forces to better respond to emerging challenges. We will also be able to execute much of our enduring overseas presence mission with units that deploy from the United States for overseas duty, during rotational windows scheduled and managed as part of the ARFORGEN model.

For both rotational duties and for contingencies, our units will rely on pre-positioned equipment. To increase both strategic agility and efficiency, we are modernizing our pre-positioned equipment sets. We are also reducing the number of variants of our heavy combat vehicle fleet from four to two. This initiative will promote standardization, reduce the number of systems that we must train active and reserve Soldiers to operate, and reduce maintenance costs.

COMPELLING NEEDS

Full funding of the Army request in the 2007 President’s Budget, plus the requisite supplemental funding for combat operations to ensure Soldiers are fully trained and equipped in the most expeditious manner to enhance current force readiness and to achieve victory in the long war.

Resource the Army’s requirements for resetting over 50 brigades consisting of over 350,000 pieces of equipment including: 615 aircraft; 7,000 combat vehicles; and 30,000 wheeled vehicles.

Support the Army’s effort in 2007 to grow our operational forces to 355,000 Soldiers (increase of 40,000 Soldiers), and restructure both the Institutional and Operational Army across the active and reserve components to meet global commitments now and in the future.

Fully fund continuous modernization of the current force through the Future Combat Systems Program and key supporting programs, including increasing Soldier protection, sustaining development of advanced technologies, developing the Joint Network Node, LandWarNet, and rebalancing active and reserve component units and skills to ensure the Army remains the preeminent landpower on earth.

Sustain momentum in force transformation through modular conversions planned in 2007—three active component and seven reserve component Brigade Combat Teams, 13 active component and five reserve component supporting brigades, headquarters and support units—to ensure the Operational Army has relevant combat power for the 21st century.

Our commitment to being a learning, adaptive organization is evident in our efforts to apply lessons learned from our operations both at home and abroad. We are working to develop a future force that is better able to fight as part of joint and coalition formations in either protracted campaigns or in expeditionary operations and to serve the Nation—by examining how to best accomplish traditional and non-traditional missions through five major areas of focus:

- Sustain the Force enables modular Army logistics units to better anticipate requirements and provide rapid and precise capability to Army, joint, and multinational partners. We are improving theater-wide distribution systems and visibility of all of the assets and resources, both deployed and in-transit, needed to support military operations.
- Actionable Intelligence is providing Soldiers and leaders with expanded situational understanding by distributing intelligence with more speed and accuracy, while providing the means to improve understanding of different languages and cultures.

- Improve Capabilities for Stability Operations is improving our understanding of how to stabilize areas of operation and support security, transition, and reconstruction operations while continuing to conduct combat operations.
- Improve Contributions to Homeland Defense is focusing on balancing capabilities in the Active and Reserve Components to ensure the right capabilities are available to address expanded homeland defense requirements and broadening the options available to civil authorities.
- Increase Army Capabilities to Dominate in Complex Environments is focusing on finding innovative solutions to challenges posed by operations in urban, mountainous, cavernous, and jungle environments while expanding Soldier ability and protection, and enhancing cultural awareness, regional familiarity, and language skills.

The combination of transformation and modernization, reinforced by initiatives of this type, and continued improvements in training Soldiers, developing leaders, and improving facilities is producing relevant and ready landpower for the 21st century.

Supporting Initiatives (Addendum C): The areas of focus discussed above are reinforced by six initiatives: Develop Operational Capabilities in LandWarNet; Execute Major Acquisition Programs; Restructure Army Aviation; Enhance Joint Interdependence; Stabilize Soldiers and Units to Enhance Cohesion and Predictability; and Leverage Science and Technology.

TRAIN AND EQUIP SOLDIERS TO SERVE AS WARRIORS AND GROW ADAPTIVE LEADERS

The Army Vision centers on producing Soldiers armed with the values, combat skills, and mindset that enable them to serve as competent, disciplined warriors who reflect our shared ethos. Our training programs, at our home stations, our Combat Training Centers, and across our institutional training base are leveraging our combat experiences to grow adaptive leaders who are highly skilled, resilient, able to thrive in rapidly changing environments, and ready to operate with our joint, interagency, and multinational partners. We are committed to continuing to equip our Soldiers with the best capabilities, weapons, and protection our Nation can provide—leveraging our national strength to reduce risk to our Soldiers.

Reinforce our Centerpiece: Soldiers as Warriors

Our Soldiers continue to serve magnificently as we enter the fourth year of the war on terrorism. They believe in their mission, the Soldier's Creed, and the Warrior Ethos. As evidenced by their service, they remain committed to something far bigger than themselves.

In Iraq and Afghanistan, our Soldiers are consistently defeating the enemies of freedom.

ACCOMPLISHMENTS

Since 9–11

Adapted Combat Training Center training scenarios to match expected threats and provided enhanced training challenges to develop adaptive leaders.

More than half of the observer/controllers at our Combat Training Centers have experience in Iraq or Afghanistan.

Greatly improved individual Soldier protection. Today every Soldier in Iraq and Afghanistan is issued improved body armor.

Continued to meet Combatant Commander requirements to up-armor the vehicle fleet. To date, over 37,000 light, medium and heavy tactical wheeled vehicles have been fielded.

Equipped 49 Brigade Combat Teams and nearly 500,000 Soldiers with state-of-the-art equipment through the Rapid Fielding Initiative.

2005

Instituted the Combat Action Badge to recognize those Soldiers who directly engage or who are engaged by the enemy.

Implemented standard 39 Warrior Tasks and Nine Battle Drills to initial military training for Soldiers of all military occupational specialties.

Expanded training base capacity from 405,000 to 454,000 seats to enable growth in combat forces.

Began implementation of new Officer Education System, including Basic Officer Leader Course and Intermediate Level Education.

Used our experience gained in Iraq and Afghanistan to adapt our training bases and Combat Training Centers to provide enhanced training on marksmanship, fighting in urban areas, live fire convoy training, IED awareness, and working with non-English speaking allies.

Increased ammunition production more than 400 percent to 1.5 billion small arms rounds per year to adequately train Soldiers and meet operational needs.

Participated in the Joint Task Force that developed technical solutions and provided critical training for ground forces to detect and defeat Improvised Explosive Devices.

Began development of a new Civilian Education System.

They have created the conditions to permit free, democratic elections and to reconstruct vital infrastructure and institutions. Like the American Soldiers of generations past, today's warriors are distinguishing themselves with tremendous acts of courage and valor in places such as Baghdad, Samarra, An Najaf, Fallujah, Tal Afar, Mosul, and Khandahar.

Our Soldiers understand the Army's values and personify our ethos, demonstrated most poignantly by their willingness to sacrifice all so that others may live in peace and freedom. Our Nation must remain equally committed to them by providing the capabilities and support they need to succeed in their mission.

Train Soldiers

Our continued commitment to innovative training and education led us to enhance the rigor and relevance of Initial Military Training for new enlisted Soldiers and officers. Today, every Soldier, regardless of specialty, becomes a warrior first. To be better prepared for combat, all recruits receive advanced training in marksmanship and livefire convoy procedures. Current training draws from recent combat experience and emphasizes 39 Warrior Tasks and Nine Battle Drills previously required only of infantry Soldiers.

Our commitment to medical training and readiness has resulted in the highest survivability rate in military history. Every Soldier in combat carries a new blood-clotting bandage and a new onehanded tourniquet. Many are certified as combat lifesavers through extensive training. These capabilities combine with highly-trained combat medics, tremendous improvements in medical evacuation, and world-class field medicine to save lives every day.

We are strong believers in life-long learning. We are using information technology to enhance Soldier and leader education in a time of war. Soldiers participate in more than 1,500 online courses to improve job proficiency and to work toward civilian degrees. Our Army Knowledge Online websites average more than one million visits per day, allowing Soldiers and leaders to collaborate and to share information regarding the lessons learned from combat and from training.

Enhance the Combat Training Centers

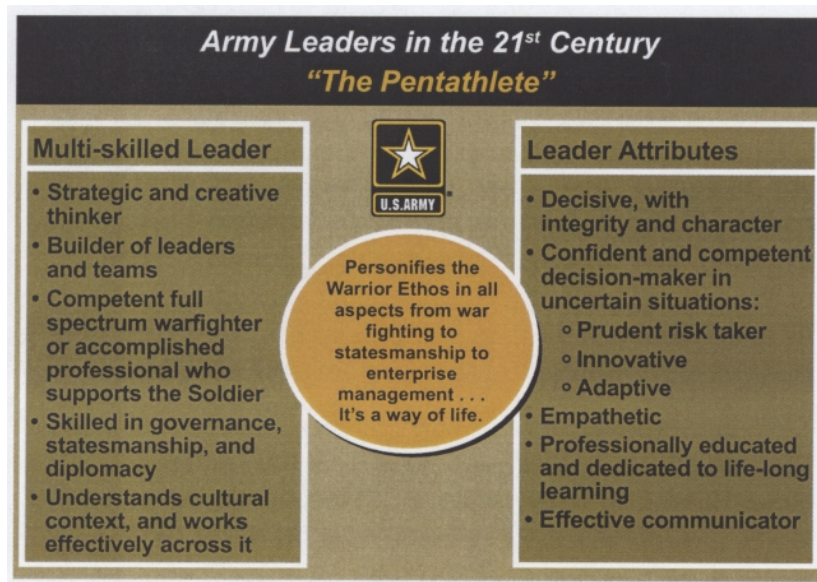
Just as we have transformed individual Soldier training, our unit training has evolved to better reflect the complexity of modern battlefields. We have invested in our Combat Training Centers to replicate the complex environments—terrain, social, language, and culture—in which our Soldiers are fighting. Using these world-class training facilities, every unit conducts a Mission Rehearsal Exercise before deploying to combat. These exercises feature nongovernmental organizations, contractors, media, coalition role players, and hundreds of civilians on the battlefield. Similarly, our Battle Command Training Program uses state-of-the-art simulation techniques to replicate the realities of combat. This program trains deploying division, corps, and task force staffs who will serve as joint or coalition task force operational headquarters and includes information operations and other joint missions they might support or execute in the future.

We are continuously improving training by providing a mix of live, virtual, and constructive training events. This cost-effective approach, which uses state-of-the-art simulation tools, improves Soldier and unit capabilities and links home station training to the joint team. The rigor that we are adding to our Soldier, unit, and joint-level training, is reducing risk for our Soldiers by improving our predeployment preparation.

Grow Adaptive Leaders

The complexity of the 21st century security environment requires more of Army leaders at all levels. As we have seen in Iraq, Afghanistan, Korea, Europe, across the Americas, and in peace enforcement operations around the world, the actions of individual Soldiers and leaders can have strategic consequences. To be effective today and tomorrow, we are growing a new breed of leader—one more akin to a pentathlete who is able to rapidly transition between complex tasks with relative ease.

The future environment will demand that Army leaders at all levels be multi-skilled, innovative, agile, and versatile. Therefore, we are continuing to evolve our training and education systems to grow adaptive civilian and military leaders who are comfortable in leading during times of change and uncertainty.



Recognizing that intellectual change precedes physical change, we chartered a task force to Review Education, Training and Assignments for Leaders. This task force, now six months under way, is drawing upon the ideas and experiences of the finest leaders inside and outside of the Army. The task force will recommend changes to assess and improve all Army education, training, and assignment processes to produce pentathletes.

Unlike World War I and World War II, when the Army closed the Army War College, we have improved our leader education programs while at war. At the Army War College and in all of our schools, training centers, and doctrine development positions, we are placing recently returned veterans into key positions to enhance the relevance of the education and training we provide. We are also moving to fully implement a new Basic Officer Leader Course (BOLC). Consistent with our warrior first approach, this tough, standardized, small-unit leadership experience is ensuring that all junior officers, in all of our branches, master the skills they will need to lead in combat. We are executing similar improvements in all of our officer and noncommissioned officer education programs. Our civilian development program is enhanced through our Civilian Education System.

Equip Our Soldiers

Protecting our Soldiers continues to be our highest priority. With great support from the Congress, the Department of Defense, and the President, we have delivered more than 37,000 up-armored vehicles to meet Combatant Commander requirements. Additionally, we continue to contribute to the Joint Organization established to defeat our adversaries' use of improvised explosive devices. (Figure 10)

Equipping Our Soldiers: Soldier Protection Programs in Iraq and Afghanistan			
AREA	WHERE WE WERE SEPTEMBER 2003	WHERE WE WERE JANUARY 2005	WHERE WE WERE JANUARY 2006
Body Armor	Estimated 10 percent of Soldiers in Iraq equipped	All Soldiers and DoD civilians in theater equipped; plus 60,000 Deltoid Axillary Protectors issued	All Soldiers and DoD civilians in theater equipped; total of 693,000 Body Armor sets fielded; plus 173,000 Deltoid Axillary Protector sets issued
Up-Armored HMMWVs	500 Up-Armored HMMWVs in Iraq and Afghanistan	More than 6,400 Up-Armored HMMWVs in Iraq and Afghanistan	More than 11,100 Up-Armored HMMWVs in Iraq and Afghanistan
Tactical Wheeled Vehicle Add-on-Armor Kit	Contingency mission only	More than 19,000 vehicles in theater have Add-on-Armor-kits	More than 37,500 vehicles in theater have Add-on-Armor kits
Armored Security Vehicle (ASV)	No ASVs in theater	Resurrected a terminated program; 82 ASVs in theater	194 ASVs in theater
Bradley Reactive Armor Tile (Brat)	140 sets delivered; acceleration plan in execution	592 sets delivered	790 sets delivered; acceleration plan in execution
Counter-IED Device	Minimal capability in theater	1,496 systems in theater	More than 23,000 systems in theater
Tactical and Small Unmanned Aircraft Systems	Two systems deployed to theater	128 systems in theater	155 systems in theater
Aircraft Survivability Equipment (ASE)	No fixed-wing ASE; in process of upgrading Blackhawk and Chinook aircraft with basic ASE	All theater aircraft upgraded with basic ASE	All theater rotary wing aircraft to be upgraded with Latest Common Missile Warning System
Buffalo	No systems deployed in theater	No systems deployed in theater	44 systems deployed

FIGURE 10

We are also exploiting the value of the Rapid Equipping Force (REF) to better protect our Soldiers. REF works in partnership with industry, academic, and military leaders to support Soldier needs as quickly as possible. It provides field commanders with readily employable solutions to enhance lethality and survivability. Often using off-the-shelf and developmental technologies, REF is enabling us to remain ahead of an adaptive enemy and to save Soldiers' lives. Examples of last year's successes include the deployment of digital translators, vehicle scanning systems, and robots able to inspect possible improvised explosive devices.

A similar program to increase Soldier capabilities is the Rapid Fielding Initiative (RFI). RFI has equipped nearly 500,000 Soldiers since its inception. RFI accelerates the fielding of commercial, off-the-shelf systems to produce state-of-the-art capabilities. RFI provides a specific set of equipment to every Soldier, and a set of additional items to Soldiers assigned to BCTs. The Training and Doctrine Command is using combat lessons learned to maintain the currency of the items we supply. We plan to complete fielding these items to all operational forces by September 2007.

COMPELLING NEEDS

Support and funding to implement the findings of the Review of Education, Training, and Assignments for Leaders, examining all pertinent policies and programs with a view to creating military and civilian “pentathletes” able to lead effectively amidst the complexity and uncertainty of the 21st century security environment.

Continue to support Army initiatives to sustain Soldier, leader, and unit training development and provide stability for Soldiers and their families.

Continue to support the Rapid Fielding Initiative to complete the goal of equipping all operational forces (active and reserve component) by September 2007.

Maintain funding support for equipment modernization programs that speed state-of-the-art force protection systems and weapons to our Soldiers in the field.

Supporting Initiatives (Addendum C): The areas of focus described above are reinforced by three supporting initiatives: Support Joint Improvised Explosive Device Defeat Organization (JIEDDO); Expand Cultural Awareness and Language Capabilities; and Develop Joint Training Capabilities.

SUSTAIN AN ALL-VOLUNTEER FORCE COMPOSED OF HIGHLY COMPETENT SOLDIERS THAT ARE PROVIDED AN EQUALLY HIGH QUALITY OF LIFE

We owe our success to the versatile young Americans who answer the Call to Duty. This is the first time in our modern history that the Nation has tested the concept of an All-Volunteer force during a prolonged war. We are executing a full range of initiatives and incentives to recruit and retain high caliber citizens to man our active, reserve and civilian ranks. Caring for Soldiers and Army families through tangible quality of life programs provides a sense of belonging and sustains motivation for continued service. Improving Soldier and family housing reflects our commitment to providing a quality of life that matches the quality of our Soldiers’ service to the Nation.

Recruit and Retain the All-Volunteer Force

We have maintained our All-Volunteer Army by recruiting dedicated, high-quality Soldiers and then retaining them well beyond their initial obligations. While the recruiting environment for America’s young men and women is competitive, we will not compromise standards as we temporarily increase the size of the Army by 30,000 Soldiers. Our recruiting goal this year exceeds 186,000 Soldiers for all three components. This annual goal compares to about 140,000 recruits for all of the other Services combined.

ACCOMPLISHMENTS

Since 9-11

Exceeded combined active and reserve retention goal each year.
 Built over 24,000 barracks spaces and modernized over 9,000 existing spaces through the Barracks Modernization Program.
 Privatized 59,500 sets of quarters at 26 different installations through the Residential Communities Initiative to improve family housing.
 Continued to state-of-the-art health care as they return from theater.
 Established a Well-Being framework to integrate, resource, and measure quality-of-life programs for Soldiers and families.

2005

Achieved 106 percent of the combined active and reserve retention goal.
 Increased recruiting and retention incentives programs.
 Assisted Family Support and Readiness Groups from company to division-level. Developed Virtual Family Readiness Groups.
 Implemented the U.S. Army Wounded Warrior Program (formerly Disabled Soldier Support System) to synchronize Army programs that care for severely disabled Soldiers.
 Established a community-based Child and Youth Services Program for child care, youth development, and school transition to support 160,000 Army Reserve youths.
 Implemented a \$250 million Barracks Improvement Program to upgrade substandard Soldier barracks.

Last year was a challenging recruiting year. However, we finished strongly, exceeding the monthly goals for the last four months by more than 400 Soldiers per month in the active component. This trend continued into the new recruiting year in all three components. To achieve success this year, we have expanded advertising, increased the number of recruiters, and augmented numerous incentive programs. We recently initiated a new program, Unity of Effort, to recruit former members of the Armed Forces. This program features enlistment bonuses and, in many cases, reinstatement of previous rank. We are optimistic that our efforts, reinforced by Congress and the Nation's support, will result in meeting our recruiting goals for this year.

The Army is retaining Soldiers at tremendously high levels. Since 2002, while fighting the war on terrorism, we have surpassed our combined Army retention goals each year. In 2005, we exceeded our goal by more than six percent. We reenlist two out of every three eligible Soldiers who reach the end of their term of service during a given year. We are particularly proud that one out of every two first-term Soldiers decide to reenlist. In a time of war and a high operational pace, we believe this achievement is indicative of the high quality of leadership that our Soldiers experience in their units. Our Soldiers value the tradition of service to the Nation and appreciate the opportunity to contribute in a meaningful way.

The continued support of spouses, parents, veterans, and the employers of our reserve component Soldiers plays a huge role in recruiting and retaining the All-Volunteer force. This support has a direct effect on the pride and morale of each of our Soldiers. In May 2005, to recognize the role and contributions of key influencers in our society, we established the Freedom Team Salute Program. To date, we have received requests to commend almost one million spouses, parents, veterans, and civilian employers.

Care for Soldiers and Army Families

We continue to work to assure Soldiers and their families that they will be taken care of and all their needs will be met. Caring for families plays a vital role in sustaining a national commitment to serve and requires both the attention of leaders and the application of resources.

Army Well-Being programs provide leaders a variety of ways to care for Soldiers and their families. We have integrated numerous quality-of-life functions into a comprehensive well-being framework that enables us to focus resources, measure success, and address the needs of an Army at war. Our objective is to sustain the fighting strength of our Army while providing for the individual needs of Soldiers and families.

To assist Family Support and Readiness Groups at all levels, we have developed Virtual Family Readiness Groups. We have expanded child care programs on instal-

lations and in communities that have deployed Army National Guard and Army Reserve units. The Army Reserve established a Child and Youth Services Program to facilitate access to child care, youth development, and student support. The new Deployment Cycle Support Program helps families to understand and cope with the stress of deployments. Our Army Spouse Employment Partnership program has placed over 11,000 spouses in positions with major corporations and State and Federal agencies. We are currently working on a school transition program to help families and communities affected by BRAC decisions. These are just a few of the many ways that we care for Soldiers and families.

Health care is another critical aspect of caring for our Soldiers and their families. The Army provides world-class health care for 3.5 million beneficiaries, on the battlefield and at hospitals and clinics worldwide. To honor our obligation to care for Soldiers and families, we continually look for ways to improve health and well-being. The U.S. Army Wounded Warrior Program, formerly known as the Disabled Soldier Support System, provides sustained care for our severely wounded Soldiers. This program provides continuous and comprehensive transition and support services for our Soldiers until they are returned to duty or for up to five years after medical retirement. This program exemplifies our commitment to honor the Soldier's Creed by "never leaving a fallen comrade."

Improve Soldier and Family Housing

We are committed to providing quality housing for our Soldiers. Housing for single and married Soldiers has been improved significantly as a result of the Barracks Modernization Program and Residential Communities Initiative (RCI).

To improve substandard living conditions across our installations, we committed \$250 million to an immediate Barracks Improvement Program. As part of a longer-term Barracks Modernization Program, we will have funded 85 percent of our barracks modernization by the end of this year. We have programmed funding through 2009 to modernize our remaining barracks spaces. In addition, 45 percent of barracks for our recruits at our training centers will be modernized by 2011. Using vital supplemental funding, we also initiated a program to modernize the barracks used by Army Reserve and Army National Guard Soldiers during their annual training.

Through RCI, we are providing better family housing for our Soldiers by privatizing 82,000 homes at 42 installations. This program leverages private investment capital to improve housing at a much faster rate than traditional methods of financing and contracting for military construction. When completed in 2010, over 90 percent of Army housing in the United States will have been privatized. We have also constructed more than 3,600 family homes and renovated 6,300 existing homes using traditional military construction.

Improved housing, in barracks and quarters, provides Soldiers and families with a quality of life that recognizes their service to the Nation. These programs have a positive, enduring effect on Soldiers' morale, and contribute immeasurably to our ability to sustain our volunteer force.

Supporting Initiatives (Addendum C): The above areas of focus are reinforced by the following three supporting initiatives: Continue Army One Source; Establish Multi-Component Family Network; and Execute Child and Youth Services School Transition Support.

COMPELLING NEEDS

Support and funding to achieve critical recruiting and retention goals. Meeting these goals for all components will ensure the quality of our All-Volunteer force.

- Achieve an active component recruiting goal of 80,000 and retention goal of 64,200; an Army National Guard recruiting goal of 70,000 and retention goal of 34,900; and an Army Reserve recruiting goal of 36,500 and retention goal of 16,900.
- Continue support of Army initiatives to provide predictability and stability for Soldiers and their families in both the active and reserve components.
- Full funding and support for quality-of-life programs to sustain the All-Volunteer force, now being tested for the first time in a prolonged war.
- Support housing initiatives to provide quality housing for Soldiers and families at installations impacted by Base Realignment and Closure and the Integrated Global Presence and Basing Strategy.

PROVIDE INFRASTRUCTURE AND SUPPORT TO ENABLE THE FORCE TO FULFILL ITS
STRATEGIC ROLES AND MISSIONS

The infrastructure that the Army maintains plays a vital role in supporting the Joint Force. We are adjusting our global footprint to improve readiness at each of our installations. To free resources for more compelling operational needs, we are reengineering every one of our business processes. At the same time, we are completely transforming our infrastructure, consisting of installations, depots, and arsenals—and the information network that connects them—to reflect the deployment requirements and global commitments of the 21st century security environment, while becoming dramatically more efficient.

ACCOMPLISHMENTS

Since 9–11

Created the Installation Management Agency to unify the business structure of Army installations and to create uniformly high standards of quality for Soldiers and their families.

Developed a strategic stationing plan that synchronizes decisions of Base Realignment and Closure, Integrated Global Presence and Basing Strategy, Army Modular Force initiative, and the demands and realities of the Global War on Terrorism.

Optimized Power Projection Platforms to mobilize and deploy over 500,000 Soldiers to support the Global War on Terrorism.

2005¹

Awarded the General Fund Enterprise Business System contract to enhance the management of financial resources.

Planned and implemented an Army-wide Business Transformation initiative based on the Lean Six Sigma methodology to reduce the cost of the business side of the Army.

Identified and began initial implementation of substantial structural changes to the institutional base of the Army.

Implemented a strategic management system to measure Army performance and ensure optimum allocation of resources.

¹ Several continue into 2006.

Adjust Global Footprint to Create “Flagships of Readiness”

The Army is moving units and transforming posts through an effort that we call “Stationing.” In 2007, we will reposition major elements of our operational force (Figure 11). At the same time, we will establish the environmental foundation and initiate the renovation and construction needed to reposition schoolhouses, headquarters, and other support activities. Our stationing effort will posture our forces, logistics activities, and power projection infrastructure to respond to the demands of a complex, uncertain future as efficiently and effectively as possible.

We have produced a plan that integrates BRAC decisions, the IGPBS plan, and the Modular Force initiative. This plan allows us to divest Cold War era infrastructure and create the infrastructure required for the foreseeable future. We are consolidating activities by leveraging information technology and advances in supply chain management. We are also completely reengineering our business processes to eliminate waste.

This consolidation will yield tremendous savings over time. Our plan reduces overhead costs by streamlining the installation staffs, contract support, and infrastructure that will support units and activities at their new locations. We are exploiting this opportunity to become more efficient and more effective as we implement our stationing plan.

Stationing involves more than merely opening, closing, or realigning functions. It requires balancing military, economic, and strategic necessities to determine the scope and timing of closures, consolidations, construction, renovation, unit activations, and unit deactivations. We have scheduled all of these activities to occur in ways that will enhance the flow of forces to and from current global commitments.

MAJOR STATIONING MOVES IN 2007

1st Brigade, 1st Armored Division moves from Germany to Fort Bliss.
 212th Fires Brigade moves from Fort Sill to Fort Bliss.
 17th Fires Brigade moves from Fort Sill to Fort Lewis.
 Stryker Brigade Combat Team 7 activates at Fort Lewis.
 Battlefield Surveillance Brigades activate at Fort Hood and at Fort Bragg.
 Support Brigades (Maneuver Enhancement) activate at Fort Irwin and Fort Polk.

FIGURE 11

Our stationing plan and requirements for funding, construction, renovation, and environmental remediation are guided by a set of key goals: Use existing infrastructure to reduce cost and excess capacity; Minimize use of temporary facilities; and Place priority on barracks, housing, motor pools, ranges, and training facilities to ensure that our Soldiers are properly prepared for the challenges they will face.

While positioning the Army to better respond to the 21st century security environment, we are simultaneously working to ensure that our Soldiers and families enjoy the benefits of installations that are truly “Flagships of Readiness.”

The quality of our installations remains critical to accomplishing our mission. Our depots, training bases, and home stations enable the Army to: Build, train, deploy, and sustain our operational forces; Reset and regenerate combat power of returning forces for future missions; Provide homes, health care, essential support, and much of the quality of life that our Soldiers and families enjoy; and Provide the workplace for our civilian workforce of more than 230,000 people that is performing an increasingly important role in accomplishing the Army’s wartime mission.

Since 2001, the Army has made tremendous progress in enhancing training and generating combat power in time of war. Despite improvements, the Army still requires significant resources to overcome years of insufficient investments in its installations and infrastructure. We are committed to reducing our facilities recapitalization rate to meet the Department of Defense 67-year goal. If resourced, our stationing plan will produce installations better able to train and prepare our forces for future missions. Our plan will also provide a quality of life that our Soldiers and families deserve, and help to sustain the All-Volunteer force.

Implement Business Transformation Initiatives

We are fundamentally changing how the Army conducts business. Our goal is to streamline or eliminate redundant operations to free financial and human resources to redirect to our core warfighting missions. We are: Improving our processes to repair equipment and reset our forces; Reengineering our manufacturing and administrative processes; Outsourcing, where it makes sense; Seeking to make best use of economies of scale in all of our contracted services; Applying information technology to improve support and eliminate functions where possible; and Achieving cost savings in software and hardware while pursuing enterprise-level solutions in our networking practices.

COMPELLING NEEDS

Support to execute a carefully synchronized plan to achieve a new global basing posture while fulfilling the requirements of the National Military Strategy. The requirements of this plan (for renovation, construction, environmental remediation and other costs) will exceed the resources currently apportioned for base realignment and projected to be recouped through consolidation and closure.

- Support Army efforts to synchronize Integrated Global Presence and Basing Strategy, Base Realignment and Closure, and stationing of modular units.
- Support funding to achieve a 67-year facilities recapitalization rate.
- Maintain support for 2007 military construction requirements in accordance with the Army Modular Force initiative, Base Realignment and Closure, Integrated Global Presence and Basing Strategy, and other Department of Defense guidance.

Support for funding and authorities for Army Business Transformation initiatives to achieve targeted efficiencies through management reform, Institutional Army adaptation, and reengineered business practices. These initiatives will free human and financial resources for more compelling operational needs.

Across the Army, we are reengineering all of our business processes to achieve greater efficiency, improve quality, decrease cycle time, and reduce cost. The method we are using, Lean Six Sigma, has already produced a marked improvement in manufacturing and repair processes at all of our depots within the Army Materiel Command. Once fully implemented across the Army, with full adherence to labor laws and other administrative requirements, we will replicate these successes across the Army in all our activities.

Develop the LandWarNet Institutional Infrastructure

We are investing in information technology at our installations and reserve component facilities to lay the foundation for fielding LandWarNet. The Army's portion of the Global Information Grid, LandWarNet compromises both infrastructure and services. It moves information through a seamless network to better support our combat forces and the institutional structures that generate them. Our information technology infrastructure will enable operational forces to "reach back" for data, such as repair part visibility, intelligence and other support, and innovations such as telemedicine. This same technology is improving our ability to manage business.

Supporting Initiatives (Addendum C): The areas of focus discussed above are reinforced by three supporting initiatives: Execute Base Realignment and Closure; Improve Global Force Posture; and Improve Medical Infrastructure.

BALANCING RISK: THE TENSION BETWEEN CURRENT AND FUTURE DEMANDS

The Army has always experienced a tension between current and future demands, perhaps more now than ever before. Consistent investment in current and future readiness is needed to: Ensure that the size and mix of our components and capabilities are in balance; Enhance our global posture, agility, and readiness to conduct expeditionary operations on short-notice; and Organize, man, train, and equip our Soldiers to win today and tomorrow.

Meeting Today's Demands While Preparing for Tomorrow

The Army has adapted to fight the war on terrorism following a decade of insufficient modernization investments. At the start of combat operations, many of our units were under-equipped and not immediately ready for deployment, especially in our reserve components.

To meet Combatant Commander requirements, we had to aggregate equipment from across the force to fully equip those Soldiers deploying into harm's way. As a result, we significantly reduced the readiness of many units to prepare others for combat.

This readiness decision was especially evident in the Army National Guard during our national response to hurricanes Katrina and Rita. With help from the President, the Congress, and the Department of Defense via supplemental appropriations, we have been provided the means to address many of our equipment shortfalls and readiness requirements, yet we still have much to accomplish.

ARMY ACTIONS TO MITIGATE RISK IN 2005

Operational Risk

Funded our reset program to repair over 7,000 tracked and wheeled vehicles and over 550 helicopters;

Completed the modular conversion of 11 Brigade Combat Teams, including one Stryker brigade that will deploy this year; and

Implemented the ARFORGEN model to allow the Army to sustain a commitment of up to 18–19 Brigade Combat Teams with the ability to surge an additional 15–19 Brigade Combat Teams on short notice.

Future Challenges Risk

All tactical vehicles in Iraq and Afghanistan that operate away from forward operating bases have up-armored or add-on armor protection. Nearly 2,400 tactical wheeled vehicles do not have missions off of forward operating bases and are not armored; and

Restructured the Future Combat Systems program to “spin out” advanced technologies to Soldiers as they become available, rather than waiting for total system fielding.

Force Management Risk

Continued modular force conversions, enlarging the pool of available units to reduce the stress on the force;

Continued military-to-civilian conversion to free up Soldier positions from the Institutional Army to the Operational Army;

As a component of the ARFORGEN, initiated lifecycle management of 11 Brigade Combat Teams to keep Soldiers in units longer, improve unit readiness and cohesion, and provide greater predictability for Soldiers and their families; and

Created a stationing plan to better posture the force for deployments and other global commitments.

Institutional Risk

Implemented business transformation initiatives to improve how the Army does business and consequently reduce cost;

Awarded the General Fund Enterprise Business System contract to allow better financial management;

Created a stationing plan to improve strategic responsiveness and invest in our most critical installations; and

Invested in LandWarNet to improve each installation’s ability to manage information and better support operational forces.

To manage risk within acceptable levels during wartime, the Army requires:

- Full funding of the Army request in the 2007 President’s Budget and special consideration, in light of wartime demands, for avoiding any reductions to the Army’s budget and program. In addition, supplemental funding is required for combat and contingency operations and to continue to reset, repair, recapitalize, and replace battle losses of equipment for several years beyond major deployments. Supplemental funding is needed to overcome the stress on equipment resulting from sustained combat operations in harsh environments. These resources will ensure that the Army is fully manned, trained, and equipped to achieve victory in the war on terrorism. These resources will also enable the Army to maintain the momentum of key programs, while accelerating transformation.
- Funding to increase Army capabilities and overall capacity as well as support for the legislative authorities and programs needed to assure access to our reserve components—who, by necessity, have become an operational vice a strategic reserve. We must achieve a proper balance of capabilities and skills among our active and reserve forces and continue to build high-quality units to increase capability and ease the strain on our deployed Soldiers.
- Support and funding to achieve critical recruiting and retention goals needed to grow our operational forces. Meeting these goals for our active and reserve Soldiers sustains the quality and effectiveness of our All-Volunteer force.
- Funding for the FCS program—to enhance current force capabilities today with “spin outs” of available technology—and accelerate more than 300 other modernization programs. Our most critical investment program, FCS will be the

Army's first major modernization in over 30 years and will better prepare and protect Soldiers for current and future threats. These capabilities will directly benefit our active and reserve components, all U.S. ground forces, and our allies that support ground campaigns.

- Full funding to maintain momentum in building a rotational pool of 70 BCTs and more than 200 modular Support Brigades and headquarters. Already well under way, our transformation to become a fully modular force is preparing our Soldiers to conduct sustained operations of the type we see today. In addition, our transformation is increasing the depth and breadth of our capabilities to prepare our Soldiers for tomorrow's challenges, particularly as we evolve to maintain overseas presence with rotational units.
- Full funding for Army installations and support to execute a carefully synchronized plan to achieve a new global basing posture, while fulfilling the requirements of the National Military Strategy. This plan will make full use of the resources currently apportioned and projected to be recouped through consolidation and closings. Unanticipated costs associated with environmental remediation, renovation, construction, and other areas, may require additional resources in future years (a situation that will require continuous reevaluation). Full funding and continued support for Army installations and quality-of-life programs is required to sustain the All-Volunteer force, now being tested for the first time in a prolonged war.
- Support for funding and authorities for Army Business Transformation initiatives to achieve targeted efficiencies through management reform, Institutional Army adaptation and reengineered business practices. These initiatives will free human and financial resources for more compelling operational needs and accelerate other aspects of our transformation.

The Army is committed to producing units that are ready for the challenges they will face tomorrow and to overcoming years of underfunding prior to the events of 9–11. We have received unprecedented support to “buy back” much needed capability. We cannot, however, fool ourselves by maintaining large numbers of forces on paper that, in reality, lack the people, equipment, training, and support needed to accomplish the missions they will be assigned. We are determined to support our Soldiers and their families with an improved quality of life that matches the quality of the service they perform for America.

Building the capabilities required to hedge against the uncertainty of tomorrow will require prudent investments today. These investments must be sustained at predictable, consistent levels over time—a departure from historic patterns of spending which have increased our Nation's vulnerability at the outset of each of the major conflicts of the 20th century. As George Washington stated, “To be prepared for war is one of the most effective means of preserving peace.” Consistency in funding, even as the war on terrorism ebbs and flows, is absolutely essential to the Army's ability to preserve peace and freedom for the Nation.

PRESERVING PEACE AND FREEDOM FOR THE NATION

Guided by the Army Vision, we are accomplishing our mission today while building the future force—of Soldiers, leaders, modular forces and institutional support structures—to do so tomorrow.

We remain resolute in our determination to preserve peace and freedom for America. To identify, learn, and adapt to new challenges, we continue to focus on tough questions that will remain at the center of the defense debate:

- What are the strategic requirements of the 21st century? What decisions must we make now to fulfill our Title 10 obligation to ensure the Army, as part of the Nation's Armed Forces, is best prepared to defend U.S. interests in the face of traditional, irregular, catastrophic and disruptive challenges?
- How can we best prepare our leaders to become multi-skilled “pentathletes” able to operate confidently and successfully amidst the challenges and uncertainties we will face?
- Are joint land forces (Army, Marines, and Special Operations Forces) properly sized, structured, trained, and oriented to provide the capabilities needed to perform the missions that the Nation will require?
- What additional actions are required to ensure that our forces are organized, trained, manned, and equipped to be relevant to, and ready for, the challenges they will face?
- How do we ensure that our physical infrastructure (installations, depots, arsenals, and the network that connects them) best support our mission? How do we balance our resources to: Provide quality of life to sustain our volunteer force; maintain deployment facilities (air, ground, sea, rail, cargo, and other fa-

cilities) to support Combatant Commanders' timelines; and establish a training base to prepare our Soldiers and units for the challenges they will face?

—How can we best leverage the human and financial resources we have been provided to ensure that we remain the world's preeminent landpower—ready to meet and relevant to, in capabilities and mindset, the challenges we will face?

—What will be the impact of protracted conflict on the All-Volunteer force? What combination of quality of life, compensation, incentives, service options, and other tools will be required to recruit, retain, and sustain the concept of the All-Volunteer force for the future?

With the support of the President, the Congress, and the Department of Defense, we are developing the capabilities and the capacity to sustain our global commitments and to prevail in the war on terrorism. We need your continued support to meet the needs of the Combatant Commanders and our Soldiers, who answer the Call to Duty by volunteering to serve the Nation in this time of war.

ACRONYMS

AC—Active Component
 ARFORGEN—Army Force Generation
 ARNG—Army National Guard
 ASEP—Army Spouse Employment Partnership
 AW2—U.S. Army Wounded Warrior Program
 BCT—Brigade Combat Team
 BOLC—Basic Officer Leader Course
 BRAC—Base Realignment and Closure
 CBRNE—Chemical, Biological, Radiological, Nuclear and High Yield Explosives
 CTC—Combat Training Center
 DOD—Department of Defense
 FCS—Future Combat Systems
 FTS—Full Time Support
 FY—Fiscal Year
 GBIAD—Ground Based Integrated Air Defense
 GDP—Gross Domestic Product
 HMMWV—High Mobility Multipurpose Wheeled Vehicle
 IED—Improvised Explosive Device
 IGPBS—Integrated Global Presence and Basing Strategy
 JIEDDO—Joint Improvised Explosive Device Defeat Organization
 JTF—Joint Task Force
 MFO—Multinational Force and Observers
 NDAA—National Defense Authorization Act
 OEF—Operation Enduring Freedom
 OIF—Operation Iraqi Freedom
 O&M—Operations and Maintenance
 QDR—Quadrennial Defense Review
 RC—Reserve Component
 RCI—Residential Communities Initiative
 RDA—Research, Development, and Acquisition
 REF—Rapid Equipping Force
 RFI—Rapid Fielding Initiative
 SAPI—Small Arms Protective Inserts
 SBCT—Stryker Brigade Combat Team
 TOA—Total Obligation Authority
 UAS—Unmanned Aerial Systems
 USAR—United States Army Reserve
 WMD—Weapons of Mass Destruction

ADDENDUM I (HELPFUL ARMY WEBSITES)

The following websites provide greater information on various topics:

The Army Website: This site is the most visited military website in the world, averaging about 7 million visitors per month or 250 hits per second. It provides news, features, imagery, and references.

<http://www.army.mil>

The Army National Guard: Provides information about the Army National Guard.

<http://www.arng.army.mil>

The United States Army Reserve: Provides information about the Army Reserve.

<http://www.armyreserve.army.mil/usar/home>

Army Families Online: This site provides information and links to other support programs that support our Soldiers and their families.

<http://www.armyfamiliesonline.org>
 Wounded Warrior Program: This site provides information on the Army's Wounded Warrior Program which provides support for severely wounded Soldiers and their families. It can be found through the Army Families Online website at <http://www.armyfamiliesonline.org>
 Deputy Chief of Staff for Personnel, G-1: For information on personnel issues. <http://www.armyg1.army.mil>
 Deputy Chief of Staff for Logistics, G-4: For information on Army logistics. <http://www.hqda.army.mil/logweb>
 Chief Information Officer, G-6: For information on Army Information Management. <http://www.army.mil/ciog6>
 Deputy Chief of Staff for Programs, G-8: For information on materiel integration. <http://www.g8.army.mil>
 Future Combat Systems: For information on the Future Combat Systems program. <http://www.army.mil/fcs>
 Army Logistics Transformation Agency: For information on Army logistics transformation. <http://www.lta.army.mil>
 Army Medicine: For information on Army medical programs. <http://www.armymedicine.army.mil>
 Army Posture Statement: For the web-based version of this year's Army Posture Statement and previous years versions. <http://www.army.mil/aps>
 Army Modernization Plan: Provides a detailed overview of the Army's organizational and materiel modernization efforts. <http://www.army.mil/features/MODPlan/2005>

ADDENDUM J: ADDITIONAL INFORMATION ON ARMY RELATED TOPICS

We have provided additional information on the following topics in the CD-ROM and web-based versions of the 2006 Army Posture Statement. They are available as in-text links and may be accessed through this addendum either on the CD-ROM or the Web.

- Actionable Intelligence
- Active Component/Reserve Component Rebalance
- Adapting the Major Army Command Structure
- Add-on Armor for Tactical Wheeled Vehicles
- Army Barracks Modernization Program
- Army Capabilities to Dominate in Complex Environments
- Army Career Intern Program
- Army Community Service
- Army Energy Strategy for Installations
- Army Environmental Programs
- Army One Source
- Army Prepositioned Stocks
- Army Reserve
 - All-Volunteer Force and the Army Reserve
 - Army Reserve Child and Youth Services Program
 - Army Reserve Education Services
 - Army Reserve Employer Relations
 - Army Reserve Facility Management Transformation
 - Full-Time Support Revalidation
 - Regional Personnel Service Centers
 - Reserve Components Separate Competitive Categories for Officer Promotions
 - Selected Reserve Incentive Program
 - Sexual Assault Prevention and Response Program
 - Trainees, Transients, Holdees and Students Account
 - Voluntary Selective Continuation of Alerted and Mobilized Selected Reserve Lieutenant Colonels and Colonels
- Army Retention Program
- Army Spouse Employment Partnership
- Army Well-Being
- Army's Capstone Concept for the Future Force
- Base Realignment and Closure Decisions for the Army in 2005
- Basic Officer Leader Course
- Battle Command

Business Transformation
 Campaign Quality Force
 Child and Youth Services School Transition Support
 Civilian Aides to the Secretary of the Army Program
 Combating Weapons of Mass Destruction
 Combined Force Interoperability through Security Cooperation
 Concept Development and Experimentation
 Cultural Awareness and Language Capabilities
 Defense Integrated Military Human Resources System
 Defense Support to Civil Authorities
 —Avian Flu Pandemic Preparation
 —Establishment of Army Forces North
 —Hurricane Katrina Response
 —Special Events for 2005
 Deployment Cycle Support Program
 Expeditionary Capabilities
 Freedom Team Salute
 Future Combat Systems
 Future Combat Systems Manned Ground Vehicle Development
 Global Force Posture
 Information Assurance and Network Security
 Installation Design Standards
 Integrated Global Presence and Basing Strategy
 Interceptor Body Armor
 Joint Improvised Explosive Device Defeat Organization
 Joint Interdependency
 Joint National Training Capabilities
 Joint Tactical Radio System
 LandWarNet and the Global Information Grid
 Life Cycle Management Initiative
 Live, Virtual, Constructive Training Environment Integration
 Major Acquisition Programs
 —Future Combat Systems
 —Black Hawk Utility Helicopter
 —Medium Extended Air Defense System
 —Chinook Cargo Helicopter
 —Longbow Apache Attack Helicopter
 Medical and Dental Readiness
 Medical Infrastructure Requirements for Army Transformation
 Military-to-Civilian Conversions
 Modular Conversion
 Modular Force
 Multi-Component Family Network
 Naming Convention Decisions
 National Security Personnel System
 Rapid Equipping Force
 Rapid Fielding Initiative
 Recruiting an All-Volunteer Force
 Red Team Education and Training
 Reset
 Residential Communities Initiative
 Restructuring Army Aviation
 Review of Education, Training, and Assignments for Leaders
 Science and Technology
 Soldier's Creed
 Spiraling Technology into the Current Force
 Stability Operations Capabilities
 Stabilizing Soldiers and Units to Enhance Cohesion and Predictability
 Sustainable Range Program
 Sustaining the Force
 U.S. Army Combat Training Center Program
 U.S. Army Wounded Warrior Program
 Unity of Effort
 Up-Armored Vehicle Program
 Utilities Privatization
 Virtual Family Readiness Group
 Warfighter Information Network—Tactical
 Warrior Tasks and Battle Drills

Senator STEVENS. General Schoomaker, we'd be happy to have your statement.

STATEMENT OF GENERAL PETER J. SCHOOMAKER

General SCHOOMAKER. Chairman Stevens and Senator Inouye and other distinguished members of the subcommittee, it's a pleasure to be with you today.

I'm going to limit my opening statements to some introductions, if I might. But I would like to start out by telling you, again, how proud I am to be able to serve with these great soldiers and their family members that we have today.

And, in direct answer to Senator Dorgan, which I'd be glad to expound upon later, if you want, we now, after 4 years at war, which is, by the way, longer than World War II—we now have deployed approximately 52 percent of our regular force. And we are doing a study to look at the Reserve forces, as well, to figure it out.

RETENTION

Of those soldiers that we have deployed overseas on either Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF), 75 percent—in excess of 75 percent of those soldiers that have deployed have re-enlisted and are remaining in the current Army. As you look at the deployments increasing—yeah, this sounds counterintuitive, but as they increase, so does the percentage of those that remain, all the way up to—I have charts here that—from the study that indicates that we have soldiers—for instance, soldiers on their fifth deployment, 93 percent of them have remained in the Army. So, there is a dynamic taking place here that's extraordinary, in my view, that speaks very well to the dedication of these soldiers and their professionalism.

I also believe it talks to the effect of our transformational efforts to balance the Army and to achieve some predictability and increased readiness in the force as we go forward. So, I'd be glad to talk more to that later.

I would like to introduce those that are present with us today that I think we should recognize for your situational awareness. First of all, we have Lieutenant General Clyde Vaughn, all the way to the right, who is the Director of the Army National Guard, and Lieutenant General Steve Blum, who is the Chief of the National Guard Bureau. Next to Steve is Lieutenant General Ron Helmly, who is the Chief of the Army Reserve. You all recognize yourself there, so that—then directly behind me—I know they're posted all over all the post offices around the country, so you probably recognize them—somebody not in the post office, but they should be, is Lieutenant General Jerry Sinn, who is directly behind me. He is the military deputy for the Army Budget, who is very, very important to us.

I would—it's with a great deal of pleasure that I now introduce three soldiers, one Active, one Guard, one Reserve. And these soldiers are typical and representative of those soldiers that we've got serving in our great Army. And I'd like to start with Sergeant Billie Grimes, who is sitting here. Some of you may have seen her on the cover of Time magazine. She's the center soldier. She is a combat medic. And she served, previously, 4 years in the Army Re-

serve. She's now on active duty, serving at the Army—U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID) up at Fort Detrick, up where we have USAMRIID.

Now, Sergeant Grimes was serving on OIF with the 1st Armor Division, and is the young combat medic that saved the life of the Time reporter who lost a portion of his arm and his hand to a grenade attack, where she responded very quickly. She was part of the 501st Forward Support Battalion who was supporting a field artillery unit there that was doing duties in Baghdad. And as Senator Inouye pointed out, not only is she the proud recipient and wearer of the Combat Medical Badge, which is like the Combat Infantry Badge. I mean, it's a very, very highly respected badge. She also has three Army commendation medals (ARCOMs). And you'll notice, as Senator Inouye pointed out, she also has a Good Conduct Medal, which most of us don't get to earn, because we're not enlisted soldiers—but, anyway, we're very proud of Sergeant Grimes and her service.

Next to her is Staff Sergeant Sean M. Boiko. And Sergeant Boiko is from Van Nuys, California, a member of the Army Reserve. And he is an MP, a 31 Bravo, one of the most deployed Military Occupational Specialty (MOS), just like Sergeant Grimes' MOS, 91 Whiskey. Currently, he is in the community-based healthcare system program at Fort Meade, Maryland, where he is working to overcome his wounds so that he can remain in the Army.

You'll notice he wears the Purple Heart, the ARCOM, and the Combat Action Badge. Sergeant Boiko was a member of an eight-man Military Transition Team (MiTT), which is our military transition teams that are training the Iraqi army. And he was stationed between Fallujah and Ramadi in some tough country in al Anbar Province, where he came under attack by an improvised explosive device (IED) and ended up being evacuated for his injuries. He had injuries to his left arm, hearing loss, and very severely herniated disks in his back. And he's now been through about 6 months of rehabilitation, and they feel that, within the next several months, that he will be able to achieve the standards to remain in the Army, which is his desire to do. We're very proud of him, as well.

You'll notice he wears a 2nd Marine Division patch on his right shoulder because that's who he was supporting out there.

Thank you, Sergeant Boiko.

Now, this last fellow is Specialist Jason Mike, and he's from Radcliff, Kentucky. He's in the Kentucky Army National Guard. He also is a medic. Notice he's wearing the Combat Action Badge. And he was with a Military Police (MP) Company that was on Route Tampa during OIF3, where he ended up in an action that has become well known. This was a convoy of about 30 trucks that was ambushed by over 50 insurgents. And his MP platoon responded, and they got into about a 45-minute firefight.

Now, what's interesting is, you'll notice he's kind of built like a football player, and that's because he was. He was a fullback. And so, in the middle of this action, Specialist Mike ends up with a squad automatic weapon in one arm, and a M-4 carbine in the other hand, fighting in both directions at the same time in his trench line, where, after having killed 27 anti-Iraqi-force insur-

gents, wounding six, capturing one, and after firing an anti-tank weapon at one of the strongholds that they had, he then turned to treating the wounded there, and, as a result, was awarded the Silver Star for his actions.

So, again, we're very, very proud of him and what he represents.

I will wrap up, saying that we have submitted a posture statement for the record, which is our formal statement. I stand behind the Secretary and his statement, and, again, stand prepared to answer your questions.

Thank you.

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

Without objection, we'll set our time limit at about 7 minutes.

Mr. Secretary and General, I'm going to have to go back and make a statement on the floor here before the hour is out, so the co-chairman will conduct the hearing.

ARMY NATIONAL GUARD FORCE STRUCTURE

Mr. Secretary, the budget for the Army now reflects an Army National Guard strength at 333,000 soldiers. We were told, the press reported, that we're going to be 350,000 soldiers. And then there was reduction. And 75 Senators, including ourselves, signed a letter to Secretary Rumsfeld about the importance of the National Guard. And I understand there's now been a decision to keep the 350,000. But we haven't had a budget amendment to cover them. How are we going to pay for them?

Mr. HARVEY. Our original plan, as you noted, Senator, was to fund the National Guard at whatever level they could recruit and retain. So, for the last 14 or 15 months, that's been on the average of 333,000, with the proviso that if they recruited and retained to a higher number, we would fund to that number. Now, in order to go—the basic soldier cost to go from 333,000 to 350,000 is approximately \$300 million, including the basic complement of soldier, equipment, and—their pay, and their benefits, and their training. So, we would submit a—if required, a change to the budget in order to fund that.

Senator STEVENS. You're not now over the 333,000.

Mr. HARVEY. We're slightly over it. I believe we're between 335,000 and 336,000 right now. So, the Guard, for the last 5 months, unlike the preceding 13 or 14, is meeting their recruitment goals. So, it's all good news right now. They are starting to turn the corner. They had leveled off in the high 20s. They were down to 328,000 to 329,000, and stabilized about 333,000. And now they're growing—again growing. So, whatever number that they can recruit and retain, we will fund to that number. And if reprogramming is necessary, we'll submit the request to the appropriate committees to do that. For fiscal year 2006 they are funded at 350,000.

Senator STEVENS. General, what changes have been made in the Army National Guard that are structural? And can you really tell us, is your concept still the total force Army—Active, Guard, and Reserve? Is that still the concept we're working on?

ARMY FORCE GENERATION MODEL (ARFORGEN)

General SCHOOMAKER. Sir, that is still the concept. We're talking about a single force. Where the Guard and Reserve in the past have been considered a strategic reserve to be called up, for instance, in the cold war sense, with an awful lot of forewarning, what we are now doing is organizing, training, and equipping a total force—Active, Guard, and Reserve—on a common modular basis, where all of the brigades, by type, are the same. And our intent is to man and equip all of the brigades at 100 percent of requirement, placing them in a force rotation model that gives all of the forces predictability, in terms of when they are susceptible for deployment—fundamentally, the Active Force, on a one-and-three rotation; the Guard, on a one-and-six rotation—in other words, at about half the speed; and the Army Reserve, on a one-and-five rotation.

Senator STEVENS. This modularity concept, then, the Active and Guard are equipped and trained the same, right?

General SCHOOMAKER. Exactly the same, sir.

Senator STEVENS. Are they interchangeable, the brigades?

General SCHOOMAKER. Totally. I might also add that if you take a look at the 2005 to 2011 program for the Army, there is approximately \$21 billion worth of equipment investment in there, which is more than four times the previous program's investment in the National Guard. And that does not count the approximately \$2 billion worth of investment in new aviation going into the Guard and Reserve.

Senator STEVENS. Well, Mr. Secretary, last year we were talking about converting to 34 brigade combat teams. Now our staff tells us recent briefings have indicated there's 28 units. Is that the top number now, 28?

Mr. HARVEY. The fundamental change from last year, which, I might note, was driven by the Army's best estimate of what the steady-state deployment requirements would be. And based on the Department of the Army's best estimate in anticipation that the Quadrennial Defense Review (QDR) would give us a better number, we chose 20 brigade combat teams, which then, if you put that into the rotational models that the chief talked about, you would come up with 43 brigades in the Active, and 34 in the Guard. And that's how we got to those numbers.

QUADRENNIAL DEFENSE REVIEW

Coming out of the QDR, the QDR said the strategic window for steady-state deployment coming out of operational assessments and other judgments was—between 18 and 19 was sufficient strategically to meet the needs of the 21st century security environment.

Using that as a steady-state, we decided that we could do that with 42 in the Active and 28 in the Guard. So, that's where those two numbers came from. That was demand-driven, where the previous numbers were really an estimate, a supply-driven estimate, in anticipation of the QDR.

We have a number that is determined by a strategic assessment. We feel good about that number.

In conjunction with the 28, however, we also looked at the Guard structure and decided we did not have enough support brigades for their State mission. So, we increased the number of support brigades by six. When you add it all up, they started out with 106. They ended up with 106. And, as I mentioned in my opening remarks, the mix is different. And we believe that mix is consistent with their dual mission, their State mission, as well as their national defense mission.

Senator STEVENS. Well, this is going to have to be my last question, but we've got the future combat system now, costs are up from \$92 billion, as estimated, to now \$160 billion. We're having modularity, the global posture review, future combat systems. These are all budgetary challenges. And are they all financed within the amount that's been requested here?

Mr. HARVEY. Yes, the Army modular force and the future combat system are in the base budget for fiscal year 2007.

Senator STEVENS. Thank you very much.

Gentlemen, I hope you'll excuse me. There's—I've got to debate an amendment on the floor.

Senator INOUE [presiding]. Thank you very much.

TRICARE

General Schoomaker, when I had the privilege of serving in the military, only 4 percent of the personnel in my regimental combat team had dependents—they were married and had children; 96 percent had no dependents whatsoever. Today, I believe, in the United States Army, it's somewhere between 70 and 75 with dependents. Whenever I visit an Army base, I ask for the privilege and opportunity to chat with enlisted personnel. No officers around. It never fails, the first question asked is on health benefits for the dependents. And now, the DOD is talking about copayments for benefits, for pharmaceutical items. My question to you, will this have any impact on recruiting, and especially retention?

General SCHOOMAKER. Sir, I don't believe so, because the copayment issue does not affect the Active Force. The Active Force is covered totally. And I'm talking about those soldiers that are serving. The issue that you're describing affects those that have retired from Active duty——

Senator INOUE. But not for pharmacy. The copayment affects Active personnel also, in the hospital.

General SCHOOMAKER. Sir, I'd have to check on that.

Mr. HARVEY. We'd have to check on that. But they do have—the option is that you don't have to pay anything if you use the national service.

General SCHOOMAKER. I don't believe there's any change in the current——

Mr. HARVEY. No.

General SCHOOMAKER [continuing]. Practice of—what we are trying to encourage people to do is use the mail pharmacy program.

Mr. HARVEY. Yes.

General SCHOOMAKER. I will check and provide it for the record. [The information follows:]

The proposed changes do not increase pharmaceutical costs for Active duty Soldiers and do not increase costs for active duty families or retirees if the prescription

is filled at a military treatment facility or through the TRICARE mail-order system. However, the proposal would increase prescription drug co-payments for dependents and retirees who use a retail pharmacy. I have attached a slide outlining these proposed co-payment changes for fiscal year 2007.

TRICARE PHARMACY

	Active Duty		Active Duty Families		Retirees	
	Current	Proposed (fiscal year 2007)	Current	Proposed (fiscal year 2007)	Current	Proposed (fiscal year 2007)
MTF:						
Generic
Brand Name
Non-formulary
Mail Order:						
Generic	\$3	.....	\$3	.....
Brand Name	9	\$9	9	\$9
Non-formulary	22	22	22	22
Retail:						
Generic	3	5	3	5
Brand Name	9	15	9	15
Non-formulary	22	22	22	22

General SCHOOMAKER. But the main emphasis of the recommendation that we've made is to capture or to help control the costs of those—of retired persons, up to the age of 65, before Medicare kicks in. So, what we are trying to do is arrest this excessive growth, and to normalize the copays back to the time in which they were started. There's never been an adjustment to this.

EQUIPMENT MODERNIZATION

Senator INOUE. Twenty-five years ago, when Chairman Stevens and I began our service on this subcommittee, the Army had so-called big five systems, the M1 tank, the Bradley, the Blackhawk, Apache, and the Patriot missiles. Today, you're still buying these systems. Do we have any new ones?

Mr. HARVEY. Yes, we do, Senator. The future combat systems is that ground-based modernization that will provide the next-generation man-ground systems, as well as a number of other supporting systems that will make both the current force and that future force more effective. In terms of—we also have, in parallel with that, a very large aviation modernization program, which consists of two new helicopters, the light utility helicopter, which is mainly for the National Guard, and the armed reconnaissance helicopter, which is a replacement for the OH58 Kiowa Warrior. We're also modernizing the fleet, in terms of the next model of the Blackhawk, conversion of the Apaches from the A to D model, and the upgrade of the Chinook. We have a very broad-based helicopter program and a very broad-based program to upgrade the ground based, and also developing the next-generation theater air defense, the PAC3 MEAD system. So, across the board, we're modernizing.

General SCHOOMAKER. Sir, if I could add to that. If we do not pursue the future combat system, we will not have a new start in over 40 years of a major system like the Bradley tank, the things that you mentioned. We are not building new tanks, and we're not building new Bradleys. We are refurbishing them with the reset money and the rebuild money that we have asked for. The power

of the future combat system is in the spinouts, the four technology spinouts that we are taking to put over the top of the existing reset force. And the manned ground vehicles, which are the final piece of this, that bring in the new systems that are beyond 2014. I think it's important to recognize that the restructuring we did on flight control systems (FCS) last year—or the year before, is an important piece of how we're modernizing the force. And the business transformation of FCS the Secretary brought in is working on the affordability.

STRYKER BRIGADE COMBAT TEAMS

Senator INOUE. I note that we were very enthusiastic about the Stryker. But now, in the fiscal year 2007 budget, you're asking for less. I think you've cut it in half.

Mr. HARVEY. Well, Senator, in the mix of the 42 brigade combat teams and of the 28 I talked about, 7 are Stryker brigade combat teams. And we're very high on the Stryker system, and we view that as a bridge between the heavy units that we have today and the future combat system of the future. The eight manned ground vehicles that the Chief mentioned. It's an excellent force. There are going to six in the Active, and one in the Guard. But I think what you saw, the decrease, is because we're getting to the end of that program. We've fielded three to four already. We're going to complete the remaining three.

RECRUITING AND RETENTION INCENTIVES

Senator INOUE. I have one last question, Mr. Secretary. The Army faces a \$1 billion shortfall in bonuses and incentives for recruiting and retention; the Reserve, \$360 million; and the National Guard, \$250 million. My question is, Why doesn't your fiscal year 2007 fully fund these requirements?

Mr. HARVEY. Senator, the numbers I'm looking at, in terms of recruiting and retention incentives, show increases in the base budget between all the years. We'll submit these for the record.

But I'm looking, for example, that last year recruiting and retention incentives are about \$300 million. This year, 2006, we requested \$341 million, and then, 2007, an increase. But we'll get you those numbers for the record.

And the other thing is that we also include incentives and advertising in the supplemental. Unfortunately, this is just the way it's proposed. We'll provide, for the record, the total between base budget and supplemental fiscal year 2006 to 2007 so you can see the total package.

Senator INOUE. Well—

Mr. HARVEY. And I think you're going to see that there's an increase.

Senator INOUE. I ask the question, because we want to be helpful to you.

Mr. HARVEY. I know you do. And we appreciate the past support. And you've been very, very generous. And, by the way, I think that is a key ingredient in the fact that for the last 9 months we have made our recruiting goals in the Active. And we're kicking in some additional incentives because of what you passed in the 2006 budget. And I think they're having a very beneficial effect.

For the record, we'll get you the entire package, because you've got to look at the two components together.

Senator INOUE. Thank you, sir.

[The information follows:]

RECRUITING AND RETENTION BUDGET FOR FISCAL YEAR 2007

Fiscal year 2007 recruiting and retention budget request support a peacetime base force of 482,400 Army. Our current planning assumes continued recruiting and retention challenges. We continue to evaluate the Army's recruiting and retention requirements, and to work with OSD and the Administration to refine our total requirements during our nation's time at war.

ENLISTED RECRUITING AND RETENTION BUDGET

[In millions of dollars]

	Fiscal year—			
	2004	2005	2006	2007
AC:				
PB/Appropriated	322	305	305	392
Title IX/Supplemental		257	575	
Reprogramming	24	190		
Executed	346	752	505	
USAR:				
PB/Appropriated	129	135	189	178
Title IX/Supplemental		9	217	
Reprogramming				
Executed	112	130	133	
ARNG:				
PB/Appropriated	216	244	376	383
Title IX/Supplemental		54	195	
Reprogramming		196		
Executed	215	494	353	

Senator INOUE. Senator Shelby.

Senator SHELBY. Thank you.

DEPOT FUNDING

Secretary Harvey, it's my understanding—and you correct me if I'm wrong—that the Army's intent is to, what you call, “pure fleet” its active duty armor brigades with M1A2 SEP tanks by procuring at least one brigade, or 60 tanks, at every budget opportunity. Would it not make sense—assuming that's true, would it make sense to ensure that both the 2006 supplemental and the 2007 appropriations bill fund these 60 SEP tanks?

Mr. HARVEY. As you know—you may be referring to the supplemental that we proposed and the supplemental that was—

Senator SHELBY. Right.

Mr. HARVEY [continuing]. That made it through the system. Our position is that, provided that the supplemental request that was not included in the 2006 supplemental, it will be included in the 2007. So, we have a master plan to, as you say, “pure fleet” both the Active and the Guard, and we've got, of course, the industrial organic capability to do that at our depots. And so, we view, over the next 2 years, if those are funded per our request—so, what wasn't funded in 2006 is funded in 2007 bridge, we're okay. We've got detailed plans of loading the depots. And, provided that's timely, I think we feel like we have sufficient funding to do that. And

it's very important that we do that, because that's all part of having a fully resourced Army.

Senator SHELBY. Got to have it, hadn't you?

Mr. HARVEY. Got to have it.

UNMANNED AERIAL VEHICLES (UAVS)

Senator SHELBY. General, unmanned aerial vehicles, some of us are concerned that the Air Force is considering options which would effectively give them procurement authority and operational control of the extended-range multiple-purpose unmanned aerial vehicle program. What steps has the Army taken to ensure that this does not happen, if that's going down that road? I mean, the Army's got a big role to play here, I believe. And you're playing it.

General SCHOOMAKER. Well, I would agree. And I do not foresee the situation that you described.

Senator SHELBY. I hope not.

General SCHOOMAKER. Because we are working hand-in-glove with the Air Force, as you know, on a Center of Excellence——

Senator SHELBY. Absolutely.

General SCHOOMAKER [continuing]. At Indian Springs, which primarily has to do with the whole notion of how we have common tactics, techniques, and procedures, and how we maintain command and control, so that we can share the——

Senator SHELBY. Absolutely.

General SCHOOMAKER [continuing]. The take from these. But the extended range multi-purpose (ERMP) UAV program is a purely Army program that is tied to our force structure and is organic——

Senator SHELBY. And your needs, right?

General SCHOOMAKER. Excuse me?

Senator SHELBY. Your needs in the Army.

General SCHOOMAKER. Exactly. I do not see this as an issue at all. And it certainly has never risen as an issue between the Chief of Staff of the Air Force and myself. We have a very good——

Mr. HARVEY. Let me say, Senator, also, that——

Senator SHELBY. Okay.

Mr. HARVEY [continuing]. That we continue to explore ways that we can jointly develop——

Senator SHELBY. Absolutely.

Mr. HARVEY [continuing]. Components so that we can minimize the cost. I think a good example of——

Senator SHELBY. Well, we've encouraged you to do this in a lot of areas.

Mr. HARVEY. Yes. A good example of our close cooperation with the Air Force is the joint cargo aircraft——

Senator SHELBY. Right.

Mr. HARVEY [continuing]. Which we are now developing together. So, we continue to explore that, but, at the same time, we have unique needs that we need to develop on our own.

General SCHOOMAKER. I'd like to add, too——

Senator SHELBY. Yes, sir.

General SCHOOMAKER [continuing]. Before we leave this. If you remember, when we restructured and canceled Comanche——

Senator SHELBY. Absolutely.

General SCHOOMAKER [continuing]. And we restructured Army aviation, we gave up the buy of a considerable amount of manned rotary-wing aircraft——

Senator SHELBY. Yes.

General SCHOOMAKER [continuing]. For the ERMP capability. This is inherent to our Army aviation structure, to our intelligence, surveillance, reconnaissance (ISR) structure in the Army, and it is not something that, in my view, can be farmed out. This is a level below what it is that the Air Force brings in on——

Senator SHELBY. Thank you.

General SCHOOMAKER [continuing]. Their systems.

JOINT CARGO AIRCRAFT (JCA)

Senator SHELBY. Secretary Harvey, if I can go back, you mentioned the joint cargo aircraft. And when you develop something jointly, there are costs involved. If the Air Force is going to use it as a single platform, the Army's going to use it, is it more than you need for the Army, or will the jointness take care of everything?

Mr. HARVEY. You mean the basic——

Senator SHELBY. Sometimes we'll—are the needs for the Air Force more than you need in the joint cargo aircraft?

Mr. HARVEY. This——

Senator SHELBY. Would it cost——

Mr. HARVEY. The least—the design is——

Senator SHELBY. Do you see what I'm getting at?

Mr. HARVEY. Yes, I do. The basic design of the aircraft, I think, is a convergence of the needs of both services.

Senator SHELBY. Right.

Mr. HARVEY. Then you get a common platform, and then you make modifications to that platform, depending on what specific needs you have. If you added up A plus B, which is we go our way, they go their way, but we go together, C is less than A plus B. So, I think, overall, it's a savings. And both services know that to be successful, both needs——

Senator SHELBY. Sure.

Mr. HARVEY [continuing]. Have to be met. So, I'm very optimistic that we'll do it, and we'll also save the taxpayers money.

Senator SHELBY. That's what we want to do. But, first, the mission.

Mr. HARVEY. That's right.

JOINT COMMON MISSILE (JCM)

Senator SHELBY. The joint common missile, I bring that up again. You know, it was terminated in December 2004 in the budget decision 753, even though a lot of us thought it had a healthy low-risk program. It was on schedule, it was on budget, and successfully demonstrating important new capability for the warfighter.

In 2006, Congress appropriated \$30 million, General, you will recall, for the JCM. What's the plan for 2007? And why was funding not included for the JCM in the 2007's—President's budget? Mr. Secretary, you want to——

Mr. HARVEY. There's a joint study ongoing——

Senator SHELBY. It is.

Mr. HARVEY [continuing]. In the joint staff, an analysis of alternatives. And my understanding is, there's going to be a decision made by the Joint Chiefs of Staff Requirement Oversight Council (JROC) in April—

Senator SHELBY. Yes.

Mr. HARVEY [continuing]. And a recommendation made to the Deputy Secretary in May, and a decision. So, the decisionmaking process is fully engaged right now. Depending on what course of action they decide, then we will certainly request funding for that program, either by reprogramming or—internally—or externally, ask the committee to reprogram.

So, I think a thoughtful program is going on. I think it's been established that there is a capability gap in both Navy and Army. And so, it's not "if," it's "how" to best meet that gap. We may—

Senator SHELBY. Thank you.

Mr. HARVEY [continuing]. Be back for some reprogramming action.

Senator SHELBY. Mr. Secretary, General, we thank you—I do—for serving. Again, we are proud of these soldiers you brought us here. We all are. And we should all acknowledge that.

Thank you, Mr. Chairman.

Senator INOUE. Thank you very much.

One last question, sir. Your 2007 budget request calls for \$111 billion.

Mr. HARVEY. Right.

UNFUNDED REQUIREMENTS

Senator INOUE. Your supplemental is \$35 billion. And there's another item, called the "Unfunded List," of \$7.4 billion. Some of my colleagues have been asking me, "Are these requirements?"

Mr. HARVEY. I think the Chief is best prepared to answer that.

General SCHOOMAKER. I'm not sure which unfunded list you're asking for. We traditionally have been asked, from the House, for an unfunded requirements list. In general, with more dollars, what we would do is accelerate our plan. That's what we want to do, is accelerate the plan that we're on. It's a very tightly knit plan, the Army campaign plan that pulls all this together. My view is, the faster we can execute it, the cheaper it will be and the smarter we will be by getting it accomplished in anticipation of budgetary pressures in the out-years. That would be my answer to you.

Senator INOUE. In other words, in order to make your fiscal year 2007 budget request really work, the unfunded list is necessary.

Mr. HARVEY. Let me just state as follows. The end state, Senator, in terms of force structure, in terms of our modernization programs that we've talked about, the end state being the 70 brigade combat teams, the 211 support—that will not change. We believe that that force structure and our modernization programs and the other funding that you provide in—for recruiting and retention, it's just a matter if we want to accelerate that and reduce institutional risks or—not operational risks. This would be running the factories, running the depots. You know, if you got the big momentum going, we want to keep it going. So, it just—it would accelerate us getting to the end state that we—the Chief and I—which is a fully

resourced—that is, a fully equipped, trained, and manned Army across all components—to the numbers we talked about. That’s what we would do.

General SCHOOMAKER. Sir, if I could just add. I just want to make sure I’m very clear in the answer that I gave to you. In the past, you might have seen an unfinanced requirement list that would have said, “Look, we had to make decisions, and we had to leave things out.”

Mr. HARVEY. Yes.

General SCHOOMAKER. In this case, we are funding our plan totally at the speed at which we get funding. If we were to achieve more funding, we would go faster on exactly the same program.

Mr. HARVEY. Right.

General SCHOOMAKER. And that was what I was trying to say there. And I think—

Mr. HARVEY. Right. We’re not—

General SCHOOMAKER [continuing]. It supports what—

Mr. HARVEY [continuing]. Leaving anything out.

General SCHOOMAKER. Right.

Mr. HARVEY. It’s a matter of timing. The quicker, the better, I think, because of the risk involved. And so, I think we would reduce risk if we get there faster. But, this is very acceptable.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUE. Mr. Secretary, General Schoomaker, on behalf of the chairman, I thank you for your service and for your testimony today. And I’d like to thank the three heroes here with us, and their comrades who are now serving us. Thank you very much.

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

QUESTIONS SUBMITTED TO GENERAL PETER J. SCHOOMAKER

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

HYPERBARIC TREATMENT

Question. General Schoomaker, I have been informed that hyperbaric treatment helps reduce tissue loss from wounds and could mean the difference between amputation above or below the knee, elbow or other major joint. Funds were appropriated in the fiscal year 2006 budget for the Army to purchase and emplace a hyperbaric chamber for the Walter Reed Army Medical Center to help treat wounded veterans returning from Iraq and Afghanistan. Would you agree we should provide these veterans with quality care and the best chance for recovery? Could you provide this Subcommittee with an update on the status of this project?

Answer. The Army is committed to providing the best possible healthcare to wounded Soldiers. The medical benefit of hyperbaric treatment for most of the Soldiers treated at Walter Reed Army Medical Center is very limited. Most of these patients had amputations performed prior to reaching Walter Reed, so hyperbaric capability at Walter Reed would not have prevented these amputations. In fiscal year 2005, 10 patients from Walter Reed, including six retirees, three Soldiers, and one family member, were provided hyperbaric therapy at local civilian hospitals at a total cost of \$73,049. Additionally, funds were appropriated for the Navy to purchase and emplace a hyperbaric chamber for the National Naval Medical Center at Bethesda. For the very small number of patients at WRAMC who would benefit from this therapy, it is much more cost effective to buy hyperbaric therapy from civilian hospitals. The Army does not have a clinical need for a chamber at Walter Reed and does not have the necessary staff to use a chamber as intended. Given the Base Realignment and Closure decision to close the existing Walter Reed cam-

pus, it is not in the Army's best interest to put a chamber at Walter Reed that will not generate a return on investment in terms of purchased care savings or research capabilities. The Army has asked the Subcommittee to reconsider this project and to allow us to use the appropriated funds to upgrade the Magnetic Resonance Imaging machine which will benefit many of the combat casualties, Soldiers, families, and retirees cared for at Walter Reed.

INTRA-THEATER AIRLIFT

Question. General Schoomaker, I know the Army has budgeted to procure a new intra-theater light cargo aircraft to replace the C-23 Sherpa aircraft and the CH-47 Chinook heavy-lift helicopters. Under Secretary Kenneth Krieg directed the Army and the Air Force to complete an acquisition strategy for a new Joint Cargo Aircraft program, and I have been informed that earlier this month a joint program office charter, with the Army as lead agency, was announced. General, will the Army's intra-theater cargo lift requirements be fully met by the joint cargo aircraft procurement?

Answer. The Joint Cargo Aircraft (JCA) program will meet the Army's organic intra-theater fixed wing cargo aircraft lift requirements by providing the capability to transport time-sensitive, mission-critical resupply, and key personnel transport at the tactical level. The Army's approved Aviation modernization plan and fixed wing Organization & Operations (O&O) plan calls for the replacement of the existing Army utility and cargo fixed wing aircraft with two aircraft variants; the Future Cargo Aircraft (FCA) and the Future Utility Aircraft (FUA). The Army initiated the fixed wing modernization with the FCA program. The FCA is scheduled to replace the Army's aging and less capable C-23 (Sherpa) fleet, its C-26 (Metroliner) fleet, and a portion of the C-12 (King Air) fleet. The FCA is not a replacement for the CH-47 (Chinook); the FCA system provides a complementary capability to the CH-47 helicopter. The Army plans to begin development of the FUA Critical Capabilities Document (CDD) in fiscal year 2009.

On December 20, 2005, the Office of the Secretary of Defense (OSD) issued a Program Decision Memorandum (PDM) that directed the Services to develop and brief a FCA/Light Cargo Aircraft (LCA) Joint Program Office Plan to the Defense Acquisition Executive (DAE), Mr. Krieg, no later than February 28, 2006. The Services initiated the process of folding the Air Force's LCA emerging capabilities into the Army's FCA program in January 2006. Between January 12 and March 17, 2006, the Services developed a Joint FCA Acquisition Strategy Report (ASR), a draft Joint Program Office Charter, and a draft Memorandum of Agreement, which together detail the way ahead for convergence of the two programs into a single JCA program. These agreements state that the Army will be the initial lead for the JCA program and that the JCA Program Office will be located in Huntsville, Alabama. On March 17, 2006, Mr. Krieg approved the Joint FCA ASR and the JCA request for proposal was subsequently released.

Question. General Schoomaker, can you update the committee on the timeline making the selection for the new Joint Future Cargo Aircraft?

Answer. The JCA request for proposal was released on March 17, 2006 and are due no later than May 17, 2006. The Services' JCA source selection process will begin in May 2006 and proceed through December 2006. The Services anticipate Milestone C and contract award in January 2007.

Question. General Schoomaker, has the merging of the Air Force's requirements with the Army's on this program affected the Army's target date for deployment of the aircraft?

Answer. The Army's FCA ASR was forwarded for the DAE's approval on November 15, 2005. At that time, the Army anticipated releasing the FCA request for proposal on December 15, 2005. On December 20, 2005, the Office of the Secretary of Defense issued a PDM that provided initial funding to the Air Force to initiate development of a LCA program. The same PDM directed the Services to develop and brief a FCA/LCA Joint Program Office plan to the DAE, Mr. Krieg, no later than February 28, 2006. On December 22, 2005, Mr. Krieg withheld his approval of the Army's FCA ASR pending completion of a Joint (Army/Air Force) FCA ASR. The joint Future Cargo Aircraft ASR was subsequently approved by the DAE on March 17, 2006 resulting in a three month slip in the Army portion of the JCA program. The Army still anticipates the first unit being equipped in fiscal year 2009.

Question. General Schoomaker, will the Army explore having U.S. allies join the program in the developmental phase—as a number have done with the Joint Strike Fighter program—or do you know if coalition nations have expressed an interest to purchase this new cargo aircraft?

Answer. The JCA is a commercially available aircraft, currently offered on the open market, and to date no U.S. coalition partners have requested to participate in the JCA program. While it is possible for coalition nations or NATO partners to procure JCA directly from the original equipment manufacturer, once the vendor is selected some coalition partners may seek to participate in the U.S. sponsored program.

ARMY MODULAR FORCE

Question. General Schoomaker, I continue to watch the Army's transformation efforts with interest. As I understand it, instead of divisions being the centerpiece of the Army, brigade combat teams will be a strategically agile force that can "plug into" joint and coalition forces in an expeditionary manner. Could you describe what the Army will look like at the end of fiscal year 2007 and the rate at which the remainder of the Army to include the National Guard will become a modular force?

Answer. Modular transformation is the most dramatic restructuring of forces since World War II. The centerpiece is the building of brigade combat teams (BCT) and associated multi-functional and functional support brigades. The Army also is rebalancing our forces to create the right mix of units, develop critical Soldier skills, and build effective operational and institutional forces across all three components. The Army is building toward 70 BCTs and 211 multi-functional and functional support brigades. By the end of fiscal year 2007, the active component will have converted 29 modular BCTs and activated nine new modular BCTs. Additionally, the active component will have built 32 multi-functional and functional support brigades. Active component modular transformation will be completed by fiscal year 2010. The Army National Guard is building toward 28 BCTs in a total of 106 brigades by the end of fiscal year 2011. By the end of fiscal year 2007, the Army National Guard will have converted 25 BCTs and built 50 multi-functional and functional support brigades. However, the BCT conversion primarily addresses changes in unit designs and manning to facilitate recruiting and individual training. The equipping upgrades to complete the conversions of these brigades will extend through fiscal year 2011. The Army Reserve will have 65 support brigades by fiscal year 2007. However, with completion of modular transformation in fiscal year 2011, the Army Reserve will re-size to a total of 58 multi-functional and functional support brigades. The Army is currently conducting a collaborative effort with the Army National Guard Adjutants General to address warfighting requirements, current operational demands and potential Homeland Defense missions. The results of this effort may change the number and type of BCTs and support brigades in the Army National Guard beginning in fiscal year 2008.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

TRAINING OF IRAQI SECURITY FORCES

Question. The Administration and the Pentagon continue to repeat the mantra, "When the Iraqis standup, we will stand down." However, here in the Congress, we continue to receive mixed reports on the progress of training a capable Iraqi Army. While it is my understanding that the number of Iraqi battalions able to function "in the lead" (or at Level 2) has increased to over 50 today, I have also heard that the number of Iraqi battalions at Level 1, or able to operate fully independently, has recently dropped from one to zero.

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. Will you please explain why we have had such difficulty transitioning Iraqi forces from Level 2 to Level 1? How is it that not one Iraqi battalion is able to function independently of coalition forces?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. Are you confident the U.S. military in Iraq has enough qualified trainers to adequately train the Iraqi forces? Should U.S. commanders on the ground shift additional forces from security duties to training?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What percentage of the Iraqi Army controlled by the Ministry of Defense is Sunni? To what extent are former officers and soldiers—disbanded through our "Debaathification" policy—returning to serve in the Army? What incentives are being provided to lure Sunni recruits?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What is the ethnic makeup of the Iraqi battalions in an advanced state of readiness? What percentage of these battalions are made up of Kurdish and Shiite recruits?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What steps are being taken to integrate units to create an ethnically and religiously diverse Iraqi force? From a security standpoint, is diversity even desirable?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. Will the emerging Iraqi forces have enough independent technical capabilities (communication networks, air power, heavy armor, weaponry, and intelligence logistics) to operate on their own without U.S. assistance in the near future?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What is the timeframe for creating an Iraqi Army which is superior in force and skill to the Sunni insurgency or any of the Shiite or Kurdish militias?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. This year was labeled the "Year of the Police" by the Pentagon—a phrase clearly intending to indicate a renewed effort to train Iraqi security forces under the control of the Iraqi Interior Ministry. Please describe current U.S. oversight activities vis-a-vis the Iraqi police forces, particularly the paramilitary units under control of the Interior Ministry? How can the United States and Iraq further prevent Shiite militias from dominating local police forces?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. How would you assess the progress over the past 3 months in the training of Iraqi police units?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. To what degree do you remain concerned about the infiltration of police forces by: the insurgency? local militias? Iran?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What are the greatest barriers that coalition troops currently face in their efforts to train an effective police force in Iraq?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

ARMY TRANSFORMATION AND THE C-17 AIRCRAFT PROGRAM

Question. Reports suggest that the Mobility Capabilities Study (MCS)—which was supposed to provide the Pentagon an accurate projection of future strategic airlift requirements—neither takes into account (1) the Army's transition to a modular brigade force structure nor (2) the Future Combat Systems (FCS) program. Consequently it is my understanding that DOD has commissioned a new study (MCS-06) to address these and other areas that the previous MCS study failed to account for in considering the military's future air mobility needs. With this being the case, has the Army ever articulated or estimated the airlift requirements that will be connected to the mobilization of the 15 Future Combat Systems (FCS) brigade combat teams (BCTs)?

Answer. The Army is in the process of establishing the airlift options available to Joint Forces Commanders to support the deployment of Future Combat Systems (FCS) Brigade Combat Teams (BCTs). The 2005 Mobility Capability Study (MCS 05) focused on the strategic lift requirements for the 2012 timeframe. The study did not consider deployment of FCS equipped forces. MCS 05 examined the strategic mobility capabilities provided by the current pre-positioning, sealift and airlift programs of record and found them to provide sufficient lift. The strategic airlift modeled in the MCS 05 study consisted of current programmed fleet of 180 C-17s, 112 C-5s and the Civil Reserve Air Fleet (CRAF), and found it to sufficient to meet lift requirements. We realize that now and in the future, deployment and sustainment of heavy Army forces in support of the combatant commanders (COCOMs) will employ a mix of airlift, sealift, and pre-positioned stocks. Maintaining this balance provides multiple options for deployment and employment of force. The Army requested a

Joint analysis of requirements for global airlift, sealift, and pre-positioned stocks extending through 2024 and will support the MCS-06 study.

Question. If not, when does the Army anticipate it will be able to provide the Air Force a realistic projection of its airlift requirements based on its transition from a division-centric to brigade-centric force?

Answer. Developing strategic lift requirements is a Joint process which has to consider the type, amount, and location of forces to be moved. MCS 06 will capture the modular mobility requirements for sealift, airlift and associated pre-positioning. COCOMs dictate the timing and location for the delivery of Army forces within the context of a Joint Force flow. Personnel and equipment required during the first 30 days of a conflict will be given the highest priority for movement by airlift. The heavy units that are needed in less than 30 days may be pre-positioned rather than have them compete for strategic airlift. Finally, the equipment and sustainment items not required in the first 30–45 days will likely be delivered by sealift. The Army provides input to the development of these requirements by providing Joint Staff and COCOM planners with Army Future Force concepts of employment and capabilities. COCOM and Joint planners will then develop the Joint Force flow requirements that will be used to development total Joint lift (sea and air) requirements. Pre-positioned stocks will also be used to fill shortfalls in either sealift or airlift due to wither speed of delivery of sealift or physical capacity (amount of lift) of the aircraft.

Question. Under the Global Posture Review, 38 of the Army's 42 active-duty brigade combat teams (BCTs) will eventually be stationed in the Continental United States, Alaska, and Hawaii. At any one time, the Army hopes to have up to 19 of these BCTs (14 active and 4–5 reserve) PLUS associated operational headquarters and support brigades—ready for operations world-wide. Given this force reconfiguration—based on operational requirements—are you confident there will be sufficient military airlift to transport up to 15 of these brigade combat teams (BCTs), along with the associated headquarters and support units, from bases in the United States to a crisis area?

Answer. Airlift is only one portion of strategic lift capability to deploy Army forces. The bulk of Army combat power will be projected by sea. Airlift, coupled with sealift and globally pre-positioned stocks, provides for both rapid employment and long-term sustainment of Army forces. The 2005 Mobility Capability Study (MCS 05) which modeled strategic airlift requirements based on the current programmed fleet of 180 C–17s, 112 C–5s and the Civil Reserve Air Fleet (CRAF) indicates that DOD has sufficient strategic airlift available through the 2012 timeframe. Both the Army transformation to modular brigades and restationing in response to the Global Posture Review will be completed within the timeframe considered.

CIVIL WAR IN IRAQ

Question. We have seen a significant increase in the number of Iraqis killed in sectarian violence over the past 3 months. Reports suggest that over 1,000 have died since the February 22nd bombing of the Golden Mosque in Samarra and over the weekend we discovered more evidence of revenge killings in a mass grave that included 30 beheaded bodies. Former Iraqi Prime Minister Ayad Allawi has stated his belief that Iraq is already experiencing a civil war. However, Pentagon officials and the Administration have taken great pains to dispute the idea that we have entered into a period of civil war in Iraq.

For the record, do you believe Iraq is now enmeshed in a “civil war?”

If not, how would you define a “civil war?”

Finally, assuming that Iraq is now (or does) face a full-blown civil war, how does this affect U.S. military strategy and the status of U.S. troops deployed in the region?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

TROOP REDUCTIONS

Question. Does the Army plan to reduce its endstrength in Iraq this year? Next year?

Answer. In accordance with title 10, U.S. Code, the Army is charged with organizing, manning, training and equipping a force capable of fulfilling current and future Secretary of Defense-approved requirements of combatant commanders. Thus, the Army force scheduled to deploy in future rotations to Iraq is conditional upon periodic strategic and operational assessments from the Commander, U.S. Central Command (CENTCOM). The number and type of forces requested by the

CENTCOM commander may fluctuate as the political, economic and security conditions in Iraq and Afghanistan evolve over time.

TROOP REDUCTIONS/TRAINING OF IRAQI SECURITY FORCES

Question. Do you agree with General Casey that a drawdown in U.S. troops might ease some of the enthusiasm for the ongoing insurgency in Iraq?

Answer. The President's National Strategy for Victory in Iraq is very clear in that we will help the Iraqi people build a new Iraq with a constitutional, representative government that respects civil rights and has security forces sufficient to maintain domestic order and keep Iraq from becoming a safe haven for terrorists. To this end, the Army is committed to providing General Casey with the required Army capabilities for success on the ground in Iraq.

TROOP REDUCTIONS

Question. Secretary of State Rice and Chairman of the Joint Chiefs of Staff General Pace have both suggested in recent days that it is likely that the military will drawdown troop levels sometime this year. Last fall General Casey, the top commander in Iraq, stated that a reduction in American troops would take "away an element that fuels the insurgency."

How do you think that a reduction in the number of American forces would affect the rise in sectarian violence in Iraq?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

IRAQ'S INFLUENCE IN IRAQ

Question. Earlier this month, Secretary Rumsfeld said in a press conference that Iran is "currently putting people into Iraq to do things that are harmful to the future of Iraq. They're putting Iranian Qods Force-type people into the country."

Can you provide more information on this statement—how many Iranian nationals have you found in Iraq, what are they doing, and are they collaborating with the Iraqi SCIRI party?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

QUESTIONS SUBMITTED TO FRANCIS J. HARVEY

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

MODULARITY

Question. What is the estimated total cost of the Army's modularity initiative? How much funding has been provided to date to implement the modularity initiative? What is the estimated amount of future funding needed to complete the modularity initiative?

Answer. The Army estimates the total cost of the modularity initiative at \$52.5 billion through fiscal year 2011. To date, the Army has received \$6.5 billion: \$5 billion in the fiscal year 2005 supplemental and \$1.5 billion programmed in the base budget in fiscal year 2006. The estimated amount needed to complete the Army modularity initiative is \$46 billion.

FUTURE COMBAT SYSTEM (FCS)

Question. What is the estimated total cost of the FCS program? How much funding has been provided to date for the FCS program? What is the estimated amount of future funding needed to complete the FCS program?

Answer. As reported in the Program Manager, Future Combat Systems (Brigade Combat Team) (PM FCS (BCT)) Selected Acquisition Report, dated December 31, 2005, the estimated total cost is \$119.9 billion (fiscal year 2003 Base Year dollars) or \$164.6 billion (then year dollars). From fiscal year 2003 through fiscal year 2006, the FCS program has been appropriated in the amount of \$8 billion (then year dollars) while only receiving actual funds of \$7.6 billion. With the current funding schedule, the estimated funding requirement is approximately \$157 billion (then year dollars).

RESETTING THE FORCE

Question. To date, how many units has the Army reset? How much funding has been provided to date to reset Army units? Based on current information, how much future funding is needed to reset Army units?

Answer. The Army has reset or will have reset a total of 95 brigade-sized or brigade combat team elements from fiscal years 2004–2006. The break-out of brigade-size elements by year is shown below:

TOTAL ARMY BCT'S

Component/Unit	No. BCT's or units
Active:	
3ID	5
4ID	5
2/82	1
3/1 ID	1
3ACR	2
101st	6
2ACR	1
1/10	1
2/10	1
Various	3
NG:	
45th Inf	1
Various (no BDE sized elements all various CS/CSS)	4
USAR: Various (no BDE sized elements all various CS/CSS)	5
Total Army BCT's Supported in Fiscal Year 2004	36
Active:	
101 ID	6
4 ID	6
172 ID	1
1 AD	1
10 MNT	3
Various (no BDE sized elements all various CS/CSS)	3
NG: Various	4
USAR: Various	2
Total Army BCT's Supported in Fiscal Year 2005	26
Active:	
3ID	5
1/82d	2
1/25th	1
2/2ID	1
3/1 AD	1
3 ACR	2
2/10th 2 (1 BCT, plus DISCOM slice)	2
1st COSCOM	1
Various (no BDE sized elements all various CS/CSS)	3
NG: Various	12
USAR: Various	3
Total Army BCT's Being Reset in Fiscal Year 2006	33

BUSINESS TRANSFORMATION

Question. Please describe how the Army is accelerating Business Transformation efforts in the fiscal year 2007 budget request. What is the estimated total cost to implement Army Business Transformation efforts? What is the estimated total savings the Army expects to achieve as a result of Business Transformation efforts?

Answer. To explain how the Army is accelerating Business Transformation efforts in the fiscal year 2007 budget request, the scope of Army Business Transformation needs to be understood, then how specific budget requests accelerate this transformation and associated total cost and savings can be explored.

Our business transformation initiatives include Continuous Process Improvement (CPI) using the Lean Six Sigma (LSS) methodology, Business Situational Awareness, Organizational Analysis and Design (OAD), and Professional Development.

We have started the largest deployment of Lean Six Sigma ever attempted. This effort is underway with training, education, and project selection. Projects will be both centrally sponsored for crosscutting initiatives as well as command specific; a combined top-down and bottom-up approach to accelerate the transformational effect. The result will be reduced cost and cycle time while increasing quality, production, reliability, and safety.

Business situational awareness is the product of timely and accurate information to support policy and resource allocation systems. These enterprise information solutions will provide Army leaders clarity on systems and processes where today it is difficult to observe.

Organizational Analysis and Design examines functions and structure of organizations, then redesigns and realigns organizational elements as necessary to accomplish the mission/work assigned. This analysis, design, and alignment will reduce redundancies and ensure organizations can effectively and efficiently fulfill the needs of our warfighters.

Professional Development of Army Leaders is critical to successful business transformation and the Army is examining ways to broaden the education, training, and experience of our officers and civilians to meet the complex challenges of leading the Army business enterprise. This initiative area will help educate and develop leaders of Army enterprises so that they are fully prepared for the challenges of leading the Army's complex business organizations.

To ensure these efforts are successful and to highlight their importance, we created the Office of the Deputy Under Secretary of the Army for Business Transformation, headed by Mr. Michael Kirby.

The scope of the efforts just reviewed is immense, literally touching or impacting every facet of the Army. The fiscal year 2007 budget request accelerates these efforts by: funding the initial wave of projects and certification for lean six sigma (LSS) deployment (\$7.8 million in fiscal year 2007); with opportunities to all subordinate organizations to reallocate their training budgets to invest in this primary effort.

The answer to the question of total cost is elusive for several reasons. Since business transformation includes efforts that will become embedded in the fabric of the Army, these efforts will not end; instead, they will become a self-sustaining Army capability, changing the way we do business. For example, the LSS deployment is using industry experts, where the Army lacks them, to train, create, and certify Army experts who will soon be able to do the training, and certification of future Army experts. Thus a better understanding of the relevant cost for the Continuous Process Improvement and Organizational Analysis and Design efforts is likely start-up costs—the lean six sigma certification and initial project costs identified above.

The cost of providing business situational awareness in most cases will be embedded within the technology that we are obtaining to help manage the Army enterprise. The transformational aspect is how we use the data that enterprise resource planning (ERP) programs provide not necessarily the program itself. While it might be technically correct to include the cost of all ERPs in the total cost of business transformation, I think it is more appropriate to attribute these costs to the functions each ERP is being designed to produce and that is the way they are shown in the fiscal year 2007 budget request.

No cost estimate currently exists for professional development since it is still under intense study and no specific course of action has been determined.

The answer to the question of total savings is as elusive as total costs not only in an accounting perspective but also due to replication and economies of scale. The benefits generated from business transformation in many cases are not directly pecuniary—LSS and OAD will increase responsiveness and quality; SA will increase the quality of decision making; and professional development will help create more capable leaders. Likewise some of the savings are impossible to estimate at this point—LSS and OAD projects are still being scoped; SA will identify redundancies that are currently unknown; and professional development impacts cannot be estimated until the path forward is decided.

The answer to this set of questions may lack the specificity desired. This highlights one of compelling reasons that we need to transform the way we do business. As we move forward to the Army will share the results of these initiatives with you.

RESTRUCTURING THE FORCE—AC/RC REBALANCE

Question. When does the Army expect to complete the AC/RC rebalancing effort? What costs are associated with implementing the AC/RC rebalancing initiative? How is the AC/RC rebalancing effort synchronized with the Army modular force effort?

Answer. Active component/Reserve Component (AC/RC) rebalance is always an on-going part of force re-structuring as the Army addresses the right mix of capabilities to meet strategic and operational requirements. Beginning with the Program Objective Memorandum (POM) for 2004–2009, the Army formally identified restructuring initiatives affecting the mix of capabilities across all three components. Subsequent initiatives were generated by the Secretary of Defense guidance in July 2003, concerning the reduction of involuntary mobilization of the RC in the first 15 days of a rapid response operation, and limiting involuntary mobilization to not more than one year every six years. Additionally, the Chief of Staff, Army, focus area in early 2004, addressed manning issues, high demand/low density capabilities and the establishment of training overhead accounts (Transient, Trainees, Holdees and Students—TTHS) for the RC. Under these three phases of force re-structuring, the Army program identified over 125,000 spaces of change between fiscal years 2004–2009. At the end of 2005, the Army had completed re-structuring efforts affecting over 30,000 spaces—approximately 21,000 in the rebalance of capabilities across the three components and over 9,000 affecting the elimination of over structure and the establishment of TTHS accounts in the RC. Costs for phase one and phase two initiatives were reflected as offsets across existing programs to capture the changes in equipment, facilities, and operational tempo as force capabilities were rebalanced across the components. The costs for phase three have been reflected in the re-investment of existing programs and improved readiness as RC overstructure is eliminated. With implementation of modular transformation beginning in fiscal year 2004, additional re-structuring initiatives will occur through fiscal year 2011. Based on the results of Total Army Analysis (TAA) 2008–2013, and the efforts underway with POM 2008–2013, the Army will update its AC/RC rebalancing program in a report to the Office of the Secretary of Defense in June 2006. The update will synchronize AC/RC rebalance initiatives with the Army Campaign Plan and will ensure all re-structure and rebalance efforts are linked to modular transformation.

BASE REALIGNMENT AND CLOSURE (BRAC)

Question. What is the Army total cost estimate for implementing the BRAC recommendations?

Answer. The current Army BRAC estimates are in the range of \$15 to \$18 billion. The fiscal year 2007 President's budget request funded \$9.5 billion for Army BRAC through the BRAC implementation period (fiscal year 2006–2011). For fiscal years 2006 and 2007, the requirements of \$4.4 billion fully fund the program. The Army continues to refine the remaining BRAC implementation requirements to be resourced and these will be documented in the 2008/2009 BRAC President's budget request.

INTEGRATED GLOBAL PRESENCE AND BASING STRATEGY (IGPBS)

Question. What is the Army's estimated total cost to implement IGPBS decisions? How much funding has been provided to date to implement IGPBS decisions? What is the estimated amount of future funding needed to implement IGPBS decisions?

Answer. The Army estimates the total cost of IGPBS at \$2.9 billion through fiscal year 2013. This includes Base Realignment and Closure IGPBS stationing actions included in the 2005 BRAC Commission Report. In fiscal year 2006 the Army has funded \$460.8 million; \$337.6 million for BRAC and \$123.2 million base budget (MCA—\$12 million; MPA—\$33 million; OMA—\$66.7 million and OPA—\$11.5 million). The remaining estimated amount needed to complete IGPBS is \$2.4 billion.

WARFIGHTER INFORMATION NETWORK—TACTICAL (WIN-T)

Question. What is the Army plan for transitioning from Joint Network Node to WIN-T? Please explain how the WIN-T program has been rebaselined to support the FCS program? What is the estimated total cost of the WIN-T program? How much funding has been provided to date for the WIN-T program? What is the estimated amount of future funding needed to complete the WIN-T program?

Answer. Currently, the Army is assessing how to optimize transition from the procurement and fielding of the Joint Network Node to Warfighter Information Network—Tactical (WIN-T). The WIN-T program's re-baselining supports Future Com-

bat Systems (FCS) by aligning the availability of configuration items to support FCS integration and lab testing. Afterward, WIN-T will provide form fit and function products that meet prescribed space, weight, and power dimensions and liquid-cooling technology for integration into FCS platforms. The total acquisition cost for the WIN-T program per the December 2005 Selected Acquisition Report (SAR) is estimated in fiscal year 2003 constant (base year) dollars at \$10.6 million for Research, Development, Testing and Evaluation (RDTE) and procurement costs. The total acquisition cost in then year dollars is \$14.2 million. The total amount of funding provided to date in fiscal year 2003 constant (base year) dollars (2002–2006) for WIN-T is \$322.6 million. Adjusted for inflation, this amount is \$335.7 million (then year dollars). The estimated amount of future funding needed to complete the WIN-T program estimated in fiscal year 2003 constant (base year) dollars is \$10.2 million. Adjusted for inflation, this amount is \$13.8 million (then year dollars) for RDT&E and procurement.

JOINT TACTICAL RADIO SYSTEM (JTRS)

Question. Prior to the JTRS program restructure, what was the Army total cost estimate to develop and field JTRS Cluster 1 and JTRS Cluster 5 radios? What is the Army's current total cost estimate to develop and field JTRS radios? How has the Army JTRS fielding plan changed as a result of the program restructuring?

Answer. The JTRS Program had programmed approximately \$3 billion in the Future Years Defense Plan (FYDP) prior to the restructuring. After the restructuring, the current estimate to develop the total JTRS Increment 1 program, which includes the air, ground, and maritime domains is now approximately \$4 billion in the FYDP. The Army portion of this DOD enterprise-wide estimate is approximately one-third of the \$4 billion. This estimate was approved by the Department in November 2005 at the Defense Acquisition Board (DAB). The Increment 1 development is designed to deliver critical networking capabilities to the warfighter. Future incremental developments will add additional capabilities as technology matures and funding becomes available.

Since the program has been restructured, the Army's fielding plan has changed to accommodate the revised funding and program timelines approved by the DAB. In general, the JTRS program restructuring delayed the fielding of JTRS capabilities about two years. The FCS program, as well as other Army fielding plans, has been synchronized to achieve JTRS capabilities as soon as the JTRS begins to field its systems (fiscal year 2009/10).

ARMY TRANSFORMATION AND THE C-17 AIRCRAFT PROGRAM

Question. What is the estimated total cost to implement the recommendations of the Army Aviation Task Force? How much funding has been provided to date to implement Army Aviation Task Force recommendations? What is the estimated amount of future funding needed to complete implementations of Army Aviation Task Force recommendations? Please describe how Army Aviation Modernization efforts have changed since completion of the Army Aviation Task Force review?

Answer. In 2003, the Chief of the Staff, Army (CSA) directed Army aviation to become a "capabilities based maneuver arm optimized for the joint fight with a shortened logistics tail." The desired outcome is aviation units in modular configuration that are agile, flexible, deployable, and sustainable.

The Acting Secretary of the Army and CSA recommendation to terminate the Comanche program was supported by the Secretary of Defense and approved by the President on February 20, 2004. It was subsequently briefed to Congress the week of February 23–27, 2004.

In order to implement the aviation focus group recommendations and CSA-approved decisions, all funding resulting from the termination of the Comanche program and all funding within aviation programs will remain with the Aviation Battlefield Operating System for the resourcing of aviation programs.

Army aviation funding, from both the aviation base budget and Comanche reprogramming, totals \$12.2 billion (fiscal year 2005–2007) and is applied in accordance with the aviation investment strategy. Retention of funding within Army aviation, combined with the commitment from senior Army leadership, the Secretary of Defense, Congress, and the President, creates the opportunity to "fix" Army aviation. The challenge is in maintaining the long term fiscal discipline necessary to fully implement the strategy.

The aviation investment strategy supports the Army Aviation Modernization Plan, included in the Army Modernization Plan, which describes the changes intended to improve Army capabilities to meet current and future full-spectrum aviation requirements. The Aviation Modernization Plan was developed based on a full

Doctrine, Organization, Training, Leadership and Education, Materiel, Personnel, and Facilities analysis that included the integration of lessons learned from recent operations.

Army aviation is moving aggressively to (1) Satisfy current and future operational capabilities; (2) Modernize the entire fleet while supporting current deployments; (3) Rapidly acquire best materiel solutions by facilitating correct and comprehensive policies; and (4) Achieve Joint interoperability, modularity and deployability through transformation.

RECEIPT OF SUPPLEMENTAL FUNDS

Question. Secretary Harvey, it would be helpful if you could explain how soon you will need the Supplemental funds requested for the Global War on Terror which were requested in mid-February. Also, could you share with the committee what impact there would be from any delay in receipt of the requested funds?

Answer. We will need the Supplemental enacted in May in order to receive the funding by early June. After this date we risk exhausting all funds from both Title IX and base programs and could face insolvency in some appropriations.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

ARMY NATIONAL GUARD END STRENGTH

Question. Secretary Harvey, the fiscal year 2007 budget funds the Army National Guard at 333,000 and not the congressionally mandated 350,000. I understand this is part of the Army's plan to transform and to modernize.

A positive aspect of your plan is that National Guards units would, for the first time, be resourced equivalent to active forces. I also understand there is a commitment from the Department to fund the Army National Guard to the strength they are able to recruit, up to 350,000.

Based on current indicators, the National Guard will exceed retention goals. In Mississippi for example, the Guard achieved 101 percent of their retention mission during a very difficult time that they were supporting the Global War on Terror and trying to deal with the terrible effects of Hurricane Katrina.

My question to you is how will the Department fund the increase in personnel when Guard recruiting and retention goals are achieved?

Answer. The Army is committed to funding the Army National Guard to 350,000 in fiscal year 2007. Cost per 1,000 National Guard Soldiers is difficult to capture based on each Soldier's varied status in the National Guard. For example, Soldiers mobilized for Operation Iraqi Freedom costs differ dramatically from a Soldier performing weekend drill on inactive duty for training. Efforts are ongoing regarding the equipment/investment (procurement) restoral, and the total amount depends on the final outcome of force structure adjustments.

EQUIPMENT READINESS

Question. Secretary Harvey, I understand that high utilization rates and extreme conditions in Iraq and Afghanistan continue to take a toll on military equipment. I have also been informed that traditionally, units returning from combat operations bring their equipment back with them. However, in order to minimize transportation costs and keep key items in the combat zone, this has not been the case relative to Iraq and Afghanistan. For example, the 155th Separate Armor Brigade from Mississippi left 370 trucks, 14 wreckers, and 20 ambulances in Iraq which impacts readiness and its ability to conduct training and homeland security missions along with responding to the Governor's call.

Are funds requested in this budget request and in the fiscal year 2006 Supplemental adequate to finance the repair and replacement of equipment damaged or destroyed during combat operations in Iraq and Afghanistan?

And do they ensure the Guard, Reserve and active units have the equipment at their home stations necessary to maintain readiness ratings, conduct training and respond to homeland security missions or natural disasters?

Answer. The key to our ability to sustain our long-term commitments at home and abroad is to reset our equipment and make near and long-term investments in a better equipped, more capable force. To achieve this, we need Congress to support our reset and investment strategies specified in our program and supplemental requests for fiscal years 2006 and 2007.

As you know, years of under-funding for the Army prior to 9/11 resulted in a \$56 billion "hole" in readiness across all three components due to insufficient modernization to fill existing shortfalls and emerging needs. That "hole" deepens due to battle

damage and operational wear and tear. We maintain sustainment stocks in theater to rapidly replace battle losses in the short-term to mitigate risk to Soldiers and operations. We also prioritize dollars and equipment to deployed units, sustainment stocks, and next-deployers to ensure deployed Soldiers have what they need to accomplish assigned missions. All of this results in lower resource levels among units across the Army that are resetting and training for homeland or global operations.

Resetting equipment through repair, recapitalization, and replacement is a wise and critical investment that provides Soldiers the equipment they need and enables the Army to accelerate its transformation to more capable units. However, reset requirement costs are over and above the normal costs to sustain the Army, and we expect the total reset bill for fiscal year 2006 to be nearly \$13.5 billion. In accordance with DOD policy and intent, we rely on Supplemental funding to pay for our reset program.

With previous Congressional help, we increased our depot production capacity for repair and recapitalization by 250 percent from where it was before the war, and we reset 37 brigade combat teams in the last two years. Many of those brigades have already returned to theater in their more capable, modular configuration. We have also increased and fenced our investment accounts for the Reserve Component to more than \$24 billion in fiscal year 2005–11.

Fiscal year 2007 will be pivotal for the Army. While the Office of the Secretary of Defense has not yet submitted a request for supplemental funding in fiscal year 2007, the anticipated funding in fiscal year 2006 and fiscal year 2007 will enable us to address reset while protecting our investment accounts. Resetting and investing will enable us to transform and provide better manned, trained, and equipped Army units for full spectrum operations in defense of the nation at home and abroad.

BASE REALIGNMENT AND CLOSURE (BRAC)

Question. Secretary Harvey, included in last year's BRAC was the decision to close the Mississippi Army Ammunition Plant (MSAAP) on Stennis Space Center. Since the facility was located on land leased from NASA, I understand the facility will be turned over to NASA. I understand NASA and the Army are in discussion concerning this transfer; however, it seems the two parties are at an impasse. I am hopeful the Ammunition Plant can be the first property transferred off the Army's rolls. Could you provide the subcommittee with an update on where the Army is in the BRAC process, to include the status of the Mississippi Army Ammunition Plant?

Answer. The Army is in discussions with NASA and plans are continuing to move the Mississippi Army Ammunition Plant back to NASA by the end of calendar year 2006.

LIGHT UTILITY HELICOPTER (LUH)

Question. Secretary Harvey, I understand the Army is in the process of selecting a commercial helicopter to fill the role of your Light Utility Helicopter to be used for non-combat missions. I congratulate you for deciding to use a helicopter that is already in production and which does not require any research and design funding. It would seem to me that this approach will save the taxpayers money and provide the Army with the needed platform in a very short period of time. Can you please highlight how that process is going?

Answer. Given that the Army chose to fulfill the LUH requirements through the acquisition of an existing commercial available FAA certified aircraft the Army was able to reduce the timeline from concept development/refinement to acquisition to less than 36 months. This enables us to fulfill our commitment to modernizing the Army National Guard with a new light utility helicopter within the next five to seven years. The LUH request for proposal was released on July 26, 2005, and the source selection activity began October 20, 2005. The competitive source selection is currently underway and the Army anticipates Milestone C and a contract award in early summer 2006.

QUESTIONS SUBMITTED BY SENATOR ARLEN SPECTER

ARMY HERITAGE AND EDUCATION CENTER

Question. In 2001, the Army decided to incorporate a facility at Carlisle that would support the Army Heritage and Education Center. The facility would serve as both as a storage and conservation facility for the Army Heritage Museum collection and would serve as a conservation facility for the collection of historic docu-

ments and photographs Army-wide. This facility was initially programmed for funding in fiscal year 2006 and according to my information is now programmed in fiscal year 2009. Could you update me on the status of the project and explain why the project keeps slipping though the design of the facility is complete and the need for the facility remains?

Answer. The Museum Support Facility was initially programmed for funding in the fiscal year 2005 Future Years Defense Program (FYDP) for fiscal year 2009 and remains in fiscal year 2009 in the current FYDP. The design is currently 95 percent complete and could be ready to advertise in approximately three months.

NATIONAL MUSEUM OF THE UNITED STATES ARMY/ARMY HERITAGE AND EDUCATION
CENTER—COMPLEMENTARY PROJECTS

Question. In November 2001, Assistant Secretary Fiori indicated that the National Museum of the United States Army and the United States Army Heritage and Education Center (AHEC) were complementary projects, not competitive and that they have different, but equally important missions. Since then, the Army has provide \$5 million to contract with the Army Historical Foundation to raise funds for the National Museum of the United States Army facility while the Army Heritage Center Foundation which is raising funds for the AHEC has received no Army funding support. In supporting the Army Historical Foundation's fundraising effort, it appears that the Army does not consider that the AHEC is equally important. You have legislative authority to enter into agreements with the Army Heritage Center foundation to support the design, construction and operation of the AHEC. The Army Heritage Center Foundation has \$10 million in matching funds from the Commonwealth of Pennsylvania to continue this project and the Foundation is ready to begin construction of the next phase of their project later this year subject to obtaining additional funds and grants. Does the Army support the mission of the Army Heritage and Education Center? Are the two facilities complimentary? What level of funding does the Army plan provide to contract with the Army Heritage Center Foundation for the continued development and expansion of the AHEC?

Answer. The Army remains totally committed to both the National Museum of the United States Army (NMUSA) at Fort Belvoir, Virginia, and the United States Army Heritage and Education Center (AHEC) at Carlisle Barracks, Pennsylvania, as equally invaluable complimentary institutions. The first round of construction on the AHEC, building an expansive, superbly designed state of the art archive, was altogether funded by the Army, ample testimony to the importance of the project to the Army. Federal funds have been identified for other aspects of the overall AHEC project, although much that remains to be built is to be built with private funds—as is also the case with the NMUSA. It is not true that the Army unilaterally distributed funds to the Army Historical Foundation to help them raise money for the Fort Belvoir site. Congress identified money for the Army Historical Foundation, and directed the Army to administer its distribution on the behalf of the federal government. We are happy to do so and would like to see a similar arrangement made for the Army Heritage Center Foundation. The Army is by law limited in the help it can offer private foundations without Congressional intervention. Both the NMUSA at Fort Belvoir and the AHEC at Carlisle Barracks are complex projects with multiple facilities to be built over time, with various mixes of federal and private funding. Those facilities to be built with federal funding are on track and reflect the Army's unwavering commitment to both the NMUSA and the AHEC. We would welcome whatever support Congress extends to both the Army Historical Foundation and the Army Heritage Center Foundation—or whatever direct support Congress allows the Army to extend.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

IMPROVISED EXPLOSIVE DEVICES

Question. One of the biggest dangers facing our troops in Iraq has been roadside explosives known as IEDs. They have disrupted our convoys and patrols, and they will likely continue to threaten the on-going rotation of troops in Iraq. The Army leads the Joint IED Defeat Task Force, which is working to find and destroy these home-made bombs.

Does the Army have the authorities it needs to get existing technologies in the hands of our troops to better detect these bombs?

If not, what authorities do you need?

What successes have you had with this task force?

How is the task force finding, testing, and deploying new technologies?

Answer. Mr. Chairman, I have asked the Director, Joint IED Defeat Organization (JIEDDO) to respond to your concerns.

SCIENCE AND TECHNOLOGY (S&T) INVESTMENTS

Question. Would you please comment on the importance of basic S&T investments for transformation?

Answer. The goal of the Army Science and Technology (S&T) program is to achieve transformational capabilities that will enable the future force while pursuing opportunities to enhance current force capabilities. The U.S. Army's single largest S&T investment focuses on enabling technologies to field the initial Future Combat Systems Brigade Combat Team and follow-on technology insertions.

Question. Does the Army have the funding it needs to invest in basic science and technology?

Answer. With the Army fully engaged in the Global War on Terror, we are challenged to satisfy the resource demands to sustain current operations while simultaneously maintaining our S&T investments in the most important technologies to enable capabilities for the future modular force. However, the Army S&T program is funded consistent with the ability to mature technologies synchronized with funding resources we are provided to execute our acquisition programs.

FUTURE COMBAT SYSTEM (FCS)

Question. Can you comment on what types of project will be tested at White Sands?

Answer. The currently approved FCS test and evaluation master plan details the categories of testing currently planned to be conducted at the U.S. Army White Sands Missile Range (WSMR). All categories of equipment and systems in the FCS program will be tested at White Sands, to include manned combat and support vehicles, unmanned ground and aerial vehicles, sensors, and networking components. Within these categories, all of the FCS Platforms/systems will be tested as individual systems and in a system of systems environment. There are also 52 complimentary programs which will also participate in FCS system of system level testing at WSMR. These include weapon systems, vehicles, sensors, and communication systems. The specific categories of testing includes: component level specialty testing utilizing WSMR unique test capabilities; field experiments, which serve as program risk reduction efforts; Spin-Out Capability Testing for the Current Forces, which will begin to integrate FCS technologies into the current force; System of System Testing for the FCS BCT; and finally, system level Integrated Qualification Testing.

Question. Do you know how much FCS testing will be conducted at White Sands?

Answer. Due to the unique size and location of White Sands, the Army envisions conducting almost all of the system-of-systems or unit level testing at White Sands ranges and the adjacent Fort Bliss ranges. This allows experimentation and testing in an environment that provides an operational setting close to that envisioned for some key employments of the FCS Brigade Combat Team (BCT). The FCS systems, system-of-systems, and BCT will be experimented with, and tested at all unit levels up to the brigade level at White Sands. Technical component system level testing will be conducted at White Sands within the construct of their capabilities, to include electromagnetics, software, and unmanned systems. This technical testing will be augmented by that conducted throughout the Army major range and test facility base infrastructure as appropriate, based on unique expertise and facilities. This testing will be conducted on a two-year integration phase cycle with increasing complexity as the FCS program matures.

Question. What does the Army need to coordinate work between Fort Bliss and White Sands Missile Range?

Answer. The development, training and testing of a FCS-equipped force is a significant task, but from a test/training event coordination perspective, it is one that is not dissimilar from other major Army exercises such as Roving Sands. These large-scale events were successful only as a result of the close communication and coordination between Fort Bliss and WSMR. With the large area of operations and its doctrinal employment, it is anticipated the fully capable FCS-equipped brigade in the SO4/initial operational test and evaluation timeframe will require the use of essentially 100 percent of the WSMR and Fort Bliss airspace and approximately 80 percent of the Fort Bliss land-space and 75 percent of the WSMR land space (in area and 100 percent in distance). Of course these are a function of the scenarios and development objectives, including disparately operating the FCS System of Systems across the required area of operations. Additionally, the FCS development will require integrated frequency management, scheduling, and ranges across WSMR and Fort Bliss, as well as portability of instrumentation test assets from WSMR and

Developmental Test Center (DTC). The WSMR and Fort Bliss have conducted regular interchanges in the past and continue to coordinate on emerging detailed requirements with an objective of establishing processes for integrated asset and operations support to the Army and the FCS development. This is simply an expansion of historical and on-going coordination and use of the combined capabilities. As an example, plans are being formulated to integrate airspace management and scheduling into the tri-service air traffic control center at WSMR to provide a regional airspace utilization operations capability for the Army (including FCS), Navy and Air Force RDT&E and training. Given all of this information and the associated coordination required, much work has already occurred between the two installations and the PM FCS (BCT) leadership. At this time, the Army does not anticipate any assistance required with coordination between the two installations and their respective organizations.

Question. What can White Sands Missile Range, Holloman Air Force Base, and New Mexico do to help the Army with FCS testing?

Answer. White Sands Missile Range can continue to support the Program Manager, FCS in the planning process and the execution of the FCS Testing in accordance with the current test and evaluation master plan. As the detailed test plans are developed, a more complete request for assistance may be provided.

Question. On a related note, what will the Army's decision to expand its presence at Fort Bliss mean in terms of growth and increased activity in New Mexico?

Answer. From a test perspective there will be a permanent presence established to support planning and resource development and coordination. The exact numbers of personnel are yet to be determined, but as indicated above, there will be personnel at WSMR by the summer of 2006. As each program test event is executed there will be a surge of effort to support, namely in personnel. These events will take place as discussed in the preceding paragraphs. Lastly, given the complexity of the FCS program and the magnitude of the test events, the surge in personnel supporting the test events will number in the 100s. With the central test control residing on WSMR and an aggressive test schedule over the next three years, it is likely this increase in personnel will provide a positive economic impact/growth to New Mexico.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

NATIONAL GUARD

Question. I fully support your goal of having a fully equipped and fully manned National Guard that is every bit as capable as its active component. Can you highlight your plan to transform the National Guard?

Answer. The Army National Guard (ARNG) is simultaneously transforming with the active component into the modular force design. This is important as it is the first step along the way to ensuring that all three components, active, Guard, and Reserve, are interoperable on the battlefield. It started with the acceleration of the ARNG's modular force conversion as approved by the Vice Chief of Staff of the Army on June 9, 2005. As approved, all brigade combat teams will complete organizational conversion by fiscal year 2008. But this action only addresses unit design and manning; it does not complete the equipping for those brigades. To make the ARNG as capable as the active component, a serious investment into its equipment modernization is required. To address longstanding equipment shortages, the Army has programmed \$21 billion from fiscal year 2005 through fiscal year 2011 for ARNG procurement to ensure that the ARNG is properly equipped to perform effectively as the Army's operational reserve. Additionally, the Army will leverage the Army Force Generation model to provide ARNG units a predictable time sequence for potential mobilization. This initiative has the benefit of focusing resources and training to ensure the readiness of those units that are scheduled for mobilization. Lastly, the restructuring of the ARNG is an important step to ensuring that the ARNG is properly manned. In the last couple of years, the Army, working with the ARNG, has eliminated its historical over-structure in order to align structure and manning within its authorized end strength of 350,000. These significant force structure adjustments and resource investments advance the Army's intent of ensuring every ARNG unit is fully equipped, fully trained, and fully manned.

SOLDIERS

Question. As I already mentioned, our troops on the ground are our focus. Can you discuss how your spiral development and fielding plan is getting new equipment and technologies to our soldiers as quickly as possible?

Answer. Nothing is more important than ensuring our Soldiers have the best equipment to accomplish their mission. The Army is adapting processes to rapidly enhance the capabilities of our units and Soldiers in the complex operational environments of Operations Iraqi Freedom and Enduring Freedom. This has the emphasis of all senior leaders and is an Army-wide, enterprise level effort.

We rapidly respond to capability requirements from the field and constantly assess and improve fielded equipment. Effective capability development is more than just inserting materiel solutions, and requires a holistic approach that includes the integration of training, sustainment, organizational, and doctrinal changes.

Army organizations have partnered to rapidly develop, assess and field capability to the force. Organizations such as the Army G3's Rapid Equipping Force, U.S. Army Training and Doctrine Command's Spiral Developments Division, U.S. Army Materiel Command's Research, Development and Engineering Command and the U.S. Army Test and Evaluation Command, have developed processes that support accelerated capability development. Other partners in this effort are the Assistant Secretary of the Army for Acquisition, Logistics and Technology; the Joint community; and Industry.

We have had successes in a number of areas particularly in the area of force protection. This has been done through the development and fielding of systems through route clearance companies consisting of vehicles such as the Buffalo and RG31, Counter-Remote-Controlled-IED Electronic Warfare systems (CREW), small robots such as PACKBOT, an Improved First Aid Kit (IFAK), an unmanned aerial vehicles and other Intelligence, Surveillance and Reconnaissance and command and control systems.

The efforts of these organizations have also produced a Counter Rocket, Artillery, Mortar (C-RAM) capability currently in use in theater, and training enhancements that ensure our Soldiers are better prepared for the asymmetric challenges in the current operational environment.

To better address the asymmetric challenges, the Army recently organized the Asymmetric Warfare Office, under the Army G3, to lead the effort in developing the necessary policy, programs, and resources to stay in front of these types of threats.

Our organizational and process changes are paying off. We are better able to quickly react to the changing battlefield, ensuring our Soldiers have the best equipment our nation can provide.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

WAR COSTS

Question. Prior to the U.S. invasion of Iraq, Pentagon officials, including Secretary Rumsfeld, estimated that the total cost of the Iraq War would not surpass \$50 to \$60 billion. As you know, to date, the cost of combat operations in Iraq has reached about \$250 billion, and that number could well surpass \$300 billion by the end of the year. Unfortunately, the Pentagon has not provided Congress any war funding estimates past fiscal year 2007.

First, in this age of rising budget deficits, can you provide this Committee any type of estimate of what level of future funding will be necessary from the Congress to appropriately pay for the costs of this ongoing war?

Answer. In the short term, we anticipate the costs of this ongoing war to remain at current levels. I cannot estimate future costs, which will be driven by the size of the coalition force in Iraq and the level and duration of the conflict. As the Iraqi forces accept increasing responsibility for the security of their country, our forces will withdraw and costs for military operations will decline accordingly. However, the Army will require funding to reset our force for an estimated two years beyond that timeframe.

Question. Why does the Administration continue to rely almost entirely on emergency supplementals to fund the war?

Answer. From the Army perspective, base budgeting requires a generally stable operational environment with predictable costs. That is not the case with our operations in Iraq. In addition, we anticipate significant changes in future funding requirements as we shift from an operational presence to resetting the force.

Question. Wouldn't you agree that the American taxpayers deserve to know up-front—through the regular base budget—the amount of money that is going to the war effort? Or do you believe it is fair to continue the reliance on this budget gimmickry?

Answer. The regular base budget provides comprehensive information on the costs to sustain America's Army across a generally stable period. The war effort is not

part of that base, but represents the added costs to fulfill our role in supporting the combatant commanders.

TRAINING OF IRAQI SECURITY FORCES

Question. Secretary of State Rice and Chairman of the Joint Chiefs of Staff, General Pace, have both suggested in recent days that it is likely that the military will drawdown troop levels sometime this year. Last fall General Casey, the top commander in Iraq, stated that a reduction in American troops would take “away an element that fuels the insurgency.” Does the Army plan to reduce its endstrength in Iraq this year? Next year?

Answer. In accordance with title 10 U.S. Code, the Army is charged with organizing, manning, training, and equipping a force capable of fulfilling current and future Secretary of Defense approved requirements of combatant commanders. Thus, the Army force scheduled to deploy in future rotations to Iraq is conditional upon periodic strategic and operational assessments from the Commander, U.S. Central Command (CENTCOM). The number and type of forces requested by the CENTCOM commander may fluctuate as the political, economic, and security conditions in Iraq and Afghanistan evolve over time.

Question. How do you think that a reduction in the number of American forces would affect the rise in sectarian violence in Iraq?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

SUBCOMMITTEE RECESS

Senator INOUE. The subcommittee will reconvene tomorrow at 10 o'clock in the morning, when we will hear from the Department of the Air Force. And, until then, we'll stand in recess. And I thank you very much.

[Whereupon, at 3:33 p.m., Tuesday, March 28, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 29.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, MARCH 29, 2006

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

The subcommittee met at 10:02 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senator Stevens, Domenici, Shelby, Burns, Inouye, Dorgan, and Feinstein.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

STATEMENTS OF:

HON. MICHAEL W. WYNNE, SECRETARY

GENERAL T. MICHAEL MOSELEY, CHIEF OF STAFF

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Well, thank you, Mr. Secretary and General, for bringing along some of the young men and women who have returned from service in the war zone. We appreciate the opportunity to have photographs taken so we can put them on the committee's web site. We're delighted to have an opportunity to listen to the Secretary of the Air Force and the Air Force Chief of Staff. I believe this is the first time you've appeared before our subcommittee.

Senator Inouye, our co-chair, is at another markup on the Indian Affairs Committee, so he will be late today.

The Air Force continues to support our Nation's forces in Iraq and Afghanistan and throughout the world, as well as remain vigilant to protect the United States in the airspace and cyberspace. The Air Force currently has more than 200,000 airmen deployed worldwide in support of the combatant commanders. In Afghanistan and Iraq, the Air Force is flying more than 200 sorties a day, providing close air support, theater airlift, intelligence support, refueling, and aeromedical evacuation of our wounded people. At the same time, you're confronted with the difficult tasks of modernization and recapitalizing the Air Force.

We note in your posture statement that the Air Force is maintaining the oldest aircraft in its history. The average age now of

an aircraft in the Air Force is 23 years. The subcommittee has begun its review of the fiscal year 2007 defense budget. In your posture statement, you state that your priorities for the Air Force are to win the global war on terror, to develop and care for our airmen, and to modernize and recapitalize the aircraft and equipment.

The budget before us requests a total now of \$105.9 billion. This is \$4.8 billion, or 4.7 percent, greater than the amount that was enacted for the current year. That's a lot of money. It's a large increase in fiscal year 2007, in this period of high deficits. However we recognize your challenges are not small, and the country is fortunate to be able to call upon your leadership for our Air Force.

Secretary Wynne, General Moseley, we're looking forward to hearing about your budget priorities and how you are positioning the Air Force for tomorrow. I want to thank you, personally, for your visit to us, telling us of some of your problems and some of your goals and how we should work together to achieve them.

We'll leave room in our record, at this point, for the statement of our co-chairman, when he arrives.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Mr. Chairman, I join you in welcoming our Air Force leaders. General Mosley, Secretary Wynne we thank you for being here today.

In your budget submission last year, the recommendations to truncate plans for the F-22 and C-130 were controversial matters that eventually were overturned.

This year you are proposing to terminate the C-17 and the second source engine for the Joint Strike Fighter. Again, gentlemen, your request is not without controversy.

We will need to understand the rationale for these proposals and your candid views on how we in the Congress should respond. We would expect that today's hearing would provide a forum to address these issues.

Mr. Secretary, I want to take this opportunity to remind everyone of the great support the Air Force is providing for Operation Noble Eagle here at home, and Operations Enduring Freedom and Iraqi Freedom overseas. As is to be expected, the media and my colleagues focus on the role played by the Army and marines on the ground, but without your support they would be a lot worse off.

Gentlemen, we appreciate all the men and women in the Air Force are doing for our Nation. We cannot be more grateful for the sacrifices that you make every day.

Mr. Chairman, I thank you for calling this hearing and I await the testimony of our witnesses.

Senator STEVENS. And I'll turn to Senator Burns for any statement he may wish to make.

STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. Thank you, Mr. Chairman. And thanks for the hearing. And welcome, Secretary Wynne and General Moseley. It's good to see you this morning.

Mr. Secretary, I applaud your efforts to redirect the Air Force to address some of the challenges that we face today. We're facing different challenges, as you well know. And, unfortunately, I believe that you've got more than a tough job ahead of you. I've looked at it every now and again, and I've said, "I certainly don't—wouldn't have your job right now," because you're trying to do a lot of things.

Many of us in Congress have seen the Air Force struggling, in these past 4 or 5 years, to find a core mission and direction. Your mission statement talks of "sovereign options." I will tell you how

that term hit me. My eyes glazed over, and then I went home and shampooed, trying to make some sense of it. Now, I don't know what a "sovereign option" is right now.

We're presently engaged in a global war. And it's a long war. It isn't a war of air dominance. And, frankly, we've never had a war of air dominance. Wars are won on the ground, as you well know. And this one has taken on a completely different character than anything we've ever faced before. Our success in Iraq and Afghanistan will be solely based on the success of those boots-on-the-ground kind of operation.

In practice, I see that—our airmen in today's Air Force are leaning forward to accomplish that mission. In contrast, the senior leadership of the Air Force seems to be detached from the reality of what this operation is all about.

The measure of every branch of the Armed Forces in this war is its ability to support the efforts on the ground. This is where I, and many others, part ways from the direction the Air Force seems to be going. The future of the Air Force is in the service to the mission on the ground. It is in support of our young corporals and sergeants engaged in the real fight. Unfortunately, it seems many of the senior leaders are reluctant to recognize that waves of Russian fighters will not be coming over the horizon anytime soon. The future of the Air Force is not the main effort of the fight, but it is that of a supporting arm.

Transporting much-needed supplies to the troops, providing air support for convoys on the ground, and getting ground commanders the imagery they need in realtime are all critical missions. And I'm concerned that the future years' budgets of the Air Force continue to shortchange those missions, which is—by their very nature, are support missions for the more glamorous missions of air dominance.

The Quadrennial Defense Review (QDR), talks of irregular, catastrophic, and disruptive threats. These are the threats we face today. These are the threats we need the focus of our Nation's treasure on addressing the future. And probably, from that statement, you said I'm concerned about several elements in the direction of which we are going.

Mr. Chairman, thank you very much. And I have a couple of very pointed questions, and then I'll put my saber back in the scabbard and move on.

Thank you.

Senator STEVENS. Thank you very much, Senator.

Mr. Secretary and General, we appreciate your statements. They'll print in the record in full, as though read, but we'll—take as much time as you wish.

I want to congratulate you on this posture statement. I've gone over that, and it's really a very good one. We appreciate the work you've put into that statement. I hope the Senate and the House will pay attention to it.

Thank you very much.

Mr. WYNNE. Thank you, Mr. Chairman, Senator Inouye.

Mr. Chairman, Senator Inouye, and members of the subcommittee, especially Senator Burns, thank you for having General Moseley and me here today to testify on behalf of America's Air

Force. We are grateful for this subcommittee's steadfast support of our Nation's airmen and their families.

I've seen our innovative and adaptable airmen—Active, Guard, and Reserve—firsthand, and I am inspired by their commitment and their patriotism. Nevertheless, as I told you back in October, our Air Force is challenged with trying to get 6 pounds into a 5-pound sack.

I have broken these challenges down into three critical components. First, personnel costs of an All Volunteer Force are accelerating because of the expanding benefits and the rising healthcare costs. Next, operations and maintenance costs continue to rise. We are experiencing unyielding second-order effects that continue to drain our top line. Simply stated, we are exhausting all of our assets at a much higher rate than we had forecast, and absorbing costs to organize, train, and equip for evolving new missions. Last, our investment accounts of acquisition and research and development face severe pressure as a result of the foregoing must-pay bills. Nevertheless, we continue to mobilize fast and creative responses to achieve the technology and interdependence required to dominate in the global war on terrorism and threats beyond.

So, where does our solution lie? With your assistance, we will responsibly attack all three challenges. To rein in personnel costs, we're using total force integration. Started in the mid-1990s, it has exposed redundancies to capitalize on what we continue to operationalize the Guard and the Reserve. "Mission first" continues to be our beacon while partnering with them. In fact, we have recently delivered the post-base realignment and closure (BRAC) phase II mission laydown, which has been cosigned by the Active, the National Guard Bureau, and the Reserve commanders.

In addition to using our people more efficiently through total force integration, we instituted Air Force Smart Operations 21, smarter and leaner operations. No process or organizational construct is immune from this Air Force-wide critical review. Efficiencies from Air Force Smart Operations 21, total force integration, and lessons learned from 15 years under fire permit an end-strength reduction of 40,000 full-time equivalents across the future years defense plan (FYDP). Using our manpower smarter is the key to retention and the key to force management.

Air Force Smart Operations 21 will also help us with our second challenge, operations and maintenance price increases. But smarter operations cannot overcome the elephant in the room. Fuel and upkeep for aircraft with decreasing military utility, aircraft with 1950s-era engines and design expose us to soaring fuel-cost prices, increased maintenance, and obsolete spares suppliers. Many planes are simply not deployable due to declining military utility.

We can harvest savings from cutting requirements, redundancies, and excess capacity in our aircraft and missile fleets. This lets me keep the force robust, while shifting resources to new missions, like Predator, Global Hawk, and Long Range Strike. I need this type of flexibility. And this is where I ask for your help. I need your help in lifting the legislative restrictions on retirements that prevent me from being the air-fleet manager that you expect me to be.

I think we have some illustrations here on the charts to our side.

Right now, these restrictions apply to nearly 15 percent of our air fleet. Continued restrictive language will not only impede the shift to new missions now, but will lead to exhausting resources on aircraft with declining military utility, and ultimately impact our technological edge for the future.

The final part of this 6-pound problem is within our investment accounts, acquisition and research and development. I reiterate my commitment to restore the Air Force to its premier status in acquisition and governance. And we continue to concentrate in this area.

The F-22A program illustrates the pressure our acquisition budget faces in the best way. Having been convinced of the goodness of maintaining a fifth-generation fighter production line until the F-35 is a proven commodity, the result called for a 2-year extension, but only four additional aircraft in the 3-year multiyear, to recover the cost of the lower volume and with the funding laid out as you see it. We recognize that this is an excursion from established procedure, and ask your support in working through this issue.

Similarly, we can't ignore our research and investment—the research and development investment stream, even while at war. Along with air dominance, space, and cyberspace, research and development investment is key to the future independent—interdependent warfight. Investment today provides the gateway to tomorrow's dominance.

In summary, personnel, operations and maintenance, and our investment accounts of acquisition and research and development are our targets. Despite 15 years of continuous combat since Operation Desert Storm, we have transformed our force like no other. With total force integration, Air Force Smart Operations 21, and your help, we will keep the title of the world's most agile and lethal air force. Our commitment is to increase the aggregate military utility across the total spectrum of operations for the joint force commander. This means modernizing, recapitalizing, and recognizing efficiencies as we manage this total force.

PREPARED STATEMENT

Thank you for your strong commitment to our Air Force and to the common defense. I look forward to your questions.

Senator STEVENS. Thank you, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL W. WYNNE

Mr. Chairman and distinguished members of the Committee, the Air Force has a rich heritage and a boundless future. The Service continues its transformation to meet the emerging challenges of a dynamic world, and to ensure the nation's security by dominating the global commons of air, space and cyberspace. The fiscal year 2007 budget takes a significant step toward that future.

We are America's Airmen. Our mission is to deliver sovereign options for the defense of the United States of America and its global interests—we fly and we fight—in air, space and cyberspace. For the past 15 years, our Air Force team has proven its mettle and skill every day. Since the days of DESERT STORM, we have been globally and continuously engaged in combat. We will continue to show the same ingenuity, courage and resolve and achieve success in our three most important challenges: winning the Global War on Terror (GWOT); developing and caring for our Airmen; and maintaining, modernizing and recapitalizing our aircraft and equipment.

In the GWOT we face vile enemies—enemies devoid of any positive vision of the future, who seek only to destroy the United States and the ideals and freedoms upon which America is built. We will win this fight. We will maintain our focus on winning this fight. While maintaining focus on winning the GWOT we will also maintain vigilance—vigilance in defense of our homeland and vigilance against emerging threats in an uncertain world.

Our expeditionary fighting forces and culture, centered on the Air and Space Expeditionary Force, provide the foundation for our operations. We will more closely align our Regular Air Force, Air National Guard and Air Force Reserve units with Total Force initiatives to enhance our overall capability. We will continue transforming to meet the challenges of a dynamic world.

We will remain focused on caring for and developing our Airmen—our most valuable resource. We will continue to look for ways to maintain and improve their training, their personal and professional development and their quality of life, so they may continue to meet the commitments of today while preparing for the challenges of tomorrow.

We are operating the oldest inventory of aircraft in our history, while maintaining the intense Operations Tempo required by the GWOT, humanitarian crises, and routine requirements. Meanwhile, competitor states are developing air and air defense systems that could threaten our ability to maintain air and space dominance. These factors drive the urgent need to modernize and recapitalize our aircraft. We must act now to preserve our Nation's freedom of action in the future. The Secretary of Defense described future threats in terms of four quadrants—traditional, irregular, catastrophic and disruptive. We must develop, acquire and maintain systems that can counter threats in any of these quadrants. We will do so by incorporating lean principles that eliminate waste while providing transparency in our processes.

Our 2006 Posture Statement outlines our plan to accomplish these goals regarding GWOT, our Airmen, and our aircraft and equipment. It reflects our commitment to good stewardship of the resources entrusted to us, and our dedication to protecting our Nation in air, space and cyberspace.

INTRODUCTION—HERITAGE TO HORIZON

Over a century ago, America crossed the threshold of powered flight and gave wings to the world. Soon military leaders realized the implications of this development, and warfare was changed forever. America was fortunate to have “Great Captains” with the vision to imagine the possibilities of air and space power—Airmen like Billy Mitchell, Frank Andrews, Hap Arnold, Ira Eaker, Jimmy Doolittle and Bennie Schriever. They have given us a proud heritage of courage, excellence and innovation. In so doing, they also give us a sense of perspective and a way to understand the Air Force's future.

They have shown us an unlimited horizon. Each of them lived in dangerous times and faced many demanding challenges. Today, we also find ourselves as a Nation and an Air Force facing similarly dangerous and demanding challenges. Some are global or national in scope; others are specific to the Air Force.

During the last decade the United States Air Force transformed to a modular expeditionary force of ten Air and Space Expeditionary Force (AEF) packages providing agile air and space power. Our Airmen have proven tremendously successful across the spectrum of operations from humanitarian efforts to Homeland Defense operations and the Global War on Terrorism. We will continue transforming to meet the challenges of a dynamic world by rebalancing the force and realigning our structure into a Total Force that meets increased demands for persistent intelligence, rapid mobility and precision strike capabilities. The AEF construct provides the ideal toolbox from which we can provide tailored, efficient and lethal air and space forces to deal with future challenges.

The Air Force faces the broadest set of mission requirements across the entire spectrum of warfare. We will bolster our Nation's ability to respond swiftly, flexibly and decisively to asymmetric, irregular and emerging threats. We have embarked on a bold, new initiative known as Air Force Smart Operations for the 21st Century (AFSO21) as a means to best allocate our resources to meet this increasing set of challenges. All of these challenges will require the very best efforts of our Airmen throughout the Total Force.

Winning the Global War on Terror (GWOT)

Our first priority is to maintain focus on winning the GWOT. We will continue to operate as part of a true Joint and Coalition team, multiplying the effectiveness of our partners to win this war. We fly and we fight—whether we're flying A-10s over Afghanistan; flying F-16s over Iraq; operating and maneuvering communications satellites in geosynchronous orbit; remotely piloting Unmanned Aerial Vehicles

(UAVs) patrolling over Baghdad; or maintaining vigilance over our Nation's homeland in an E-3 Airborne Warning and Control System (AWACS) aircraft. All Airmen, no matter what their specialty, contribute to this mission.

We must keep in mind that the GWOT is not defined by today's headlines or locations. It will be a long war, with shifting venues and constantly evolving threats. The character and capabilities of potential U.S. adversaries are increasingly uncertain, veiled, growing and changing, as both state and non-state actors acquire advanced technology and the means to either acquire or develop weapons of mass destruction (WMDs).

We can foresee serious threats posed by increasing numbers and sophistication of ballistic and cruise missiles; chemical, biological, radiological and nuclear weapons; advanced surface-to-air missiles (SAMs); and sophisticated combat aircraft. We also anticipate the real threat of potentially crippling attacks on our Nation's critical infrastructure, including space networks. Not only must we be prepared to confront known threats, but we also must be ready for unexpected, disruptive breakthroughs in technology that may undercut traditional U.S. advantages.

Maintaining a strong defense able to overcome and defeat these threats remains an imperative for our Nation. Currently, the Air Force can command the global commons of air and space and significantly influence the global commons of the sea and cyberspace; however, we cannot indefinitely maintain this advantage using the current technology of the air and space systems and equipment comprising our existing force structure.

Developing and Caring for Our Airmen

Our Regular Air Force Airmen, Air National Guardsmen, Air Force Reservists and civilians, who together form our Total Force, are building on their inheritance of courage, excellence and innovation. They are highly educated and resourceful, and have created the most lethal Air Force that has ever existed. We must continue to look for ways to maintain and improve their training, their personal and professional development and their quality of life, so that they may continue to meet the commitments of today while preparing for the challenges of tomorrow.

Airmen today are contributing to combat operations in ways never before envisioned—as convoy drivers and escorts, detainee guards and translators to give a few examples. Other Airmen routinely serve “outside the wire” as Special Tactics operators, Joint Terminal Attack Controllers and Special Operations Weather personnel. All of these Airmen must receive the proper training to survive, fight and win. We are working within the Air Force, as well as with our Joint warfighting partners, to ensure that all Airmen are fully prepared when they arrive in the combat zone.

Developing Airmen involves more than combat skills. It is a career-long process that maximizes the potential of each member of the Total Force team. We will look at every Airman as an individual and provide them with specialized training, relevant educational opportunities and appropriate assignments in order to capitalize on the talent these brave Airmen offer for this country's defense.

Every Airman is a vital national resource and must be cared for as such. In addition to providing professional opportunities for our Airmen and fostering an environment of mutual respect, the Air Force is committed to investing in health and fitness programs and facilities, world class medical access and care, and housing and morale programs for our Airmen. Our Airmen have proven themselves to be the best America has to offer—they deserve the best support available.

By ensuring that our Airmen are prepared for combat, effectively developed and properly supported, we will continue to provide our Nation with the best Air Force in the world.

Maintenance, Modernization and Recapitalization

One of our most daunting challenges is maintaining the military utility of our aircraft as reflected in mission readiness, maintenance costs and other factors. We have been actively engaged in combat for the past 15 years. We currently maintain an Air Bridge to Southwest Asia. Our state of alert for GWOT requires us to operate at an elevated and sustained operations tempo (OPSTEMPO). Increased investment and increased maintenance tempo can keep our older aircraft flying and slow their decaying military utility, but equipment age and use are unrelenting factors.

Presently, we have the oldest aircraft inventory in our history. Our aircraft are an average of over 23 years old—older in many cases than those who fly and maintain them. In particular, our inventory of tanker aircraft averages over 41 years old, and our C-130 tactical airlifters average over 25 years old. As our equipment ages, it requires more frequent maintenance and replacement of parts; meanwhile, increased OPSTEMPO accelerates wear and tear on our equipment and operational

infrastructure, exposes our equipment to extreme conditions and, in some cases, delays routine maintenance.

We must recapitalize our aircraft and operational infrastructure, as well as modernize our processes for services, support and information delivery in order to maintain the grueling pace required into the foreseeable future. We must do so in a fiscally prudent manner. This means retiring and replacing our oldest, least capable and most expensive aircraft and equipment, as well as accepting a manageable level of risk in order to selectively maintain some older systems until newer systems are on the ramp.

These newer systems will cost far less to operate and maintain and are designed to defeat emerging threats. The United States no longer enjoys a monopoly on advanced technology, and we are already witnessing the emergence of highly sophisticated systems that threaten our capability to achieve Joint Air and Space Dominance. Along with ongoing robust science and technology (S&T) programs, transformational systems such as the F-22A Raptor, F-35 Joint Strike Fighter (JSF), Space Radar (SR) and Transformational Communications Satellite (TSAT) will ensure that we maintain the ability to provide overwhelming air and space power for our Combatant Commanders.

Concurrently, the Air Force is also focusing on reforming, modernizing, and improving processes for acquisition of new systems and equipment. We will achieve greater efficiencies and higher productivity by reforming our business practices. By incorporating lean processes and transparent accounting, and reinforcing a culture of continuous improvement, the Air Force will maintain the high standards of our heritage. We will continue our tradition of transformation, realize both lethality and efficiency in our capabilities in this new century, and stand ready for the challenges of the future.

The future is what you bring with you when tomorrow comes. Our 2006 Air Force Posture Statement outlines our flight plan into the future. By focusing on winning the GWOT, maintaining the excellence and maximizing the potential of the America's Airmen, and maintaining, modernizing and recapitalizing our aircraft and equipment, we will provide Air and Space Dominance for U.S. forces well into the future.

AIR AND SPACE POWER TODAY—BUILDING ON OUR HERITAGE

Current Security Environment

The current security environment is marked by seemingly constant change and uncertainty. Our security environment is also marked by the threats posed by terrorist organizations and rogue states around the world bearing ill will toward our Nation. In times of uncertainty and heightened threat, our citizens turn to the military to defend this great Nation at home and abroad. Our Airmen stand alongside Soldiers, Sailors, Marines and Coast Guardsmen—a Joint team poised and ready to defend the Nation.

Throughout the history of American air and space power, Airmen have often faced complex challenges during times of change and uncertainty—times when our Nation's survival was at stake. In early 1945, General "Hap" Arnold reported to the Secretary of War, "our Air Force must be flexible in its basic structure and capable of successfully adapting itself to the vast changes which are bound to come in the future. Whatever its numerical size may be, it must be second to none in range and striking power." In retrospect, Hap Arnold's words were amazingly prescient.

Today our force is still second to none in range and striking power. Potential adversaries, well aware of the strength of our Air Force, seek to limit our range and striking power through development of new and emerging threat systems. These systems, coupled with the proliferation of weapons of mass destruction, form a formidable threat to the Joint Force and to our Nation.

In order to achieve victory in the GWOT and meet the challenges of emerging threats, the Air Force looks to build on the great heritage established by decades of Airmen—Airmen who have confronted daunting challenges and succeeded as vital members of the Joint warfighting team.

Global War on Terror (GWOT)

Several key elements—ideologies of hatred, vast resources, mutual support structures, as well as veiled state and private sponsorship—provide linkages across the array of enemies confronting us in the GWOT. The general terrorist threat also spans several regions of the world, often acting on a global scale. While the strategy to prosecute and win the GWOT is an enterprise necessarily involving many agencies and actions in addition to military forces, the Air Force, in particular, serves a vital role in our Nation's battle against terrorist networks.

America's Airmen have become seasoned veterans of Post-Cold War conflicts and are postured to answer any contingency or challenge on a moments' notice. The Air Force has been taking the war to America's enemies for 15 consecutive years. Our constant presence in Southwest Asia since Operation DESERT SHIELD and DESERT STORM kept regional instability in check. Airpower effectively controlled two-thirds of Iraq for over a decade, setting the conditions for Iraq's stunning military collapse in Operation IRAQI FREEDOM.

Recognizing the new reality of rapidly emerging global threats in the Post-Cold War environment, the Air Force has significantly reduced its force structure and transitioned from a Cold War legacy paradigm to a vastly more agile, responsive and scalable force structure built around the AEF concept. The AEF construct provides the Combatant Commanders and the Joint Force with the agility and lethality required to engage U.S. adversaries anywhere in the world with correctly tailored forces—all in a matter of hours to single-digit days. The AEF construct presents air and space forces in a continuous rotation cycle—currently a 20-month cycle with nominal 4-month deployments—and provides the Combatant Commands with greater capability and stability of forces in theater while providing more predictability for our Airmen.

As defined by our national leadership, the GWOT strategy seeks to reduce both the scope and capability of terrorist networks globally, regionally and locally. This strategy requires global perspective and regional focus. It also demands an ability to simultaneously conduct long-range strikes and humanitarian relief on opposite sides of the world. In order to execute effectively, the strategy requires unparalleled command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR). These are all activities our Air Force conducts for the Joint Force on a daily basis—activities critical to successfully prosecuting the GWOT.

As an essential part of the Joint team, the Air Force contributed to defeating the Taliban and eliminating Afghanistan as a safe haven for al Qaeda. While the Air Force remains actively engaged in operations in Afghanistan, our national strategy is simultaneously focused on Iraq as the central front for the war on terror. While the United States and its partners have defeated Saddam Hussein's regime of terror, the enemies of freedom—both members of the old regime and foreign terrorists who have come to Iraq—are making a desperate attempt in the name of tyranny and fascism to terrorize, destabilize and reclaim this newly-liberated nation and aspiring democracy.

The Air Force continues to lead the fight in defending the home front as well. The Air Force recently conducted an Air Force-Navy strategy conference addressing the GWOT and counterinsurgencies. The conference report forms the basis for an ongoing Air Force study to further improve the Air Force's posture for Homeland Defense. The Air Force has also taken a leadership role in developing a Concept of Operations for Joint Maritime Interdiction to defend our shores and those of our allies. In addition, Air Force aircraft maintain a 24/7 alert status in defense of the United States and its approaches, against both airborne and maritime threats.

From a global perspective, we are continually bolstering Airman-to-Airman relationships with our allies and partners to build interoperable and complementary capabilities as well as to ensure access to foreign airspace and support infrastructure. We are using training, exercises, personnel exchanges, cooperative armaments development and foreign military sales to expand and cement these vital coalitions that are essential to prosecuting the GWOT and to our future Joint air operations.

In addition, from local, regional and global perspectives, foreign internal defense is an indispensable component of successful counterinsurgency strategies. The Air Force is partnering with Special Operations Command to rapidly expand Air Force Foreign Internal Defense forces to bolster partner nations on the front lines of the GWOT.

From direct support of Special Forces, to maritime interdiction, to Global Strike, the Air Force remains prepared to engage those who would threaten our friends, our interests, or our way of life.

Emerging Threats

The threats Airmen will encounter in the coming years are changing dramatically. Adversaries are developing and fielding new ground-based air defenses, improved sensor capabilities and advanced fighter aircraft. These capabilities will increasingly challenge our legacy aircraft, sensors and weapons systems.

Advances in integrated air defense systems, to include advanced sensors, data processing and SAMs continue trends noted in the 1990s. SAM systems are incorporating faster, more accurate missiles, with multi-target capability, greater mobility and increased immunity to electronic jamming. Currently possessing ranges of over 100 nautical miles (NM), these anti-access weapons will likely achieve ranges

of over 200 NM by the end of the decade. These advanced SAMs can and will compel non-stealthy platforms to standoff beyond useful sensor and weapons ranges. Proliferation of these long-range SAMs is on the rise, with projections for 2004–2007 indicating a twofold increase over the number of advanced SAM system exports during the mid to late 1990s.

Another trend is the development and proliferation of upgrades to older, 1960/70's-era SAMs. At a fraction of the cost of a new advanced, long-range SAM, many African, Asian and Mid-East nations are looking to upgrade older SAMs to revitalize their aging air defense forces. By bringing in modern technologies, improved missile propellants and increased mobility, older SAM systems are becoming more reliable and more credible threats.

Finally, the threat from Man Portable Air Defense Systems (MANPADS) continues to grow. Large, poorly secured stockpiles of these weapons increase the chances of highly capable MANPADS ending up in the hands of an insurgent or terrorist group.

The threats from advanced fighter aircraft also continue to grow. Currently there exist 31 nations already fielding 2,500 or more airframes. Increased use of state-of-the-art radar jammers, avionics, weapons and reduced signature airframes/engines are becoming the norm in fighter design. Additionally, countries like India and China are now able to produce their own advanced fighters, thereby increasing the quantity and quality of adversary aircraft the Air Force may face in the future. By 2012, China will more than double its advanced fighter inventory to over 500 airframes, most with advanced precision-guided munitions and air-to-air weapons. Similarly, self-protection jamming suites are growing in complexity and proliferation, potentially eroding our ability to target adversary aircraft.

The threat from the development, fielding and proliferation of standoff weapons such as long-range cruise missiles will also provide potential adversaries with offensive capabilities of ever-increasing accuracy and range which, when combined with their relatively small size, presents an increasing challenge to detection and tracking.

Many nations are enhancing the utility of advanced fighters by pursuing, procuring and integrating support aircraft as force multipliers. They acquire aerial refueling tankers to extend the range of strike operations and increase on-station time for fighters. Furthermore, airborne early warning aircraft are extending the reach of many nations through datalink capabilities that provide control of fighter operations well beyond the reach of land-based radars. Several nations are also purchasing standoff jamming assets in both manned and unmanned platforms to attempt to deny our traditional sensor advantages. Unmanned Aerial Vehicles (UAVs) of all varieties are in high demand and are becoming increasingly available on today's market, providing low-cost, but highly effective reconnaissance capabilities. This situation represents a new and increasingly prolific and complex challenge on the battlefield.

Additionally, the combination of improved C4ISR with improved ballistic and cruise missile capabilities will increasingly threaten regional and expeditionary Air Force basing. China, in particular, has a growing over-the-horizon intelligence, surveillance and reconnaissance (ISR) capability from a combination of ground, air and space-based systems. Coupled with its large and growing inventory of conventionally armed theater ballistic missiles, China's increasing capabilities and reach collectively present a serious potential to adversely impact allied and Joint air and space operations across the Asian theater.

Worldwide advancements in the development, deployment and employment of foreign space and counterspace systems are challenges to U.S. Space Superiority. Adversaries, including terrorists, are more and more easily obtaining a number of increasingly sophisticated space services. Furthermore, they are developing the means to degrade U.S. space capabilities, freedom of action and access. The intent of U.S. adversaries combined with the capabilities of foreign space and counterspace systems will increasingly threaten U.S. military forces and interests worldwide.

Threat of WMD Proliferation

The threat of proliferation of WMD to countries with advanced military capabilities has changed dramatically since the end of the Cold War. India and Pakistan became overt nuclear powers in 1998, adding to their formidable conventional capabilities. North Korea claims and is assessed to have built nuclear weapons, while Iran is suspected of pursuing them; both countries face intense international pressure to halt their efforts.

Less catastrophic, but of equal concern, are chemical and biological weapons (CBW). Chem-bio WMDs can range in sophistication from World War I-vintage gases or traditional agents like anthrax, to highly advanced "fourth-generation"

chemical agents or genetically modified bacterial or viral weapons that challenge state-of-the-art defenses and countermeasures. It is much less expensive and more technologically feasible to produce CBW than it is to obtain nuclear weapons or fissile materials. Furthermore, CBW can be concealed very effectively and inexpensively, veiled under a veneer of legitimate civilian industry or “dual-use” activities.

Future adversaries, deterred from challenging the United States openly, may seek to offset U.S. warfighting advantages by developing, using or threatening to use these weapons. As such, the acquisition of WMD capabilities by terrorists/non-state actors is a grave concern. Many groups have declared their desire to pursue such a goal, and evidence is growing they are attempting to obtain the necessary financial means, weapons knowledge and necessary materials.

Air Force Contributions to OIF, OEF and ONE

Air and Space Operations in OIF and OEF

Over 26,000 Airmen are currently forward deployed in support of Combatant Commanders throughout the world. These Airmen continue to deliver key Air Force capabilities of precision engagement, rapid global mobility and information superiority to OEF and OIF missions.

Pulling from 89,000 tailored deployment teams built around specific capabilities, the Air Force has flown the preponderance of Coalition sorties in support of OIF and OEF. In Iraq, the Air Force has flown over 188,000 sorties, while in Afghanistan, Airmen have flown over 130,000. Overall, the Air Force has flown a total of over 318,000 sorties, or approximately 78 percent of the total Coalition air effort. Counted among these sorties are missions ranging from airlift and aeromedical evacuation, to close air support (CAS) missions to protect ground troops as well as provide them with precise fire support and sensor capabilities.

In 2005, Air Force fighters and bombers supporting OIF and OEF expended over 294 munitions (bombs), 90 percent of which were precision-guided, including the Joint Direct Attack Munition (JDAM). These trends represent a 10 percent increase over 2004 totals in the use of precision-guided munitions (PGMs). Our Airmen have also provided nearly all of the in-flight refueling for Joint and Coalition forces.

Leading the way in reconnaissance and imagery, the Air Force is currently flying Predator UAV missions 24 hours a day, 7 days a week. This capability will grow from 8 to 12 total orbits in 2006 to meet increased demand. Predator aircraft are able to transmit live video pictures to ground-based targeting teams equipped with the Remote Operations Video Enhanced Receiver (ROVER) system. Linking precision engagement and persistent C4ISR capabilities to forces on the ground, ROVER has been used repeatedly to detect, target and destroy improvised explosive devices (IEDs) and disrupt insurgent activities across the region. Bolstering these capabilities are Tactical Airborne Reconnaissance System (TARS) equipped F-16s flown by Air National Guard units. In recent testing, TARS has demonstrated the ability to aid in the location and destruction of IEDs.

Air Force operations in Iraq and Afghanistan also highlight the importance of space-based C4ISR capabilities to U.S. and Coalition forces. These capabilities have become integral to effective warfighting operations and include secure communications, global weather, persistent worldwide missile warning and intelligence gathering. Commanders continue to rely extensively on the all-weather precise position, navigation and timing capability provided by the Air Force's Global Positioning System (GPS) constellation, satellite communications (SATCOM) and timely observations of weather and enemy activity to conduct operations in Iraq and Afghanistan. In strikes against time-sensitive targets, nearly 40 percent of all munitions used in OIF were GPS-guided, which made them unaffected by sand storms and inclement weather. Additionally, at the senior leadership level of warfighting, the Joint Force Air and Space Component Commander's duties as the Space Coordination Authority have become critical to successful Joint planning and execution of space capabilities for Joint Forces. Holding the ultimate high ground, Air Force space professionals keep a constant vigil over a global battle space—planning, acquiring, maintaining and operating the systems that sustain our Nation's advantages in space.

Sister-services and U.S. government agencies continue to heavily rely on Air Force capabilities. Running the spectrum from logistics expertise to medical care, the Air Force is fully partnered with the Army and Marine Corps units running convoys throughout Iraq with more than 1,000 transportation, security forces and medical Airmen trained to support convoy missions.

Moreover, Air Force capabilities are saving Soldiers' lives and simultaneously reducing our required footprint in Southwest Asia. Increased use of Air Force airlift capabilities—notably the unconventional yet highly effective use of workhorse C-17s as well as C-5 aircraft to increase our intra-theater airlift capabilities in Iraq—has dramatically reduced the need, number and frequency of ground convoys along the

most dangerous roads and routes in Iraq. These capabilities and optimized theater airlift mission planning methods have also contributed to a planned reduction of the number C-130s required for OIF support.

Additionally, Air Force support personnel are taking a more active role in the direct protection of personnel and resources. In early 2005, Air Force Security Forces at Balad Air Base, Iraq, in conjunction with the Army, were assigned a sector outside the base to patrol and clear of insurgent operations. This aspect of the air base defense mission has not been seen since the Vietnam War, yet Task Force 1041 was successful in reducing attacks on Balad Air Base by 95 percent.

Airmen also worked to strengthen relationships, develop capabilities and enhance the self-reliance of Afghanistan, Iraq, and other regional GWOT partners. For example, Air Force Air Traffic Controllers helped return safety and commercial viability to Afghan airspace. At Ali Airbase, Iraq, a cadre of Air Force instructors taught Iraqi airmen how to fly and maintain their newly acquired C-130 aircraft. In Kyrgyzstan, Air Force C-130s air-dropped U.S. Army and Kyrgyz National Guard troops over a drop zone in the capital of Bishkek during a joint training exercise. Additionally, United Arab Emirates (UAE) recently acquired American-made F-16 Block-60 aircraft. This acquisition provides them with cutting edge aviation technology and a capability complementary to the UAE's new Gulf Air Warfare Center, which has become a tremendously successful training venue for our regional and global Coalition partners.

Finally, Air Force innovations in C2 technologies have allowed Airmen to seamlessly automate and integrate efforts of critical air assets. The systems baseline in use in the Falconer Air and Space Operations Center (AOC) at Al Udeid has improved automated support for the daily air tasking orders, while the capabilities of the Battle Control System-Mobile communications module reduces the number of Airmen needed at forward locations in Iraq, resulting in fewer Airmen exposed to hostile fire.

Air and Space Operations in ONE

While engaged in OEF and OIF, the Air Force simultaneously contributes to Operation NOBLE EAGLE—the defense of the homeland. Through a variety of efforts, the Air Force continues to guard the skies of our Nation from coast to coast. The Air Force's principal Homeland Defense mission is Air Defense and preserving the air sovereignty of the United States and its territories.

Since 9/11, over 41,000 fighter, aerial refueling and airborne early warning sorties have been flown in defense of the United States, while over 2,000 air patrols have responded to actual incidents and suspicious flight operations. This is a true Total Force mission, leveraging the combined capabilities of the Air Force Reserve, Air National Guard and Regular Air Force components to provide seamlessly orchestrated C2 and refueling support for fighter aircraft operating from alert sites throughout the United States.

The range, flexibility, persistence and precision inherent in U.S. air and space power provide Joint warfighters with a unique tool set for creating war-winning results with a relatively small footprint. Air and Space operations stand ready to continue providing these important resources to OIF, OEF and ONE, as well as exploring new ways to lead the way in the GWOT.

Air and Space Power—An Essential Element of the Joint Fight

Innovation is a central theme in Air Force heritage. It is a strength the Air Force lends to the overall effort to transform Joint operations into a more seamless, integrated and interdependent team effort. U.S. military performance during ongoing operations in Iraq and Afghanistan demonstrates unprecedented Joint interdependence. We've gone from struggling with C2 and coordination of air and ground forces on the battlefields of Operation DESERT STORM to demonstrating a high degree of integration among Joint and Coalition forces engaged in OIF.

Overall success of future interdependent Joint Force efforts will place greater demands on Air Force capabilities. As ground forces seek to increase their agility and speed, they will rely increasingly on air and space power to move them throughout the battlespace; provide the information needed to outmaneuver numerically superior or elusive adversaries; and deliver precise, rapid strikes across multiple, distributed operations areas. The future Joint Force concept of Seabasing, as yet another means to project power and support ground forces, further underscores the requirements for land-based air and space power. Clearly, the need for rapid mobility, persistent C4ISR and precision engagement will only increase in the future.

Concurrently, as we reduce prepared, garrisoned overseas bases in the out-years, the Air Force will increasingly operate from expeditionary air bases. The Air Force, having transformed over the past fifteen years to an AEF construct and culture,

continues to innovate and evolve with new expeditionary concepts. AEF contingency response groups (CRGs) are organized, trained and equipped to provide an initial “Open the Base” capability to Combatant Commanders. The theater CRG provides a rapid response team to assess operating location suitability and defines combat support capabilities needed to AEF operating locations. In addition, Basic Expeditionary Airfield Resources (BEAR) will provide the scalable capability necessary to open and operate any austere airbase across the spectrum of AEF contingency or humanitarian operations. BEAR will provide vital equipment, facilities and supplies necessary to beddown, support and operate AEF assets at expeditionary airbases with limited infrastructure and support facilities.

Battlefield Airmen

Airmen are increasingly engaged beyond the airbase and “outside the wire,” bringing ingenuity and technology to Joint warfighting on the ground by using advanced systems to designate targets, control aircraft, rescue personnel and gather vital meteorological data. The Air Force is optimizing this family of specialties, known as Battlefield Airmen. So far, we have identified program management, acquisition and sustainment synergies across the Combat Rescue, Combat Control, Terminal Attack Control and Special Operations Weather functional areas. Air Force personnel are an integral part of the battlespace, and we are continuously identifying and updating common training requirements for these Airmen.

We are organizing Battlefield Airmen for maximum effectiveness in the modern battlespace. In addition, we will train Battlefield Airmen in the skills required to maximize airpower and standardize that training across those Battlefield Airmen. Finally, we must equip our Battlefield Airmen with improved, standardized equipment for missions in the forward and deep battlespace. This will expand the commander’s ability to employ battlefield airpower professionals able to integrate unequaled accuracy, responsiveness, flexibility and persistence into air operations supporting Joint ground forces.

From forward positions, Joint Terminal Attack Controllers (JTACs), a subset of Battlefield Airmen, direct the action of combat aircraft engaged in CAS and other offensive air operations. Recently JTACs have become recognized across the Department of Defense (DOD) as fully qualified and authorized to perform terminal attack control in accordance with a Joint standard.

In addition to night vision equipment, JTACs carry a hardened laptop computer and multi-channel radio. We’ve significantly reduced the weight these Battlefield Airmen must carry while simultaneously providing them with greater ability to perform critical tasks such as designate targets ranging up to several kilometers away. We are striving to further decrease the weight of their gear while increasing the capabilities and interoperability of their equipment with other air, space and ground assets. This combination of technology facilitates the direct transfer of information to combat aircraft, minimizing errors in data transfer. This equipment will increase situational awareness, assist in combat identification, maximize first-attack success, shorten the kill-chain and provide better support to ground forces.

Innovative Uses of Technology

Innovation—our Air Force heritage and strength—is critical to success in defeating enemies on the battlefield as well as in defending our homeland. Each day, Airmen across the world produce military effects for the Joint team through ingenuity or with advancements in technology.

To meet U.S. Central Command’s (CENTCOM’s) urgent operational needs, the Air Force is accelerating the modification of our Sniper and LITENING Advanced Targeting Pods (ATPs) with video datalink transmitters to share information more rapidly. The high resolution images from our targeting pod TV and infrared video is generations better than the Low Altitude Navigation and Targeting Infrared for Night (LANTIRN) pods used during previous conflicts, and they provide tactical information in greater volume and relevance than ever before.

The Air Force is quickly adapting new tactics, techniques and procedures for integrating the ROVER III and ATPs into Non-Traditional Intelligence Surveillance and Reconnaissance (NTISR) missions. These include convoy escort, raid support and infrastructure protection missions in addition to traditional CAS missions. Equipped with air-ground weapons, our ATP-equipped aircraft have the flexibility to provide responsive firepower and unprecedented tactical reconnaissance, making our fighters and bombers more effective and versatile than ever.

Furthermore, some ROVER IIIs were diverted to support Disaster Relief and Humanitarian Assistance in the aftermath of Hurricanes Katrina and Rita. Instead of flying ATPs on fighter or bomber aircraft, we located video transmitters on rooftops

or attached them to helicopters to provide overhead video streams to the recovery teams equipped with ROVER III.

Predator UAV systems continue to demonstrate the Air Force penchant for innovative application of technology for fighting the GWOT. Current operations allow Airmen in Nevada to pilot and control Predators operating in the Iraq and Afghanistan theaters of operations. Increasing experience in these novel approaches to flight and mission control operations have led to revolutionary advances in the execution of military capability.

Equipped with an electro-optical, infrared, and laser designator sensor, and armed with Hellfire missiles, Predator has not only shortened the sensor-to-shooter timeline—it has allowed the sensor to become the shooter. Since 1995 Predator has amassed over 120,000 total flying hours. From January through September of 2005, Predators logged more than 30,000 flight hours, over 80 percent of which were in direct support of combat operations. In August 2005, the Predator program flew 4 aircraft controlled by a single pilot and ground control station, successfully demonstrating the Multiple Aircraft Control concept.

Complementing the Predator's capabilities, the Global Hawk is a high altitude, long endurance, Remotely Piloted Aircraft (RPA). Through the innovative use of synthetic aperture radar as well as electro-optical and infrared sensors, Global Hawk provides the Joint warfighter persistent observation of targets through night, day and adverse weather. Global Hawk collects against spot targets and surveys large geographic areas with pinpoint accuracy, providing Combatant Commanders with the most current information about enemy location, resources and personnel. The Global Hawk program is delivering production systems to the warfighter now and is in constant demand by Combatant Commanders.

Since its first flight in 1998, Global Hawk has flown over 8,000 hours—including over 4,900 combat hours and over 230 combat missions with prototype systems deployed in support of GWOT. In OIF and OEF the prototype systems have produced over 57,000 images.

The long-established ISR stalwart, the RC-135 RIVET JOINT continues to demonstrate its adaptability to a changing and evolving threat environment with the application of progressive technologies and upgrade programs.

The RC-135 RIVET JOINT continues to field improvements in tactical SIGINT capabilities and platform performance, including re-engining and avionics modernization, to support the full spectrum of combat operations and national information needs. Additionally, RIVET JOINT has become the cornerstone for airborne net-centric development. RIVET JOINT plays a key role in the Network-Centric Collaborative Targeting Advanced Concept Technology Demonstration and serves as the platform of choice for implementation of new reachback technologies to enhance national and tactical integration. Adding yet another chapter to RIVET JOINT's continuous record of support to CENTCOM since 1990, the platform flew over 550 airborne reconnaissance missions in support of OEF and OIF.

Aeromedical Evacuations

As early as 1918, the military has used aircraft to move the wounded. The Air Force continued this proud tradition with the aeromedical evacuation of over 11,000 wounded personnel from Afghanistan and Iraq. The aeromedical evacuation system has transformed to ensure the Air Force can conduct rapid and precise operations in an expeditionary environment. The placement of aeromedical crews in forward locations continues the chain of survival that starts on the battlefield with self-aid and buddy care. The chain continues through Expeditionary Medical Support hospitals, to aeromedical in-flight care and finally to stateside medical centers within as little as 72 hours. Expeditionary aeromedical operations reduce the necessity and large footprint of theater medical assets and conserve valuable health care resources.

The force mix of aeromedical evacuation crewmembers consists of 12 percent Regular Air Force and 88 percent Air Reserve Component. This use of the Total Force was best demonstrated in the fall of 2005 during the swift aeromedical evacuation of over 3,800 sick and elderly people threatened by Hurricanes Katrina and Rita.

As modern medicine evolves, the aeromedical system continues to adapt to meet future challenges. The Air Force continues to lean forward by looking at future threats such as biological warfare. We are leading the way in the development of a litter transportable patient isolation unit for the movement of contaminated patients. The aeromedical evacuation system demonstrates the Air Force's commitment to providing the best capabilities to the Joint team and our Coalition partners.

Adaptive Airmen: Airmen Filling Non-traditional Roles

Presently, Airmen are meeting the challenges of filling CENTCOM shortfalls in several critical roles which are non-traditional for Airmen, including Convoy Support, Detainee Operations, Protective Service details, Law and Order Detachments, Military Transition Teams and Provincial Reconstitution Teams.

Detainee Operations and Convoy Support are our most heavily supported missions. Airmen attend training at Fort Lewis, WA or Fort Dix, NJ where they learn the fundamentals of detainee security, handling and interaction. At the conclusion of this training, Airmen move forward to a detainee facility in theater and receive additional on site training. Airmen provide Convoy Support in the form of heavy weapons teams supporting long haul convoy operations. These Airmen attend heavy weapons training followed by a convoy-training course. From that training platform, Airmen deploy forward to support theater operations.

Air Force intelligence personnel are also fulfilling non-standard, unconventional roles as members of the Joint team. Air Force intelligence analysts attend the Enhanced Analyst and Interrogation Training Course at Fort Huachuca, AZ, where they learn to provide analytical support for interrogations. At the conclusion of this training, intelligence personnel deploy forward as part of the interrogator teams to Joint Interrogation Detention Centers in Southwest Asia.

Law and Order Detachments provide vital Joint support missions throughout the Area of Operations. In this capacity, Air Force security forces personnel provide garrison law enforcement and security. Never routine, these missions occasionally support operations outside the confines of an installation.

Military Transition Teams are comprised of specially trained personnel who work within the organizations of indigenous forces. They are responsible for training these forces to support and sustain themselves without the assistance of advisors. Provincial Reconstruction Teams are organizations that move into a different region within the Area of Operations and provide additional support, training and sustainment.

With the exception of the Law and Order Detachments, none of these missions fall within the traditional skill mix of Air Force Security Forces. Additional training varies from one to five months, and deployments are normally longer than the standard 120-day deployment. We are understandably proud of the outstanding adaptability and professionalism with which our Airmen have filled the shortfalls in required skillsets on the Joint roster and accomplished these non-traditional yet critical missions on behalf of the Joint team.

Other Operations

In addition to our major contingencies and defense of the homeland, the Air Force remains engaged in numerous other operations around the world ranging from humanitarian relief and disaster response to maintaining our strategic nuclear forces and space assets. The presence of forward deployed forces is just the leading edge of a greater effort representing the totality of Air Force daily support to the Combatant Commanders.

Humanitarian and Disaster Relief Operations

In December 2004, nearly sixty years after the great Berlin Airlift of 1948–1949, the Air Force, while fully engaged in operations in Afghanistan and Iraq, once again answered the call for help in the wake of the tsunami that devastated Indonesia and South Asia—one of the worst natural disasters in history. Our Airmen responded immediately, and in the course of the first 47 days following the disaster led an allied effort that airlifted over 24 million pounds of relief supplies and over 8,000 people. The entire world witnessed the absolute best of America at work—agility, strength, resolve and compassion—just as it had witnessed nearly 60 years before.

At home, the Air Force leveraged the agility, scalability and responsiveness inherent in our AEF structure and culture to speed support to civil authorities for Hurricanes Katrina and Rita. Hurricane Katrina devastated an entire region of the southern United States. While destruction of infrastructure stifled ground transportation, Airmen continued to reach flooded areas and bring relief. The Air Force flew over 5,000 sorties, airlifting more than 30,000 passengers and 16,000 tons of cargo and accomplishing 5,500 search and rescue saves. Additionally, Air Force operations were a Total Force effort, incorporating Guard and Reserve capabilities into airlift and rescue operations as well as into the establishment of state-of-the-art medical facilities that treated over 17,000 patients.

Air Force support during Hurricane Katrina and Rita recovery operations illustrated how persistent C4ISR can integrate with other agencies and proved critical to supporting U.S. Northern Command (NORTHCOM) and the Department of

Homeland Security during civil support operations. Our airborne reconnaissance platforms, ranging from C-130s to U-2s, combined with military satellite communications (MILSATCOM) capabilities like the Global Broadcast Service (GBS), provided detailed imagery critical for decision makers and aided in directing relief efforts to the worst hit areas.

Additionally, our civilian auxiliary, the Civil Air Patrol (CAP) provided capability to NORTHCOM, federal agencies and state and local governments during all phases of the hurricane rescue and relief efforts. The CAP provided nearly 2,000 hours of air and ground search and rescue, airborne reconnaissance and air transport of key personnel. The CAP leveraged the skills and vigilance of 60,000 non-paid volunteers in over 1,700 units to bolster the Nation's defense during these national crises.

Future natural disasters and relief operations will likely be similar to those faced by the United States over the past year. Major populations requiring immense support are often isolated from the infrastructure that is their lifeline. Airpower provides the capability to overcome terrestrial obstacles and deliver aid directly to those in need. Always seeking new ways to innovate and improve, the Air Force will continue its ongoing transition to a force with unprecedented capability for civil support and Homeland Defense.

Maintaining Our Nuclear Deterrent

The DOD's new strategy of employing a capability-based approach vs. threat-based approach to planning led to the ongoing transformation of the existing triad of U.S. strategic nuclear forces, consisting of intercontinental and sea-launched ballistic missiles and bomber aircraft armed with cruise missiles and gravity weapons, into a New Triad composed of a diverse portfolio of systems. Elements of the New Triad will include nuclear and non-nuclear strike capabilities, active and passive defenses, and robust research and development programs and industrial infrastructure for developing, building, and maintaining offensive and defensive weapon systems. Maintaining our traditional nuclear strategic forces is a key capability in an effective New Triad.

National Security Presidential Directives outline the future force structure and requirements for U.S. nuclear forces. To meet National Military Strategy, Nuclear Posture Review and the Moscow Treaty requirements, near-term capability and sustainment improvements must be made to the legacy forces while development and procurement of follow-on systems proceed. These efforts will enable Air Force nuclear forces to continue to provide critical capabilities to policy makers. The nuclear forces will dissuade current and potential adversaries from pursuing policies or military initiatives that are unfavorable to our interests or those of our allies.

Our Intercontinental Ballistic Missiles (ICBMs) and cruise missiles are poised to decisively defeat an adversary if deterrence fails. The cruise missile inventory, both Air Launched Cruise Missile and Advanced Cruise Missile, is being upgraded through a Service Life Extension Program (SLEP) to maintain a viable and flexible bomber-delivered weapon. Additionally, the Department of Energy is conducting a SLEP on the cruise missile warhead.

The Air Force is committed to the New Triad and the associated nuclear C2 systems. To provide survivable strategic communications, the Air Force fielded and currently operates the Milstar SATCOM system. We are preparing to field the next generation Advanced EHF SATCOM system to replace it, as well as a single terminal to provide reliable, redundant and secure radio and satellite communication links with Minuteman ICBM forces. The Air Force recognizes the importance of the Nation's nuclear C2 resources and will continue to pursue the New Triad strategy for our strategic systems to ensure they are always ready to respond to the direction of our national leaders.

Space Support for Operations

The United States depends upon the Air Force to supply critical space capabilities to meet the needs of Joint operations worldwide, and also the needs of national missions across the instruments of diplomatic, informational, military and economic power. The National Security Strategy commits us to assuring allies, dissuading military competition, deterring threats and decisively defeating adversaries. The robust space capabilities our Airmen provide and maintain will continue to ensure our Nation's goals are met.

As the DOD Executive Agent for Space, the Under Secretary of the Air Force released a coordinated National Protection Framework in 2005. This framework will aid senior decision makers by stating how space systems will be expected to operate during and following an intentional attack. The framework supports senior leaders in creating a Total Force solution across the national security space community. Air Force satellite communications will ensure our Nation's leaders can communicate

globally through times of crisis while providing warfighters instant access to information. As evidenced by the hurricanes in the Gulf of Mexico, space environmental monitoring has become essential in saving lives and property as well as ensuring ground, sea and air forces prepare effectively for weather impacts.

In support of worldwide military operations, the Air Force launched eight DOD and National satellite systems in 2005 from Air Force-managed and maintained launch ranges at Cape Canaveral Air Force Station, Florida and Vandenberg Air Force Base, California. That number is expected to increase to 13 in 2006 as the Evolved Expendable Launch Vehicle (EELV) program takes over as the foundation for U.S. assured access to space.

We have seen the first challenges to U.S. advantages gained from space assets. During OIF, the Iraqis employed GPS jammers in an attempt to reduce the precision of U.S. and allied strikes. We defeated this threat through a variety of methods including space system design, munitions design and tactics development to operate in a GPS-hostile environment. As technology develops and becomes available to more countries, organizations and individuals, new types of threats to space capabilities will emerge. Preparation now using non-materiel and materiel solutions to address the variety of potential realistic threats will lead to continued success in the battlespace.

Comprehensive space situation awareness (SSA) and defensive and offensive counterspace capabilities are the foundational elements of our Space Superiority efforts. Enhanced ground-based and new space-based SSA assets will provide the necessary information to gain and maintain space superiority. With respect to defensive counterspace, we maintain a diversified ground-based C2 network, and we are developing increased protection for our satellites and space-based services to ensure the vital capabilities they provide are available when needed. We also recently fielded the Counter-Communications System to deny these same services to our adversaries. A well-balanced, multi-tiered architecture enables execution of a robust, effective space superiority strategy.

Even as the first challenges to our Space Superiority have arisen, the Air Force is already working toward responses to the next set of potential challenges. First, the United States would like to deter potential adversaries from attacking or exploiting our space capabilities. To accomplish this objective, worldwide space operations must be monitored, assessed and understood. SSA involves those capabilities that allow the interagency and Joint communities to find, fix, track, characterize and assess space operations on orbit and inside the various Combatant Commanders' areas of responsibility. SSA capabilities will allow the Air Force or other members of the Joint community to target, if necessary, our adversaries' space capabilities. As part of the C2 process, we will evaluate options ranging from diplomatic to economic to military actions to determine the best flexible option to achieve the desired outcome. By understanding how friendly and hostile actors are leveraging these space capabilities in their operations, senior decision makers can deter potential adversaries while preventing unnecessary escalation and allowing for a range of response options to meet national objectives.

The Air Force will protect space capabilities vital to the success of the Joint Force and the defense and prosperity of our great Nation. Some defensive measures will be integrated into new satellite designs. Other space systems, such as the Rapid Attack Identification Detection and Reporting System (RAIDRS) will be specifically designed to conduct defensive operations. We are also leaning forward on the development of new tactics, techniques and procedures to mitigate potential threats to Air Force space systems. Furthermore, experimentation has aided us immensely by facilitating risk reduction and providing interim defensive capabilities today—RAIDRS is an excellent example. The Air Force developed a prototype RAIDRS and demonstrated the capabilities of the system during Joint Expeditionary Force Experiment 2004 (JEFX 04). The inclusion of this prototype laid the groundwork for both tactics development and for design improvements for future development programs. As a result of JEFX 04, CENTCOM requested this prototype to support real-time Joint operations in theater. The results and lessons of this operational employment will certainly shape future capabilities by improving our understanding and providing further opportunities for innovation.

AIR AND SPACE POWER FOR TOMORROW—AIMING FOR THE UNLIMITED HORIZON

Priorities

Developing and Caring for Our Airmen

Force Shaping.—For the past 18 months, the Air Force has reduced our active duty end strength to Congressionally authorized levels taking action to relieve some of our most stressed career fields. The 2004–2005 Force Shaping Program allowed

officers and enlisted personnel to separate from active duty service earlier than they would otherwise have been eligible. In addition to voluntary force shaping measures, the Air Force significantly reduced enlisted accessions in 2005 to help meet our Congressional mandate.

While the Air Force met our 2005 end strength requirement, we began 2006 with a force imbalance: a shortage of enlisted personnel and an excess of officer personnel, principally among those officers commissioned from 2000 to 2004. This imbalance created several unacceptable operational and budgetary impacts. Consequently, the Air Force took several actions to ensure our force is correctly sized and shaped to meet future challenges and to reduce unprogrammed military pay costs. First, we increased our enlisted accession target for 2006 to address the enlisted imbalance. Second, we continued to encourage qualified officers, especially those commissioned in 2000 and later, to consider voluntary options to accept service in the Air National Guard, Air Force Reserve, civil service, or as an inter-service transfer to the Army.

Additionally, we are institutionalizing the force shaping authority granted in the 2005 National Defense Authorization Act to restructure our junior officer force. Only after exhausting all efforts to reduce officer end strength by voluntary means, the Air Force will convene a Force Shaping Board in 2006 to consider the performance and potential of all eligible officers commissioned in 2002 and 2003. This board will be held annually thereafter, as required, to properly shape and manage the officer corps to meet the emerging needs of the Air Force. Essentially, the Force Shaping Board will select officers for continued service in our Air Force. Current projections indicate that we need about 7,800 of these eligible officers (2002 and 2003 year groups) to continue on active duty. Approximately 1,900 officers will be subject to the force reduction. Exercising this authority is difficult, but our guiding principle is simple—we must manage our force to ensure the Air Force is properly sized, shaped and organized to meet the global challenges of today and tomorrow.

Balancing the Total Force.—In addition to maintaining and shaping the active duty force, we must continue to focus on the balance of forces and specialties between Regular, Air National Guard and Reserve components—the Total Force. We are diligently examining the capabilities we need to provide to the warfighter and to operate and train at home. We continue to realign manpower to our most stressed areas and are watchful for any new areas that show signs of strain.

As we look to the future in implementing Base Realignment and Closure (BRAC) and Quadrennial Defense Review (QDR) decisions, we must ensure a seamless transition to new structures and missions while preserving the unique capabilities resident in our Regular Air Force, Air National Guard and Reserve communities. Examining functions for Competitive Sourcing opportunities or conversion to civilian performance will continue to be one of our many tools for striking the correct balance of missions across the Total Force.

Force Development.—The Air Force's Force Development construct is a Total Force initiative that develops officers, enlisted and civilians from the Regular Air Force, the Air National Guard and the Air Force Reserve. The fundamental purpose of force development is to produce leaders at all levels with the right capabilities to meet the Air Force's operational needs by leveraging deliberate training, education and experience opportunities.

The Air Force Personnel Center created a division dedicated to supporting corporate and career field development team needs. Development teams have now been incorporated into the officer assignment process and they now guide assignment of all officer career fields. Additionally, development teams recommend officers for special selection boards and developmental education opportunities.

The Air Force is also deliberately developing our enlisted Airmen through a combined series of educational and training opportunities. We are exploring new and exciting avenues to expand our process beyond the current system in place today. Each tier of the enlisted force will see changes to enlisted development. Airmen (E-1 to E-4) will be introduced to the enlisted development plan, increasing their knowledge and solidifying future tactical leadership roles. The noncommissioned officer (NCO) tier will be encouraged and identified to explore career-broadening experiences and continuing with developmental education. Our Senior NCO tier will see the most dramatic changes as we explore the use of development teams in conjunction with assignment teams to give career vectoring and strategic level assignments. Institutionalizing the practice of development as a part of enlisted Air Force culture is paramount for supervisors, commanders and senior leaders.

On the civilian side, the Air Force is making significant progress in civilian force development as we align policy, processes and systems to deliberately develop and manage our civilian workforce. We have identified and mapped over 97 percent of all Air Force civilian positions to career fields and have 15 Career Field Manage-

ment Teams in place with three additional management teams forming this year. Additionally, we manage various civilian developmental opportunities and programs, with our career-broadening program providing several centrally funded positions, specifically tailored to provide career-broadening opportunities and professionally enriching experiences.

Recruiting/Retention.—After intentionally reducing total accessions in 2005, the Air Force is working to get the right mix of officer and enlisted Airmen as we move to a leaner, more lethal and more agile force. We will align the respective ranks to get the right person, in the right job, at the right time to meet the Air Force mission requirements in support of the GWOT, the Joint Force and the Air Force's expeditionary posture.

A key element for success is our ability to continue to offer bonuses and incentives where we have traditionally experienced shortfalls. Congressional support for these programs, along with increases in pay and benefits and quality-of-life initiatives, has greatly helped us retain the skilled Airmen we need to defend our Nation.

Personnel Services Delivery.—To achieve the Secretary of Defense's objective to shift resources "from bureaucracy to battlefield," we are overhauling Air Force personnel services. Our Personnel Services Delivery initiative dramatically modernizes the processes, organizations and technologies through which the Air Force supports our Airmen and their commanders.

Our goal is to deliver higher-quality personnel services with greater access, speed, accuracy, reliability and efficiency. The Air Force has been able to program the resulting manpower savings to other compelling needs over the next six years. This initiative enhances our ability to acquire, train, educate, deliver, employ and empower Airmen with the needed skills, knowledge and experience to accomplish Air Force missions.

National Security Personnel System (NSPS).—Our civilian workforce will undergo a significant transformation with implementation of the DOD NSPS. NSPS is a simplified and more flexible civilian personnel management system that will improve the way we hire, assign, compensate and reward our civilian employees. This modern and agile management system will be responsive to the national security environment, preserve employee protections and benefits, and maintain the core values of the civil service.

NSPS design and development has been a broad-based, participative process to include employees, supervisors and managers, unions, employee advocacy groups and various public interest groups. We plan to implement these human resource and performance management provisions in three phases called "spirals." The first spiral will include approximately 89,000 General Schedule and Acquisition Demonstration Project civilian employees in the Air Force. NSPS is the most comprehensive new federal personnel management system in more than 50 years, and it's a key component in the DOD's achievement of a performance-based, results-oriented Total Force.

Caring for Airmen.—Combat capability begins and ends with healthy, motivated, trained and equipped Airmen. We must remain committed to providing our entire Air Force team with world class programs, facilities and morale-enhancing activities. Our "Fit to Fight" program ensures Airmen remain ready to execute our expeditionary mission at a moment's notice, and our food service operations further complement an Air Force healthy lifestyle.

Through various investment strategies in both dormitories and military family housing, we are providing superior living spaces for our single Airmen and quality, affordable homes for our Airmen who support families. Our focus on providing quality childcare facilities and programs, on and off installations, enables our people to stay focused on the mission, confident that their children are receiving affordable, quality care. The Air Force is a family, and our clubs and recreation programs foster and strengthen those community bonds, promoting high morale and an esprit de corps vital to all our endeavors.

Additionally, we are equally committed to ensuring that all Airmen in every mission area operate with infrastructure that is modern, safe and efficient, no matter what the mission entails—from Depot Recapitalization to the bed down of new weapon systems. Moreover, we must ensure Airmen worldwide have the world class training, tools and developmental opportunities that best posture them to perform with excellence. We also continually strive to provide opportunities and support services that further enable them to serve their Nation in a way that leaves them personally fulfilled, contributes to family health, and provides America with a more stable, retained and capable fighting force.

Housing and Military Construction [MILCON].—One of the highlights in our emphasis on developing Airmen is our focus on housing investment. Through military construction and housing privatization, we are providing quality homes faster than ever before. Over the next two years, the Air Force will renovate or replace more

than 49,000 homes through privatization. At the same time, we will renovate or replace an additional 10,000 homes through military construction.

Investment in dormitories continues to accelerate in order to provide superior housing to our unaccompanied members—evidenced by nearly 8,600 dormitory rooms programmed for funding over the next six years. Approximately 75 percent of these initiatives will rectify currently inadequate dormitory conditions for permanent party members. Our new “Dorms-4-Airmen” standard is a concept designed to increase camaraderie, social interaction and accountability by providing four single occupancy bedroom/bathrooms with a common kitchen and living area in each module. Finally, the remaining dormitory program initiates modernization of inadequate “pipeline” dormitories—those dormitories that house young enlisted students during their initial technical training.

The Air Force has taken risk in facility and MILCON funding in order to support modernization and transformation. However, we continue to fund our most critical requirements to include new mission projects, depot transformation, dormitories, fitness centers and child care centers. The Air Force is committed to improving its infrastructure investment by meeting the DOD’s recapitalization goal through the Future Year’s Defense Plan [FYDP].

Sustain, Restore, And Modernize Our Infrastructure.—In order to maintain readiness, your Air Force remains committed to sustaining, restoring, and modernizing our infrastructure. Central to that commitment is our focus on both preserving our existing investment in facilities and infrastructure as well as optimizing our limited Restoration and Modernization (R&M) funding to fix critical facility deficiencies that impact our readiness. With the increased OPTEMPO of GWOT, these efforts are more important than ever.

Our sustainment program maximizes the life of our infrastructure and preserves our existing investment. With proper sustainment, we will prevent our infrastructure from wearing out under the strain of increased operations and activities. In addition, Commanders in the field use O&M accounts to address facility requirements that directly impact mission capabilities.

When facilities require restoration or modernization, we use a balanced program of O&M and MILCON funding to make them “mission ready.” Unfortunately, restoration and modernization requirements in past years have exceeded available O&M funding, forcing us to defer much-needed work. It is critical for us to steadily increase our R&M investment in order to halt the growth of this backlog. Simultaneously, it is important that we fully fund our sustainment efforts in order to maximize the life of our good infrastructure. The Air Force Total Force sustainment funding for fiscal year 2007 carefully balances infrastructure sustainment, R&M and MILCON programs to make the most effective use of available funding in support of the Air Force mission.

We must avoid separating the Sustainment, Restoration and Modernization (SRM) account from the Operations and Maintenance (O&M) appropriation. In past years, all O&M was funded from the Defense Appropriation. Commanders are afforded the necessary flexibility to effectively manage budget shortfalls and unexpected requirements such as utility rate increases, natural disasters, infrastructure failures, or mission-driven requirements. Without legislation that would permit the movement of funds between all O&M accounts, Commanders would face serious challenges addressing these emergent requirements.

Basic Allowance For Housing [BAH].—We must also avoid migration of BAH out of the Defense Appropriation Bill. Should emergent requirements create shortfalls during the year of execution, commanders will be unable to address them. Our hands will be tied. The Services will no longer have the ability to flexibly use the Military Personnel account. Furthermore, the Committee will have to create a new mechanism to ensure our Airmen are paid the housing allowance to which they are entitled.

Common Airman Culture.—An Airman Culture manifests the totality of our commonly transmitted behaviors, patterns and beliefs. Our Air Force clearly recognizes the relationship between mission capabilities and our Air Force Core Values. Integrity, Excellence and Service, remain critical guideposts to every Airman’s personal and professional flight path. Principles of dignity, self-worth, respect and diversity are firmly embedded elements of these values. Together, our Core Values are reflected in every Airman’s pride, dedication to mission, subordination of their own needs for those of their wingman, and devotion to duty and this great Nation. In this past year, we have made significant strides in our efforts to promote, reinforce and inculcate our Core Values across the Air Force and throughout the Total Force team—including our Regular, Guard, Reserve, Civilian and Contractor teammates. We expect and accept no less from everyone on the Air Force team.

Certain behaviors are absolutely incongruous with the Common Airman Culture and our Core Values. Among these is sexual assault. The Air Force has created the Sexual Assault Prevention and Response Program to ensure every Airman is provided the respect and dignity they deserve as their Nation's Air and Space warfighters. We have trained and fielded Sexual Assault Response Coordinators and Victim Advocates to ensure every Airman has access to immediate assistance, should it be required. We are rewriting our education and training curricula at every level to ensure Airmen understand how these crimes occur, how they are often unwittingly facilitated by bystanders and third-party witnesses and how we can better take care of our people by preventing sexual assault crimes from occurring to them, their wingmen, friends and family members.

Reflecting our belief that diversity adds strength to our organization, the Air Force has accepted the challenge to "create a diverse and an inclusive Total Force which reflects and leverages the talents of the American people to maximize the Air Force's combat capabilities." We created The Office of Air Force Strategic Diversity Integration in the summer of 2005 to lead the Air Force's Diversity efforts. This office provides leadership guidance and strategic support for the understanding, furtherance and advantage of diversity within the ranks of the Air Force.

Inherent in our Common Airman Culture is a belief in professional and personal dignity and a deep respect for individual religious beliefs. The protection of every Airman's freedom of religion, while also defending the Constitutional prohibition on official establishment of religion, is an area of significant emphasis. As Airmen, we take an oath to support and defend the Constitution. In that endeavor, we are striving to assist Air Force personnel, in the course of their official duties, to meet and balance their multiple Constitutional obligations and personal freedoms, regarding the free exercise of religion, avoidance of government establishment of religion, and defense of the Nation. This is an area of national debate. The balancing of these foundational American principles demands common sense, good judgment and respect for each Airman's right to hold to their own individual personal beliefs.

We also recognize our Airmen must have the ability to interact with coalition partners and local communities at home and abroad, and the Air Force is transforming how it engages friends and partners in the expeditionary environment. Operations in this dynamic setting necessitate extensive international insight to work effectively with existing and emerging coalition partners in a wide variety of activities. Through the AF International Affairs Specialist program, we are developing leaders who are regional experts with foreign language proficiency. Our focus is on building a cadre of officers with the skills needed to foster effective relationships with global partners in support of the Combatant Commanders and U.S. global interests.

Over the next year, the Air Force will continue to vigorously reinforce our Common Airmen Culture, our belief in professional and personal dignity and most importantly our enduring Core Values of Integrity First, Service Before Self and Excellence in All We Do.

Training at Keesler AFB Following Hurricane Katrina.—In August 2005, Hurricane Katrina struck the Gulf Coast of the United States. Keesler Air Force Base (AFB), Mississippi lay in its direct path. The Air Force is attempting to rapidly reestablish Keesler's critical training missions. Of 56 enlisted initial skills training "pipelines," 90 percent have already resumed operation. Additional pipelines have been temporarily reestablished at other locations. Significant challenges remain ahead, but training and developing our expeditionary Airmen remains one of our highest priorities. We take exceptional pride in the work our Airmen have done, and continue to do, in restoring Keesler AFB's training capability.

Maintenance, Modernization and Recapitalization

Our Airmen are the best in the world. However, they can only be as effective as the tools we give them. Within today's fiscal constraints, we must fight the GWOT and protect the homeland while transforming the force and maintaining an appropriate level of risk. The Air Force is committed to the modernization and recapitalization necessary to maintain the health of the force and bridge our current capabilities to systems and capabilities required in the future.

Aircraft.—Our primary fighter modernization and recapitalization program is the F-22A Raptor. The F-22A is a 5th generation fighter aircraft that delivers Joint Air Dominance to counter persistent and emerging national security challenges. Given its vast improvements in every aspect—air-to-air, air-to-ground, all-aspect stealth, and an open, adaptable architecture—the F-22A is an insurance policy against future threats to Joint Air Dominance and represents the absolute best value for the American taxpayer. The F-22A is the only fighter currently produced that will de-

feat conceivable threats to Joint Air Dominance in anti-access environments over the next 20–30 years.

The F–22A is flying today and is in full rate production. Its performance continues to meet or exceed key performance parameters and spiral modernization will enhance its air-to-air and air-to-ground target engagement capability.

The F–35 Joint Strike Fighter (JSF), also a 5th generation fighter, will complement the tremendous capabilities of the F–22A. The JSF will recapitalize combat capabilities currently provided by the F–16 and A–10. Optimized for all-weather performance, JSF will specifically provide affordable precision engagement and global attack capabilities. In 2005, the JSF program continued to address design challenges to develop three aircraft variants and coordinate the requirements of the Air Force, Navy and Marines, along with our international partners.

The C–17 continues to be a success story for the Joint warfighter, deploying troops and cargo to Iraq and Afghanistan, as well as numerous locations around the world. The Air Force is on schedule for delivery of the next 40 aircraft through 2008—for a total of 180. During the past year, C–17s flew over 63,000 sorties, bringing the total number of OEF and OIF missions to over 109,000. Additionally, the C–17 flew over 100 humanitarian and disaster relief missions following Hurricanes Katrina and Rita, as well as the October 2005 earthquake in Pakistan. The C–17, in concert with C–5 modernization programs, is critical to meeting our U.S. inter-theater airlift requirements.

To meet continuing intra-theater airlift demands, we have a two-pronged approach to modernize our C–130s. First, but most problematic, we are striving to replace our oldest aircraft with new C–130Js. Second, the remaining C–130s are being standardized and modernized via the C–130 Avionics Modernization Program and center-wing box replacement programs. C–130s have been the workhorse for intra-theater airlift during numerous contingencies. C–130Js have supported GWOT and humanitarian operations since December 2004 and have proven to be a force enhancer as they deliver more cargo in a shorter time than older C–130s. C–130 modernization, coupled with the wing-box modification, reduces operation and sustainment costs and improves combat capability.

The Air Force is developing the next generation combat search and rescue (CSAR) recovery vehicle, called CSAR–X. We are planning to replace the current and aging CSAR inventory of “low-density, high-demand” (LD/HD) HH–60G Pave Hawk helicopters with 141 CSAR–X aircraft. The CSAR–X will address deficiencies of the current HH–60G by providing increased capabilities in speed, range, survivability, cabin size and high altitude hover operations. The CSAR–X will provide personnel recovery forces with a medium-lift vertical take-off and landing aircraft that is quickly deployable and capable of main base and austere location operations for worldwide recovery missions. The CSAR–X will be capable of operating day or night, during adverse weather conditions, and in all environments including Nuclear, Biological and Chemical conditions. On-board defensive capabilities will permit the CSAR–X to operate in an increased threat environment, and in-flight refueling capability will provide an airborne alert capability and extend its combat mission range.

UAVs.—UAVs are demonstrating their combat value in the GWOT. The Air Force rapidly delivered operational UAV capabilities to the Joint warfighter and is continuing to mature and enhance those capabilities.

Predator is transforming the way we fight, providing a persistent ISR, target acquisition and strike capability against critical time sensitive targets (TSTs) in direct response to warfighters’ needs. Today, by controlling combat operations remotely from the United States, Predator provides a truly revolutionary leap in how we provide persistent military capability to the warfighter.

The Air Force will continue to enhance Predator’s ability to support the Joint warfighter. We are developing the ability to operate multiple aircraft by a single pilot, which will increase our overall combat effectiveness. We demonstrated this capability in August 2005. We are also developing and deploying the Predator B, a larger, more capable, more lethal variant. In its role as a “hunter-killer,” Predator B will be capable of automatically finding, fixing, tracking and rapidly prosecuting critical emerging TSTs.

Global Hawk is a high-altitude, long endurance RPA providing robust surveillance and reconnaissance capabilities. Despite being a developmental prototype system, Global Hawk has flown over 4,900 combat hours. This year the Air Force moved beyond the proven capability of the Global Hawk prototypes by deploying two production aircraft to support GWOT operations.

Airborne ISR.—E–8C Joint Surveillance Target Attack Radar System (J–STARS) continues to be a high-demand asset. J–STARS aircraft provide wide theater surveillance of ground moving targets. Crews from the 116th Air Control Wing at Robins AFB, Georgia, the first-ever “blended wing” of Regular Air Force, Air National

Guard and Army, operate these aircraft. Modernizing these aircraft while maintaining the current high OPSTEMPO in combat theaters will be ongoing challenges. The recent installation of the Force XXI Battle Command Brigade and Below module, the reduced vertical separation minima module, and the Airborne Battlefield Command and Control Center are some of the latest capability upgrades. The most urgent modernization needs for J-STARS include re-engining, radar upgrades, installation of the Traffic Alert Collision Avoidance System and integration of a self-protection suite.

The E-10A program will highlight the advanced capabilities of the Multi-Platform Radar Technology Insertion Program (MP-RTIP) sensor by demonstrating advanced cruise missile defense, interleaved ground tracking, and ground imaging capabilities in 2010 and 2011. A smaller variant of the MP-RTIP sensor, developed within the E-10A program, will be integrated into the Global Hawk in 2008 to begin developmental and operational testing. These demonstrations will advance critical sensor technology and provide vital warfighting capabilities.

Space and Nuclear Forces.—Air Force modernization and recapitalization efforts also continue for space systems. The Air Force is modernizing critical capabilities across the spectrum of global strike, navigation, weather, communication, missile warning, launch, surveillance, counterspace and ground-based space systems.

The Minuteman Intercontinental Ballistic Missile (ICBM) was originally designed in the late 1950s and deployed operationally in October 1962. Modernization programs have been crucial to this system originally designed to last just ten years. Service life extension programs are underway to ensure the Minuteman III remains mission capable through 2020. These programs, nine in all, will replace obsolete, failing and environmentally unsound materials while maintaining missile reliability, survivability, security and sustainability. These efforts are critical in sustaining the ICBM force until a follow-on system can be fielded.

The Air Force is also addressing the need for a follow-on ICBM system. This system will address future warfighter needs, reduce ownership costs and continue to provide policy makers the critical capabilities provided by the ICBM. The effort to modernize the ICBM force is vital to the United States for the foreseeable future.

Continued, unhindered access to space is vital to U.S. interests. As the Air Force continues programs to upgrade and modernize America's launch ranges, the EELV program will continue to provide the United States with assured access to space for both DOD and National space assets. The EELV program includes two launch vehicle designs—Delta-IV and Atlas-V—with each design comprising a family of scalable, tailorable launch vehicle variants.

The TSAT program will employ Internet Protocol networks, on-board routing and high-bandwidth laser communications relays in space to dramatically increase warfighter communications connectivity. TSAT capability enables the realization and success of all DOD and Joint visions of future network-centric operations, such as the Army's Communications-on-the-Move (COTM) and Future Combat System (FCS) concepts and the Navy's Sea Power 21 vision and Fleet FORCEnet/FORCEview concepts.

Global Positioning System (GPS) modernization and development of the next-generation GPS-III will enhance navigation capability and improve resistance to jamming.

In partnership with NASA and the Department of Commerce, the National Polar-orbiting Operational Environmental Satellite System (NPOESS) will accurately calculate surface winds over the oceans and gather meteorological data for our forces deployed overseas.

The Space Based Infrared System (SBIRS) will provide a transformational leap in capability over our aging Defense Support Program satellites. Complementing the space-based system are ground-based missile warning radars, being upgraded to support the missile defense mission.

Another future transformational space-based ISR program is the Space Radar (SR) system. SR's day-night and all-weather capabilities will include Synthetic Aperture Radar (SAR) imagery, High-Resolution Terrain Information (HRTI), Surface Moving Target Indication (SMTI), Geospatial Intelligence (GEOINT) and Open Ocean Surveillance (OOS), and rapid revisit. It will support a broad range of missions for the Joint warfighter, the Intelligence Community, and domestic users. SR will be integrated with other surface, air and space ISR capabilities to improve overall collection persistence and architecture effectiveness.

Modernization of our ground-based space systems will provide new capabilities to keep pace with the satellites they support and will continue to provide assured C2 for our satellites and space-based capabilities. This effort includes the modernization of ground-based radars, some of which are over 25 years old. Through programs like the Family of Advanced Beyond Line of Sight Terminals (FAB-T) and the Ground

Multi-band Terminal, the Air Force is modernizing its ground-based space capabilities with satellite communications terminals that consolidate logistics support, provide increased satellite throughput and laser communications and ensure seamless command and control. Additionally, enhanced ground-based and new space-based SSA assets will provide the necessary information to gain and maintain Space Superiority.

As part of the broader Space Control mission, the ground-based, theater-deployable Counter Communications System (CCS) has achieved Initial Operational Capability (IOC) and provides the Combatant Commander with a non-destructive, reversible capability to deny space-based communication services to our adversaries. Incremental upgrades to the CCS will continue to enhance our Offensive Counterspace capabilities. Overall counterspace enhancements also include ongoing RAIDRS development, which is a Defensive Counterspace system designed to assist in the protection of our space assets. RAIDRS will provide a capability to detect and geolocate satellite communications interference via fixed and deployable ground systems. Future developments will automate data access analysis and data fusion and provide decision support tools.

Operational Infrastructure and Support Modernization (OSM).—Finally, the Air Force is pursuing to modernize its operational infrastructure and the tools we use to manage operational support to our Airmen and Joint warfighters. The Air Force's ongoing Operational Support Modernization (OSM) program will improve operational support processes, consolidate personnel and financial service centers, and eliminate inefficiencies in the delivery of services, support and information to our Airmen and the Combatant Commanders. Realizing these economies, OSM will improve Air Force-wide enterprise efficiency and provide a resources shift from business and combat support systems, thereby returning resources to Air Force operations, equipment modernization and long-term investments.

Air Force efforts also continue in the development of an effective, holistic asset management strategy for the restoration and modernization of operational infrastructure—facilities, utilities and natural resource assets—throughout their useful life cycles. Operational infrastructure is critical to the development and testing of new weapon systems, the training and development of our Airmen, and the conduct of Joint military exercises.

Acquisition Reform

The Air Force will meet the challenges of the 21st century, including asymmetric threats, through continued exploitation of our technological leadership and with our ability to respond quickly to the demands of a rapidly changing world. Effective leadership in research and development, procurement and sustainment of current and future weapons systems depends upon the integrated actions of professionals in the acquisition, as well as the requirements generation, resource and oversight processes. Everything we do in Air Force acquisition drives toward the goal of getting an operationally safe, suitable and effective product of best value to the warfighter in the least amount of time.

Program cost and schedule growth have drawn widespread criticism and undermined confidence in the defense acquisition process. A recent Government Accounting Office (GAO) study of 26 DOD weapon systems reports average unit costs have grown by 50 percent and schedules have stretched an average of 20 percent, to nearly 15 years, despite numerous attempts at reform.

In an effort to address these concerns, the Air Force formed the Acquisition Transformation Action Council in December 2004. This group is comprised of general officer and senior executive service representatives from the Air Force product centers, labs, air logistics centers and headquarters. The group continues to lead the transformation of Air Force acquisition from its present state into that of an Agile Acquisition Enterprise. The goals of Agile Acquisition include shortened acquisition process time and improved credibility with both internal and external stakeholders. Achieving these goals will be critical to making the delivery of war-winning capabilities faster, more efficient and more responsive.

The Acquisition Transformation Action Council's short-term focus is on incremental improvements and eliminating non-value-added processes in areas such as conducting Acquisition Strategy Panels, meeting immediate warfighter needs and effectively incentivizing contractors. A more comprehensive strategic plan for acquisition transformation, due later this year, will detail not only where the near-term changes fit into the big picture of acquisition reform, but also the longer-term actions needed to achieve the goals of Agile Acquisition.

The Air Force is also pursuing initiatives aimed at improving the Air Force's cost analysis capability. Among these initiatives are efforts to strengthen the Air Force Cost Analyst career field, improve the quality, quantity and utilization of program

cost and technical data and estimating methods, and establish new policy requiring robust independent cost estimates for programs—earlier and more often. These improvements will promote realistic program cost and technical baselines as well as strengthen the Air Force's capacity to produce accurate, unbiased cost information for Air Force, DOD and Congressional decision-makers.

The Air Force is on a bold, ambitious, yet necessary journey to provide our Commanders and decisions-makers with accurate, reliable real-time business and financial management information that is validated by a “clean audit” opinion. Basic building blocks for this effort include a revitalized emphasis on transparency in our business processes and an enterprise-wide financial management capability that is modern, comprehensive and responsive to the warfighter. Sound financial management and improved accountability are at the core of our financial management transformation.

Initiatives in Air Force contracting include development and implementation of the Enterprise Architecture for Procurement, consolidation of Major Command (MAJCOM) Federal Acquisition Regulation Supplements, standardization of the strategic sourcing process and assessment of current contracting organizational alignments.

The Air Force will continue to promote small business participation in our acquisitions. Partnering with small businesses—including Historically Underutilized Business Zones; Women Owned Small Businesses; Service Disabled Veteran Owned Small Businesses; Small Disadvantaged Businesses; and Historically Black Colleges, Universities and Minority Institutions—helps ensure we maintain a strong defense industrial base and have the widest range of products and services available to support the Joint warfighter.

The Air Force is also working with OSD to understand the demand on our acquisition personnel and to appropriately size our workforce. Our objective is to have the right mix of military and civil service acquisition professionals with the appropriate education, experience and training.

Focus Areas

Total Force Integration

The Chairman of the Joint Chiefs of Staff, General Pace stated, “We must transform if we are to meet future challenges.” One of the Air Force's more significant commitments to long-term transformation is the creation of the Total Force Integration Directorate. This new directorate is responsible for future force structure, emerging-mission beddown and development of Total Force organizational constructs. Working with our partners in the Air National Guard and Air Force Reserve, the Air Force is maximizing our overall Joint combat capability. Our efforts will enable the Air Force to meet the challenges of a shrinking budget, an aging aircraft inventory and new and emerging missions.

The Air Force plans to shift investment from “traditional” combat forces, with single-mission capabilities, to multi-role forces by aggressively divesting itself of older systems. The result will be a force structure with expanded capability to combat conventional threats while continuing to wage the GWOT. Simply stated, the Air Force will become a smaller, yet more capable force through modernization and recapitalization of selected weapon systems with a commitment to networked and integrated Joint systems.

Our Total Force initiatives will maximize efficiencies and enhance combat capability through innovative organizational constructs. We have developed an organizational construct based on the success of an associate model in use by the Regular Air Force and Air Force Reserve since 1968. Associate units are comprised of two or more components operationally integrated, but whose chains of command remain separate. This model capitalizes on inherent strengths of the Air Force's three components, ensuring partnership in virtually every facet of Air Force operations, while preserving each component's unique heraldry and history. Increased integration allows Regular Air Force personnel to capitalize on experience levels inherent in the Guard and Reserve, while building vital relationships necessary to sustain successful combat operations.

Air National Guard and Air Force Reserve members will continue to support the Air Force's global commitments and conduct vital Homeland Defense and Security missions. Total Force initiatives will integrate Air Force components into missions critical to future warfighting: ISR, UAV operations and space operations. These missions are ideally suited for the Guard and Reserve since many provide direct support to the Joint warfighter from U.S. locations. Using this approach will improve our operational effectiveness, reduce our overseas footprint, reduce reliance on involuntary mobilization and provide more stability for our Airmen and their civilian employers.

Ongoing Total Force transformation benefits from a robust, dynamic, cross-functional coordination process, involving the headquarters, all regular component MAJCOMs, the National Guard Bureau and Air Force Reserve Command.

The Air Force continues to make significant progress on Total Force initiatives such as the Richmond-Langley F-22A integration in Virginia; community basing in Vermont; F-16 Integration at Hill AFB, Utah; new Predator missions in Texas, Arizona, New York, North Dakota, California and at the Air Force Warfare Center in Nevada; and C-17 associate units in Alaska and Hawaii. We are also working additional initiatives such as C-130 Active Associate units in Colorado and Wyoming; a C-5 Flight Training Unit in Texas; C-40 Integration in Illinois; and Centralized Intermediate Repair Facilities in Illinois, Connecticut, Louisiana, Utah, South Carolina, Georgia, North Carolina and Florida.

The Air Force, through its Total Force Integration Directorate, is continuing a broad effort to ensure that new Total Force concepts are embedded in our doctrine, policy directives, instructions and training. We are creating procedures to ensure resource and other decisions related to Total Force initiatives become routine parts of the planning and programming processes. The goal is clear, albeit ambitious: take greater advantage of Total Force elements and capabilities in the way the Air Force does business.

The Air Force is transforming from a Cold War force posture to a structure that supports expeditionary warfare and leverages Total Force capabilities. More efficient use of our Regular Air Force, Air National Guard and Air Force Reserve assets increases our flexibility and capacity to be a more agile and lethal combat force and a more vigilant homeland defender.

Science and Technology (S&T)

The Air Force develops and exploits new technologies to meet a wide range of conventional and asymmetric threats. To achieve required future capabilities, we continue to support S&T investments for the major tasks the Air Force must accomplish to support the Combatant Commanders.

Air Force S&T is focused on high payoff technologies that could provide current and future warfighting capabilities to address not only conventional threats, but also those threats encountered in the GWOT. The Air Force has embraced a new technology vision to guide our S&T Program—"Anticipate, Find, Fix, Track, Target, Engage, Assess . . . Anytime, Anywhere." We are integrating this vision into our annual planning activities to ensure we develop and transition relevant technology to the Joint warfighter.

Air Force technological advantages and superior warfighting capabilities are the direct result of decades of Air Force investment in S&T. Similarly, today's investment in S&T will produce future warfighting capabilities as we adapt to continually changing threats. The Air Force continues to seek ways to create a significantly greater advantage over these threats. Investment in technologies such as nanotechnology could provide stronger and lighter air vehicle structures, while investment in hypersonic research could provide on-demand access to space and reduced time-to-target for conventional weapons. New information assurance technologies should allow real-time automatic detection and reaction to network attacks, enabling us to automatically isolate the attack and collect forensic evidence, all while continuing uninterrupted network operations. Research in sensor and information technologies should provide increased battlefield situational awareness, which will provide unprecedented insight and understanding of events in the battlespace. These are but a few examples of developing technologies that could lead to operational systems that are smaller, lighter, smarter, faster, stronger and more effective, affordable and maintainable than they are today.

The Air Force Directed Energy (DE) Master Plan is on track and some DE applications are already being fielded, especially for defensive purposes. For example, the Large Aircraft Infrared Counter Measures has now been used extensively and successfully in OIF and OEF on C-17s. Also, the Airborne Laser program continues to move DE technology forward. The capabilities possible through DE hold the potential to profoundly transform how we fly, fight and defend ourselves.

Impressive as our technological advances have been, maintaining an advantage relies, in part, on our commitment to future S&T investments. These investments also clearly highlight that air and space power is an asymmetric advantage for the Joint warfighter and the Nation.

Air Force Smart Operations for the 21st Century [AFSO21]

To meet the challenges of the road ahead, we have embarked on an Air Force-wide journey embracing Continuous Process Improvement, Lean Thinking and Six Sigma Quality. This major initiative is called AFSO21. Achieving excellence in all

that we do requires us to institutionalize the precepts of AFSSO21 throughout all of our operations, across the Total Force, and in our daily lives as Airmen. The Air Force is stepping up to the challenge and making the commitment necessary to achieve true process excellence. AFSSO21 focuses on the identification and elimination of activities, actions and policies that do not contribute to the efficient and effective operation of the Air Force. We will seek out and discontinue any activity not ultimately contributing to creating military utility and mission capability. Continuous identification and systematic elimination of so-called "non-value added" activities are the keys to improving service, reducing costs and enriching the lives of our Airmen.

We are seeking three outcomes from this approach. First, we want Airmen who are fully aware of the importance of their work and how it contributes to the mission; Airmen must look to improve what they do every day. We want Airmen to see their role in a fundamentally different way: by focusing on increasing value and eliminating waste. Second, we want to make the most of our existing budgets and free resources for future modernization by systematically identifying and eliminating the waste in our day-to-day processes. Finally, we want to enhance our ability to accomplish our mission and provide greater agility in response to rapidly changing demands.

Institutionalizing this new way of thinking and operating will allow the Air Force to meet the enormous challenges of the next decade and ultimately to sustain and modernize the world's best air and space force.

Fuel Conservation and Efficiency

The Air Force is the largest renewable energy power purchaser in the United States and is set to continue making large buys that will not only greatly reduce reliance on petroleum-based fuels but, over time, will reduce utility costs.

The Air Force is pursuing an aggressive energy conservation strategy and is committed to meeting and surpassing the energy goals mandated by the Energy Policy Act of 2005 and other overarching policies and mandates. We have been successful at reducing our energy consumption in accordance with past legislation and will continue to use a variety of programs aimed at reducing our use of petroleum-based fuels.

Our overall ground fuel conservation efforts in accordance with mandates and guidance have yielded some notable reductions. Specifically, Air Force motor vehicle gas and diesel consumption has fallen significantly alongside a corresponding increase in Air Force use of alternative fuels. Air Force progress in these areas will be driven largely by commercial research and funding, since we do not substantially drive alternative fuels technology and infrastructure changes. The Air Force is partnering with the Army to develop and use a hybrid electric-diesel engine for the High Mobility Multi-purpose Wheeled Vehicle (HMMWV) with a planned delivery starting in 2008. Other alternative fuel technology is still in the development stage.

Michigan's Selfridge Air National Guard Base (ANGB) will become the demonstration center for the latest fuel-efficient and environmentally compliant technologies for use in Air Force support equipment to include Basic Expeditionary Airfield Resources (BEAR) and ground vehicle inventories. Tests at Selfridge ANGB, Michigan will look at fuel cell powered vehicles, hydrogen fuel infrastructure requirements and will ultimately provide models for future Air Force/DOD procurement.

Our use of energy from renewable sources and construction and infrastructure improvement programs are designed to create cost effective energy efficiencies in new and existing facilities. In addition, our aggressive pursuit of on-base renewable power generation is rapidly increasing. We have bases where power is being produced from wind, solar, geothermal and biomass, and we have projects planned, in design or under construction to greatly expand this capability. Some of our bases are already using 100 percent renewable power from purchases and on-site production. With our combined purchase/production strategy, the Air Force is poised to surpass the renewable goals set by the Energy Policy Act.

We realize our reliance on petroleum-based fuels must be curtailed and it will take a concerted and coordinated effort to meet the energy reduction needs of the Air Force. We use the tools available to improve infrastructure while we continue to strive to instill an energy conservation mindset in our Airmen.

C4ISR

Future transformational C4ISR capabilities will provide all-weather, persistent surveillance to the Joint warfighter and the Intelligence Community, and they will be tightly integrated with space, air and land assets to deliver even more precise and responsive situational awareness in support of national security objectives.

The Air Force's biggest challenge with its world-class C4ISR systems remains the proper integration of these systems. The goal of our technology improvements is to integrate intelligence and operations capabilities. An integrated enterprise solution will enhance Joint, multi-agency and multi-national C4ISR collection and dissemination capabilities and will eliminate information seams among air, ground and space based assets. It will also expand information superiority and accelerate decision-making. This integration allows us to achieve decision dominance, leading to knowledge-enabled operations and supporting the development and execution of sovereign options using air, space and cyberspace capabilities.

Knowledge-based operations are critical to closing the seams between Joint Forces. We anticipate a future in which each force element, no matter how small, is constantly collecting data and "publishing" it to a Joint warfighter network. Information will flow from every corner and element of the Joint Force, from ISR collectors to the warfighters. A key aspect of future C4ISR capabilities will involve replacing time-consuming human interfaces with machine-to-machine digital integration to ensure commanders have ready access to the information they need to execute their missions.

The concepts of intelligence fusion and streamlined sensor-to-shooter processes imply a high level of system interoperability at many levels. Information technology increases the ability to send ISR information to any point on the globe in near-real time. The Air Force is adapting doctrine, tactics, techniques and procedures to manage this ever-changing growth in C4ISR capabilities.

To maximize our C4ISR capabilities, the Air Force is eliminating organizational restrictions that inhibit the flow of information between these systems. Advances in information technology are removing historical limitations inherent in legacy systems, such as line-of-sight data links, incompatible C2 systems and manual collection-management processes. Our goal is to increasingly "share" rather than "own" information.

Overcoming past shortfalls through improvements in the timeliness, accuracy and completeness of battlespace knowledge will also bring tactical-level information to command functions that previously had access to only the operational or strategic levels of war. The AOC is the focal point for operational C2 of air and space assets delivering combat effects to the warfighter. To make this capability more effective, we made it a weapon system—the Air Force provides manpower and training as it does for every other weapons system—standardized, certified and lethal. We injected the technology necessary to increase machine-to-machine connectivity. Through both technical and procedural improvements, we have increased the system's capacity for information fusion and accelerated the decision-to-shooter loop. All five of our full-function AOC weapon systems (Falconers) should be fully operational in 2006.

In support of DOD and the Joint community's broader efforts to adopt and transition to network centric warfare, the Air Force is aggressively integrating existing C4ISR platforms across a distributed processing environment. The Network Centric Collaborative Targeting Program (NCCTP) will initially integrate capabilities that include airborne C2, ground surveillance, signals intelligence and operational C2 at the AOC. The Air Force will expand NCCTP into a broader Airborne Networking capability that will support the full and expanding range of future Joint air and space operations.

The Air Force is actively pursuing the extension of Global Information Grid (GIG) networked capabilities out to the extreme edge of tactical air operations. Programs like Family of Advanced Beyond-Line-of-Sight Terminals (FAB-T), the Joint Tactical Radio System (JTRS), Tactical Targeting Network Technology (TTNT), the Battlefield Airborne Communications Node (BACN), and, eventually, the TSAT constellation will provide rich connectivity and interoperability for Joint air operations as well as tactical users and warfighters.

The Air Force is working closely with the other Services and Agencies to define new doctrine and organizational structures to optimize Joint warfighting operations. Consequently, we are developing the necessary technical capabilities, refined processes and trained personnel to achieve desired effects.

Warfighting Headquarters (WFHQs)

The Air Force is transforming our C2 structure by establishing new WFHQs. These will be positioned globally, replacing our old Cold War structures and providing the Joint Force Commander (JFC) with the most effective means to lead air and space forces in support of National Security objectives. These forces will be organized and resourced to plan and deliver air and space power in support of Combatant Commanders, enabling a seamless transition from peacetime to wartime operations. WFHQs will maximize usage of C4ISR technology and reachback to minimize required manpower. The WFHQs are also designed to act as the Combined/

Joint Force Air Component Commander Headquarters, or Joint Task Force Headquarters.

Joint Warfighting Space (JWS)

The JWS concept is an outgrowth of Air Force efforts to develop Operationally Responsive Space (ORS) capabilities. JWS and ORS will enable rapid deployment and employment of communication, ISR and other vital space capabilities and services. JWS will emphasize agility, decisiveness and integration to provide dedicated, responsive space and near-space capabilities and effects to the JFC.

In 2005, the Air Force successfully conducted the first JWS demonstration. By capitalizing on an existing commercial communications capability using free-floating platforms, the Air Force was able to extend line-of-sight communications for ground forces from 5–7 miles to over 300 miles. This demonstration was the initial step in exploiting existing off-the-shelf technologies in a long loiter environment.

In 2006, the Air Force will team with our sister Services to conduct the first in a series of small (1,000 pounds or less) satellite experiments. These demonstrations are designed to enhance and incorporate space capabilities in Joint training and exercises, increase space integration and allow the Joint Force to take advantage of the many synergies multi-service space professionals provide. Lessons learned from these activities have the potential to further evolve and improve space doctrine and help the Joint community in developing innovative space-derived effects.

JWS and ORS demonstrations will continue to explore ways of achieving new, more effective ways of providing space capabilities to the Joint warfighter. As technologies mature, JWS will bring the Joint Force more persistent, responsive and dedicated capabilities.

Long Range Strike

To further refine its rapid strike capabilities, the Air Force is transitioning its Long-Range Strike strategy to focus on effects instead of platforms. We view long-range strike as the capability to achieve desired effects rapidly and persistently on any target set in any operational environment.

Our forces must be simultaneously responsive to multiple Combatant Commanders and be able to strike any point on the planet. Today, we provide deep strike capabilities through a variety of platforms and weapons. Future capabilities must continue to enhance the effectiveness of the system. Responsive capabilities will combine speed, stealth and payload to strike hardened, deeply buried, or mobile targets, deep in enemy territory, in adverse weather and with survivable persistence.

Improving CAS

Detailed integration of each air mission with the fire and movement of supported Joint Forces is the trademark of CAS. In the past, aircrews and ground forces shared information through lengthy voice descriptions. When providing CAS or time-critical-targeting, this dialogue often took several minutes and occasionally resulted in missed opportunities. To increase integration and lethality, the Air Force has developed new equipment and training to increase situational awareness in CAS operations. We also continue to sustain and modernize the A–10, the only Air Force aircraft dedicated to the CAS mission.

With video downlinks, Battlefield Airmen can share time-sensitive information instantaneously and complete target coordination in mere seconds. Most JTACs are already equipped with ROVER III receivers to display video feeds from most UAVs and ATPs.

In 2006, the Air Force will begin operational fielding of the Precision Engagement modification that integrates ATPs and data links and enhances employment of GPS-aided munitions. This modification will greatly enhance the pilot's situational awareness and improve both the responsiveness and accuracy of A–10 targeting. This will increase the A–10's lethality while reducing the probability of fratricide incidents. The Air Force will also improve the sustainability of its A–10s by continuing a SLEP that doubles the flight hour life of the A–10, helping to ensure the A–10 can remain in service for as long as the warfighter requires.

In 2006, the A–10 Propulsion Upgrade Program will enter the system design and demonstration phase. This program will upgrade the A–10's current TF34–100A engines to provide approximately 30 percent more thrust. This will help overcome some limitations that the A–10 faces when operating from expeditionary airfields at high field elevations and temperatures. It will also improve the A–10 performance at medium altitudes and increase its weapon load, thus improving survivability and more fully leveraging the capabilities of the Precision Engagement modification and ATPs.

Special Operations Forces (SOF)

Air Force Special Operations Command (AFSOC) offers Combatant Commanders specialized airpower and ground forces to conduct and support special operations and personnel recovery missions. These forces offer a unique combination of capabilities and personnel that the United States can call upon for the GWOT, Homeland Defense and disaster response missions.

To meet operational requirements, we will add four AC-130U Gunships to the force structure in 2006, followed by ten MC-130H Combat Talon IIs by 2010. The first CV-22 Osprey combat unit anticipates IOC in 2009. The Osprey will add a long-range, self-deployable, vertical lift mobility aircraft to sustain SOF in remote environments.

We will support expanding our SOF Combat Aviation Advisory forces so they can assess, train, advise, assist and integrate more nations' Air Forces into the GWOT and other combined operations and contingencies. We have begun the CSAR-X program in an effort to provide a fast, long-range, all-weather aircraft to achieve IOC in 2010 and replace the HH-60 CSAR aircraft.

The Air Force is also developing the Persistent Surface Attack System of Systems as the follow-on to the current AC-130 Gunship. This gunship follow-on will provide responsive, survivable, persistent and precise fire support in the low-threat to selected high-threat engagements in the 2015 timeframe.

BRAC

BRAC 2005 will transform the Air Force for the next 20 years to meet new challenges as a Total Force. The BRAC results improve Air Force warfighting effectiveness, realign Cold War era infrastructure to meet future defense strategy, maximize operational capability by eliminating excess physical infrastructure, and capitalize on opportunities for Joint teaming with our sister Services. We will continue the excellent record established in prior BRAC rounds by closing bases as quickly as possible so savings are realized and properties expeditiously turned over for viable reuse, in concert with community plans for development and economic revitalization.

SUMMARY—HERITAGE TO HORIZON

We have received a proud heritage forged through the ingenuity, courage and strength of the Airmen who preceded us. Our duty today is to deliver their Air Force to the limitless horizon ahead of us. The mission of the Air Force remains to fly, fight and win whether we are delivering lethal effects against insurgents in Iraq, protecting the skies of the United States against terrorist attacks, providing a Global Positioning System that is essential to our modern military and the global economy, or providing relief to victims of natural disasters both at home and abroad.

The Air Force of today and of the future will strengthen the entire Joint and Coalition team. Dominance of air, space and cyberspace paves the way to overall success. In keeping with the current emphasis on innovation and transformation, our future Air Force will be a more capable yet smaller force. As such, the future Air Force will increase the capability and flexibility of the Joint Force and, subsequently, will increase the depth and breadth of options available to the President and the Secretary of Defense. These military options will be crucial to the defense of the Nation as the United States continues to wage the GWOT while transforming and strengthening the Joint Force for any future contingency.

The Air Force offers an unparalleled set of combat capabilities to directly influence any Joint, Coalition or interagency operation, as well as the enabling capabilities to improve Joint warfighting in conjunction with our partners on the ground, on or under the sea and through the air, space and cyberspace. Recognizing that no Service, or even DOD, can achieve success by itself, the Air Force has focused on increasing the integration and effectiveness of the Joint Force and interagency team.

To achieve new levels of integration and effectiveness, the Air Force will take advantage of our Nation's long-held command of the global commons—air, space, sea and cyberspace. The Air Force will extend its current air and space power advantage. As part of the Joint Force, the Air Force is positioned to leverage its persistent C4ISR, global mobility and rapid strike capabilities to help win the GWOT, strengthen Joint warfighting capabilities and transform the Joint Force—while maintaining good stewardship of public resources.

The Air Force faces the broadest set of mission requirements across the entire spectrum of warfare. We will bolster our Nation's ability to respond swiftly, flexibly and decisively to asymmetric, irregular and emerging threats. We have embarked on AFSO21 as a means to best allocate our resources to meet this increasing set of challenges.

To accomplish this requires continued focused investment in our people, science and technology and the maintenance, sustainment, modernization and recapitalization, and, where it makes sense, retirement of our aging aircraft and weapon systems.

We are America's Airmen. Our heritage is innovation. Our culture is Expeditionary. Our attitude is Joint. Our mission is clear. As threats change and America's interests evolve, we will continue to adapt, evolve and remain the world's premier air and space force. Together with our fellow Services, we stand resolute, committed to defending the United States and defeating our enemies.

Senator STEVENS. General Moseley, do you have a statement?

General MOSELEY. Mr. Chairman, thank you, sir. If you would allow me to put my statement in the record, I would like to take my time and introduce four American heroes and great airmen to you, sir, and the distinguished members of the subcommittee.

When I call their name, if they would please stand up.

Let me start with Senior Airman Polly-Jan Bobseine. She's had three deployments to Iraq so far. She's due to rotate back in June. Senator Burns, this is one of these airmen that are on the ground in close combat alongside our joint partners, the Coast Guard, Navy, Marines, and Army. She's a fire team member with the 820th Security Forces Group. She's participated in numerous offensive operations and offensive ground operations in Iraq, to include 100 combat patrols and 45 offensive missions. She's participated in 30 ambushes and five direct action missions against Iraqi insurgents herself. She's earned U.S. Jump Wings and the Army's Big Red One has given her a combat patch for sustained combat operations alongside the 1st Infantry Division. Again, she's going back in June.

Our second American hero is Technical Sergeant Brad Reilly. He goes back in July. He's had four deployments. He's wearing a Silver Star and a Purple Heart that he earned while assigned to forces in Afghanistan. This particular mission, he was part of a quick-reaction force that was moving to reinforce an ambushed Afghan security force. Upon their arrival, the helicopter received heavy fire. His detachment, upon landing, overran the enemy position and then began to receive hostile fire from three different directions. Technical Sergeant Reilly was wounded in this action, as was another member of his team, Master Sergeant Cooper, who was critically wounded in the upper thigh. Technical Sergeant Reilly provided life-saving skills to save Master Sergeant Cooper's life, controlled close air support fires, provided continual suppressive fire himself with close combat against Afghan hostiles for over 2 hours, while wounded. Sir, again, he goes back in July. This will be his fifth deployment when he goes back.

Lieutenant Colonel Ann Konnath, she is an expert in Air Force space operations. She commands our Weapons School squadron at Nellis Air Force Base. She is the expert teaching experts about space operations. She is a distinguished Reserve Officer Training Corps (ROTC) graduate. She's a graduate of the Air Force Weapons School. She is an expert orbital analyst with operations in Cheyenne Mountain. She has, herself, operated several space control systems. She's been a space weapons officer both at 8th Air Force in the Operations Center and in U.S. Pacific Command, alongside our other joint partners. She is the expert in doing this business of space operations.

Finally, Lieutenant Colonel Trey Turner. He's had three combat deployments. He commands the 17th Reconnaissance Squadron, which is our—one of our Unmanned Aerial Vehicle Squadrons. And, Mr. Chairman, I think you had a chance to visit with them last week out at Nellis Air Force Base. He was a naval officer in a previous life, Top Gun graduate of the Navy Weapons School in 1992, and an interservice transfer to the Air Force in 2003. He's a command pilot with over 4,000 hours in the Predator, the F-18, the F-14, the A-4, and has 376 carrier landings. He's been deployed to Iraq and Afghanistan three times. And he is involved in our reachback operations, flying combat missions now out of Indian Springs and out of Nellis, over Afghanistan and Iraq. He is the leading expert in unmanned aerial vehicle (UAV) combat operations in the U.S. Central Command Area of Operations. Last night, he delivered ordnance against hostiles in Afghanistan.

Mr. Chairman, thank you for the time and for allowing me to be a proud chief and bring four great Americans and four great airmen before this subcommittee, and allowing me to introduce them to you.

Senator STEVENS. Well, thank you very much, General. I really did enjoy the visit to Nellis. I wish the whole subcommittee had been along, because this—the unfolding of the manpower and timing requirements of unmanned aircraft, and how they're being utilized in combat—in a 24 hour/7 day/365 days a year basis is—really, a very interesting scenario to learn about and to witness. So, I thank you very much for the visit there. And we're delighted to have these young heroes join us here today. There's no question about that.

General MOSELEY. Thank you, sir. You can see why I'm a proud chief, with folks like this in America's Air Force.

Senator STEVENS. They are the coming greatest generation, no question about it.

We have been considering—now if there's no objection, we'll go on a 7-minute basis for questions now. I assume there will be other members to join us here. We are in session, gentlemen, and the problem is, we expect votes within about 40 minutes.

We've been told there's an Air Force structure change that'll change command relationships. The net result would be to eliminate the three-star commands in the various areas now. Is this a definite plan now, Mr. Secretary? Is it underway?

Mr. WYNNE. What I would say, sir, is that we are intending to reduce our force by about 40,000 people—full-time equivalents—over the next 6 years, fiscal year 2006 to fiscal year 2011. As a part of that, General Moseley has determined that the Active Air Force should not only lead from, but should lead from the top, and has determined that he can excise approximately 30 general officer slots, of which some of those are, in fact, three star slots. We are actually organizing more around warfighting headquarters to support combatant commanders and relieving ourselves of some of the administrative headquarters that these slots would occupy.

We think that this will actually streamline the Air Force from top to bottom. And I have congratulated him on this action, because it would make sure that we do not have, if you will, all of

the 40,000 coming from the bottom of the pyramid, but from along the sides of the pyramid.

Senator STEVENS. Well, let me tell you a little history, and then—I'll probably take too much of my time right now, but—when I was a very young Senator, the Senator in charge of this subcommittee, Senator Stennis, and I had some conversations with the then-President, President Nixon. President Nixon decided to eliminate some of the command structures. And one of them was the Alaska Command. I was visited by a whole series of former—retired officers, former chiefs, who said, you know, "You must remember World War II." When World War II happened, there was only a one-star general in the whole of Alaska, and people came up—had never served in Alaska, and there were a few snafus, because the people didn't understand the distance or the climate or the terrain, the whole problem. So, we negotiated an agreement with the President that the Alaska Command would be disestablished, but there would always be a three star in that area who would be in charge of the task force. There was presidential order somewhere that says immediately upon such an emergency, there is reestablished a task force for Alaska, and that person is in charge.

Now, that three star has been there since that time. If I understand what you're doing, you're going to take it away, and take the one away from Hawaii, too. If that happens, you're going to have war up here.

Mr. WYNNE. I would only ask for General Moseley's sage words on that, because I've left the organization of the combatant commands to his wisdom.

Senator STEVENS. General Moseley.

General MOSELEY. Senator, there is no intent in this to take down 11th Air Force of the lieutenant general in Alaska or the lieutenant general on the peninsula. And we've stood up a warfighting headquarters in Hawaii, with a lieutenant general there, to be the combined force air component commander for U.S. Pacific Command. So, we'll have three numbered Air Force equivalents and three lieutenant generals to fight those fights. And the Alaska commander, as you know, is also the North American Air Defense guy.

Senator STEVENS. Right.

General MOSELEY. He is triple hatted as Alaska Command under U.S. Pacific Command, and in his North American Air Defense hat, under Admiral Tim Keating, at U.S. Northern Command. And he's the 11th Air Force commander. So, he is that task force commander that you are talking about.

Senator STEVENS. That will not be changed, will it?

General MOSELEY. No, sir.

Senator STEVENS. Well, I thank you for that.

It now appears that—and we discussed this, before—the F-22 is to be incrementally funded. I think the subcommittee here should understand, that is financing in increments rather than on a total basis. Now, in general, the subcommittees have opposed incremental funding for long-term procurement programs such as fighters, bombers, ships. And it is—the changes, I think, require an explanation on the record. I've got to tell the subcommittee, I don't

oppose the proposal, but I think it's going to be hard to sell. So I'd like you to explain it to the subcommittee, if you would.

Mr. WYNNE. Yes, sir. Thank you for that opportunity.

We successfully, if you will, negotiated with the Office of the Secretary of Defense under the theme that we needed to make sure that we had a hot fighter line as an option for the President until we got—especially for a fifth generation fighter—until we got another fifth generation forward fighter. The F-22 is that fifth generation fighter. It was started in the 1980s and finalized as a quest of stealth, speed, and precision, all wrapped up in one airplane. The successor airplane, the next fifth generation fighter airplane is the F-35, which is currently under development. We felt that the 2-year extension to the program would, in fact, benefit America, giving us that option to make sure we had a hot fighter line.

This came wrapped in a package that decreased the quantity that we had asked for, from 27 airplanes to 20, each year, but it did extend the program by 2 years. It did add four airplanes to it. But it came wrapped, also, in a package of funding that, in fact, bought piece parts in the first advanced procurement, and then subsystems in the second advanced procurement, which to, I think, budgeting purists, looks a lot like incremental funding. It can be wrapped in several packages, but it certainly is peculiar, relative to the program.

The program is mature enough to do a multiyear. We absolutely need to have a multiyear in order to cope with the increased costs due to the lower volume. The question, to my basis, is whether or not we have hedged it full enough, if you will, to allow the F-35 to truly mature.

This leads me to a dilemma, the dilemma that you, the subcommittee here, can help me resolve. One is, I either need a waiver for the program against this relatively peculiar approach to funding the aircraft, so that when I get—and I want to add, if you will, another year, if that is deemed prudent—I don't have, essentially, a double obligation in an out-year, in fiscal year 2010. Either that, or I humbly ask the subcommittee to work with us to fix, if you will, the fiscal year 2007 submittal, so we can offset what is now a shortfall in funding and represented by the zero that you see in fiscal year 2007, which essentially defers, on a one-time basis, the obligation flow.

So, those are the two alternatives that I would ask you to help me with.

Senator STEVENS. Well, that will be a difficult thing to resolve. And I think we're going to have to have a subcommittee session on that so our members will understand it.

I would prefer the latter result, but I'm not sure we can do it, budgetwise. If we can't, then I think we'll have to do it in the basic bill, in the law, set forth a waiver so it's not—that cannot be changed in the future without congressional approval. It can't be just a 1-year waiver, in other words; it has to be a long-term waiver to be effective, as I understand it. Is that correct?

Mr. WYNNE. Yes, sir, that is correct.

Senator STEVENS. Thank you.

Senator Burns.

Senator BURNS. My questions this morning are more along the line of deterrence and strategic posture. And the QDR has changed the focus of our strategy toward these irregular threats that were mentioned in your report. These are the same threats that caused us to rethink our nuclear posture in 2002. The Nuclear Posture Review (NPR) was released in the wake of 9/11, when our forces were engaged on the ground in Afghanistan. The irregular threats that we faced in the war on terror had become very real for the American people during the winter of 2001 and 2002, and perhaps many have already forgotten how real those threats are.

In face of the changing reality, the Nuclear Posture Review was a complete change in strategic doctrine. And, I might add, the NPR was a policy document that was mandated by Congress. We told you to do it. That policy document did two major things. It reduced the number of operationally deployed nuclear warheads from 6,000 to 2,000, it expanded the role of nuclear deterrent to consider it an effective countermeasure against possible use of weapons of mass destruction by a rogue state.

Now, the NPR both expanded the role of nuclear deterrence and decreased the number of warheads, setting the intercontinental ballistic missile (ICBM) number at 500. I would ask—you might remark to this—what has changed since 2000—since January 2002 to necessitate a further reduction in our ICBM force? And am I correct in concluding that this simply is a budget decision that is driving this strategy?

Mr. WYNNE. Thank you very much, Senator.

This goes back to the “sovereign options” comment that you had made in the mission of the Air Force.

Senator BURNS. I’m still trying to figure that one out.

Mr. WYNNE. The aim is to hold hostage other governments’ intentions and to allow for humanitarian relief and nonkinetic action, as well as kinetic action. It’s to make sure that the President is made aware, fully, through our information and surveillance and reconnaissance activity, of his options, and then allowing the National Command Authority to use the Air Force to fly and fight, if that is, in fact, the determined option they want to examine.

This is also an option that the President has, in the sense of responding in a nuclear fashion and talking about the Nuclear Posture Review that we’re all discussing about here. The U.S. Strategic Command commander, which is based in Nebraska, has made a determination that he can have a lower reduced target set for hostile response. That is a requirement that he then lays upon the U.S. Air Force as to how to cope with this reduced response. We have done an analysis and determined that we can accommodate that with, if you will, fewer ballistic missiles, and, frankly, fewer B-52 aircraft. He is endorsing this approach.

As to whether or not it changes the actual determination of the number of nuclear warheads, has not been adjudicated; as to where the reduction in missiles will be taken, has not been adjudicated. Those things are, in fact, all under study. So far, the only thing I know is that the requirements we have been issued have been reduced.

Senator BURNS. Well, let’s further investigate the B-52 situation. As you know, we’re taking another reduction, from 94 to 56. I think

that's the correct number. And that's the only long-distance horse that we've got. And when I made mention, a while ago, of our support of the ground troops on the ground, it has always been our carrier to reduce some of the challenges that we face on the ground. It's always been a very—very effective, with the addition of the global positioning system (GPS). And, also, it's been, sort of, our Iowa-class battleship, so to speak, whenever we go into an area.

Now, that being said, if there is no long-range strike capability on the drawing board until 2016, why would we cut the most versatile long-range bomber from our fleet now, without anything on the drawing board, now, or, it seems like, in the near future?

Mr. WYNNE. In fact, we are very, very pleased that the QDR has endorsed, if you will, the long-range strike option and allowed us to proceed. We intend to come forward, in the fiscal year 2008 President's budget, with a hard plan to essentially offer a fly-before-buy option, so that we can, in fact, lock in a 2018 initial operational capability and try to make sure that is accurate.

While looking at those requirements that we need, I appreciate the fact that the B-52 has been a very versatile weapons system—in fact, when I was out to look at it, I looked into the airplane and asked the commander, "Is this the way it goes into combat?" He said, "No sir." He said, "We"—as you correctly said—"We add a GPS antennae, we add a ground communications antennae, we add two laptops and a central cable right down the middle of the airplane, and turn it into a fairly versatile war machine." Having examined that, we think that we have an adequate supply of B-52s, with the reduced number. I think we're talking about reducing 38 of these over the course of the next 6 years.

This is also, by the way, adjuncted by the B-1 and adjuncted by the B-2, which are also more modern weapons systems that we have. We feel like that we can go through the B-52 fleet and essentially pick out the best of the rest and use those well into the future. There's no intention to essentially stop using them.

General MOSELEY. Sir, if I could add on, the B-1 is also the Iowa-class battleship. They're imperceptible in our employment difference. We operate them out of Diego Garcia. We've operated them—each of them out of expeditionary airfields. The B-52 is a valuable airplane. Last night, we dropped eight satellite-guided weapons off of it against hostiles in Afghanistan. But it could have been a B-1, depending on the rotation of the bombers at Diego Garcia.

We've got, over the future years defense plan (FYDP), we've got \$6.37 billion in bomber modifications and bomber improvements. We have a phase I, which we put about \$4.5 billion into the B-1, the B-2, and the B-52 for upgrades and modernization. We have about \$1.6 billion in for the new bomber, with a 2018 initial operating capability (IOC), as mandated by the QDR. And then, we have a phase III, with about \$275,000, that's looking at technologies beyond 2025 or 2035.

Senator Burns, we take long-range strike very serious. The soul of an air force is range and payload and ability to access targets on a global scale. That's what we do different than an army or a navy. And so, a bomber is a very important tool in a combatant

commander or a President's quiver, relative to those sovereign options.

We have to be able to penetrate airspace. We have to be able to survive the penetrated airspace and maintain persistence coverage. And so, our desire to field a new striking bomber by 2018 is to leverage on the existing technologies that we have out of the joint unmanned combat air systems (JUCAS) program, and out of the things that we've learned with the unmanned aerial vehicles and the things we've learned in 15 years of combat, to be able to look at this new bomber.

BOMBER MODERNIZATION

But, sir, we've got \$1.13 billion in the B-52 for upgrade, \$1.3 billion in the B-1 for upgrade, and \$2.05 billion in the B-2 for upgrade, just in the future years defense plan alone.

Senator BURNS. Well, I would—just looking at—just looking at our threats and what we have to—and the capability of meeting some of those challenges, I look at the B-52 with great marvel and curiosity. One could say, about your fleet, you look at that airplane and says, "They just don't make them like that anymore," because it has been a workhorse, and it continues to be a workhorse, and probably has outlived anybody's estimate of its longevity. So, I'm just sort of concerned along those areas.

I've got a couple of other questions, Mr. Chairman. We've added more people to the subcommittee, and I know they have important questions. I've got a couple more. But thank you very much.

Senator STEVENS. Senator Feinstein.

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

Welcome, Mr. Secretary and General. And I want to thank you, General, for bringing your stellar people here, and introducing them. And I can't resist saying, I was delighted to see two women as part of four people acknowledged for very special service to our country, and surprised one is so very young. But—

General MOSELEY. Senator, that very young one has had multiple combat tours.

Senator FEINSTEIN. That's what I understand. Is this her fifth deployment?

General MOSELEY. It will be—

Sergeant BOBSEINE. It will be my fourth.

General MOSELEY. It will be her fourth. She's had three.

Senator FEINSTEIN. Fourth—

General MOSELEY. She goes back in June.

Senator FEINSTEIN. That's amazing. Would it embarrass you if I asked how old you are?

Sergeant BOBSEINE. I just turned 21, ma'am.

Senator FEINSTEIN. You just turned?

Sergeant BOBSEINE. Twenty-one.

Senator FEINSTEIN. Twenty-one, oh. Well, now that you've finally reached maturity, let me—

Senator STEVENS. Why don't you ask her how she can carry that pack? Have you seen that pack they take with them, when they go out in those combat activities?

Senator FEINSTEIN. No.

Senator STEVENS. Tell her. Tell her how heavy your pack is.

Sergeant BOBSEINE. It's about 90 pounds, ma'am, when it's fully loaded.

Senator FEINSTEIN. How long can you carry it before you get tired?

Sergeant BOBSEINE. It depends, ma'am. As long as I have to.

Senator FEINSTEIN. Yeah, I guess you do pretty well.

As long as you have to. Okay. All right.

I wanted to, if I can, ask my questions on the C-17, General. Obviously, the C-17 is a very important program for California. It employs 6,500 people in Long Beach. It's got 400 suppliers. It's a \$3.7 billion asset to the State. But you have termed it a "Golden Plane." And it certainly has provided its service in many different ways.

It's my understanding that the Air Force requests funding for both advanced procurement of additional C-17s, along with money for shutting down the line in 2008. However, recently, it's my understanding, the position has changed slightly, requesting funding for seven additional C-17s as part of your number one priority on the unfunded list. Now, this request has had an impact on the high rate of attrition, as it continues to fly, I gather, 70 percent of the missions in anticipated use in both Iraq and Afghanistan. Some Air Force officials have suggested publicly that there might be a need to procure up to 20 additional C-17s.

I'd like to receive your very candid assessment of the capabilities of the C-17, and the Secretary's, as well, along with an explanation of why you chose to make the procurement of seven additional C-17s your top priority on the unfunded list.

General MOSELEY. Senator, thank you for the opportunity to talk about the C-17.

It is worth its weight in gold. It's a great design, and it's proven itself useful as an intertheater airlifter, as well as an intratheater airlifter. We've been able to use this airplane in areas that we've never used a strategic airlifter before, because it is reliable, and it is very capable to get in and out of shorter airfields. In fact, we were able to fly it directly from Charleston Air Force Base, North Carolina and McChord Air Force Base, Washington, to places in the United States and Europe, or fly it straight into Baghdad or straight into Balad or straight into Bagram in Afghanistan, without having to stop somewhere and transfer the cargo or the people to a smaller airplane. So, it's been worth its weight in gold. And we have been flying it in rates in excess of what we programmed.

The good news about this airplane is, we have the airplane instrumented, so we understand where the stresses are on the wings, in the fuselage, and on the structure. And as we look at that analysis, we see that we are stressing the airplane with multiple take-offs and landings, and multiple operations in these shorter fields.

Now, we have, out of the mobility capability study, 112 C-5s that is the bookend of the strategic airlifters. And, as the Secretary mentioned, we have congressional language that precludes retirement of the C-5A's. So, we have 112 C-5's. Out of the mobility capability study, the program of record of 180 C-17s matched with 112 C-5s gives us sufficient airlift.

But, ma'am, remember, in the mobility capability study, it also addresses even rail shipment, fast sealift, sealift pre-positioning

ships, wartime reserve material pre-positioning. So, it's a bigger picture than just airlift.

So, 180 is the program of record. But now that we have the ability to look at the data, we see that we are burning the airplanes up at a higher rate. So, our analysis tells us that the seven that we asked for in the unfunded priority list, along with the combat losses in the C-130 and our center wing-box issues with C-130s, will be sufficient.

Now, we also have partnered with the Australians, and we understand that they have asked to buy four C-17s. The British are looking at an additional buy. General Jones—and his world is U.S. Supreme Allied Commander, Europe (SACEUR), and North Atlantic Treaty Organization (NATO)—have expressed in additional C-17s. The world, I think, understands how valuable this airplane really is.

Mr. WYNNE. I can add to that, Senator, that, on page 1 yesterday in the USA Today, you saw another illustration of the utility of the C-17, which was essentially a flying intensive care unit (ICU), made up for the medical evacuation of our soldiers and airmen and marines out of Balad into Landstuhl, Germany. This is a scheduled run using the versatility of this airplane. And we recognize that it is essentially being used at a little higher rate than we had anticipated it would be used at all in this war effort to support, as Senator Burns said, the ground warfare.

The miracle of Iraq is actually in medical evacuation, and the fact that we can get people from the front lines into Balad and into Landstuhl and then back to Walter Reed Army Medical Center in very short order. And that is saving lives in a dramatic way.

The C-17 is the workhorse of this engagement, without a doubt. The C-130 also works very hard during this time. Our assets are essentially wearing out, and we would like to make sure we have enough in reserve, if you will, to recapitalize.

I would tell you that the next tanker is actually more valuable than the next C-17, because while the soul of the Air Force is, in fact, delivering power at long range, long-range strike, our expeditionary and agility forces require tanker operations, without a doubt.

That having been said, we see that right now, because of the wear that they're getting—to get an equivalent of 180 units, we may have to buy up to an additional 7 units to essentially meet the capacity requirements laid down in the mobility capability study. You asked, why did it show up as our number one unfunded priority? And that was the reason it showed up as our number one unfunded priority. We just see that wear and tear on this fleet, meeting the capacity requirements of the Mobility Capability Study would actually require up to seven additional airplanes.

The addition to the international sales, I think, is very fulfilling. It almost ratifies, if you will, our look at the C-17 as an excellent airplane. Were NATO and the United Kingdom and Australia to buy this airplane, it would further relieve us of some of the missions we, in fact, are accomplishing today.

General MOSELEY. Ma'am, two other—

Senator FEINSTEIN. Yes, General?

General MOSELEY. Two other bits for you. When I was blessed to be the U.S. Central Command air component commander for Afghanistan and Iraq, we used the C-17 to make the largest humanitarian airdrop in the history of combat aviation. Those early drops were made to Afghanistan and flown out of Germany.

We also used the C-17 for the largest airdrop of soldiers since the Korean War carrying the 173d to northern Iraq. So, the airplane is not only the finest flying hospital, it is also the finest deliverer of humanitarian assistance, as well as paratroopers. And you can fly it in and out of small airfields. So, that's how I've assessed this as being worth its weight in gold.

Senator FEINSTEIN. I thank you both for that.

I'd like to just add one other thing. Some of us have really fought the reopening of the nuclear door, and the development of new nuclear weapons, for a number of reasons I won't go into here. So far, we have won. We won on the low-yield nuclear weapons. We won on the robust nuclear earth penetrator. The fiscal year 2006 authorized \$4 million to conduct sled tests and to better understand the physics of penetrating geologic media. The 2006 appropriations conference report provided \$4 million for this. And I've been in communication with the Secretary of Energy. I want to just read his response to a letter I wrote. His—well, the response came from Linton Brooks—

Senator STEVENS. Senator, could we make it a little short, please—

Senator FEINSTEIN. Yeah, I'll make it as—

Senator STEVENS [continuing]. If you will?

Senator FEINSTEIN [continuing]. Short as I can, Mr. Chairman.

Senator STEVENS. Well, the time has expired.

Senator FEINSTEIN. Could I just—

Senator STEVENS. Yes.

Senator FEINSTEIN [continuing]. Finish?—saying that no sled test would be conducted at Sandia or any other facility. He says that if the Department of Defense (DOD) chose to conduct a test at a DOD facility, he believed that would be fully consistent.

My question was going to be, what kind of sled tests can you inform the subcommittee are being conducted, and what guarantee is there that this will not be a nuclear subterfuge?

Mr. WYNNE. I guess, very quickly, we need the statistics and the physics just to make sure that we, in fact, have the right kind of arguments for the use of conventional warheads at that kind of speed. We really don't even know whether or not any projectile will penetrate at those kinds of velocities. It may actually always become a surface issue. So, this is really about determination of physics. But I think the agreement is actually that the concept of the robust nuclear Earth penetrator (RNEP) is not at issue any longer. We're talking about just penetrators and penetrator tests.

Senator FEINSTEIN. Thank you, Mr. Secretary.

Senator STEVENS. Thank you, Senator.

Senator FEINSTEIN. I appreciate it. Thank you.

Senator STEVENS. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

Mr. Secretary, General Moseley, I want to get into the area of fleet—a fleet of aging refueling tankers, that we're experiencing

problems and have great challenges. I don't believe, Mr. Secretary, that we can wait 35 years to replace our tankers. The President's budget, as I understand it, calls for retiring 114 KC-135Es in fiscal year 2007 and 2008. Clearly, we will not have replacements available, even by the end of the fiscal year, 2008, General Moseley. What assurances can you give us, if any, that a replacement aircraft will be identified and in production before the risk of retiring the KC-135s becomes untenable?

General MOSELEY. Senator, thanks for that question because this is an important issue. And let me echo my boss and say that the first tanker is more important to me right now than the 181st C-17. Even with the seven that we've included in the unfunded priority list, the tanker program is exceptionally important to us, because it provides those airlift legs.

Senator SHELBY. Without them, you have no legs, do you?

General MOSELEY. Sir, not just us, this is for the joint team. The Navy has no legs, the marines operate at much shorter distances. But there is no range without the American tanker.

The 114 KC-135Es that we're talking about, there is still congressional language that precludes us from retiring any of those airplanes. Our preference would be to retire the KC-135Es—

Senator SHELBY. Yeah.

General MOSELEY [continuing]. The 114 aircraft have crews across the total force—Guard, Active, and Reserve. We want to bring the KC-135R model crews up, so we can generate sorties with the more reliable R model.

General Handy, before he left U.S. Transportation Command, and General Schwartz and General McNabb, out at Scott Air Force Base, now believe there's only going to be a 9 percent decrease in total offload by retiring the E models sooner and increasing the crew ratios on the R models so we can fly those aircraft.

Senator, the other reality is, we don't deploy the E models into the U.S. Central Command Area of Operations. When I was the air component commander, I wouldn't take them. They're less reliable. You carry less of a load. The engines are such that you can't lift the weight. You have to download the fuel on them. You're much better off with the—

Senator SHELBY. We've got to retire them, haven't we?

General MOSELEY. What's that, sir?

Senator SHELBY. We have to retire them.

General MOSELEY. Sir, our proposal would be to retire those—

Senator SHELBY. Sure.

General MOSELEY. We need to take them off the books, take the crews, put them in the R model, and let's get on with the new program. And we have all that in play now.

Senator SHELBY. I know you don't have an exact date—if you do, you keep it to yourself, which you should—do you have any ballpark idea when we would start?—first, you've got to identify, you know, the aircraft, and then start procuring the aircraft. I know this is down the road, but you've got—you think down the road.

Mr. Secretary.

Mr. WYNNE. We do try to think down the road. Thank you, Senator, for that. We hope to get release from the Deputy Secretary to start this procurement in the very, very near future. I have tried

to hold the team, if you will, to a September release of a request for proposal, a near-term release of a request for information, to turn that information into a request for proposal in September, which would lead to a mid-year next-year potential award. These are our targets right now. They are looking forward. If that happens, then you've probably got 24 to 36 months beyond that before you begin to receive the tanker fleet.

Since the basic platform we have seen right now is becoming available across the world, we are hopeful that these companies can accelerate their deliveries to us.

Senator SHELBY. That would help.

Mr. Secretary, we hear a lot of stuff, and sometimes you've got to throw it away, but we've been hearing that some senior leaders in the Air Force are on record stating that the next-generation tanker we're talking about must do more than just air refueling. In other words, it could have multiple—multipurposes, such as air transportation capability for passengers, cargo, aeromedical evacuation, and so forth. Could you elaborate on that?

Mr. WYNNE. Yes, sir, I can. Even our current fleet of KC-135s, in fact, performs medical evacuations from the Pacific, because of the legs that we get out of those tanker aircraft. We can also carry a limited amount of cargo on KC-10s, because they have floors in them, and adequate doors to get things in and out of that airplane.

General Moseley and I are very concerned about people piling on excess requirements, driving the cost of this tanker up. We are committed—

Senator SHELBY. We certainly don't need that, do we?

Mr. WYNNE. We are committed, throughout our acquisition program, to try to get baseline utility, instead of having people pile on excess requirements. Modern technology and modern manufacturing techniques can, if you will, square the circle by giving us something we might not have specifically specified. But our desire is to keep things to a minimum; hence, the F-22A; hence, in the transformational satellite (TSAT), we are trying to keep that to a technically mature product; the space-based radar, all of our programs, we are committed to taking a very hard line to essentially piling on requirements.

Senator SHELBY. Yeah, you don't need to buy something you don't need, or foresee that you need, do you?

Mr. WYNNE. Well, I would say that I hate to forego options, but, at the same time, I have a very severe cost constraint in the future. It is not going away. I think, as Senator Stevens has indicated, this is something we're going to have to be very careful with in the future.

Senator SHELBY. Thank you.

General Moseley.

General MOSELEY. Senator, let me add on to that, also. In the request for information (RFI), when we get that out—and hopefully that'll come out soon—it puts everything on the table, as far as options for the airplane.

Senator SHELBY. Okay.

General MOSELEY. It's a good piece of work, and it opens the door for anybody with good ideas.

At the end of the day, when we build this thing, it has to be an A model. We have to be able to get the lowest cost, most basic airplane, and get it to the field to address these deficiencies that we've got. And, sir, I think you would appreciate that we won't be able to buy these airplanes a hundred a year. I suspect we'll buy these airplanes at the same rate that we bought the other big airplanes, which will be \$15 to \$20 billion, which—you take the 417 R models, divide that into \$15 to \$20 billion, and you've come close to a 30-year program to buy this airplane out, which means the R model will be around that long. So, this has to be an A model. We can reduce any turbulence in the system and build the most simple airplane and keep the cost down.

Senator SHELBY. But you've got to do it, haven't you?

Mr. WYNNE. Well, sir, we have to do it, absolutely. And what I want to do is make sure that we use a Microsoft-like model, where we can plug-and-play—

Senator SHELBY. Sure.

Mr. WYNNE [continuing]. Into the future. We hope that our contractors are very aware of the impact on modularity.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you.

General and Mr. Secretary, thank you very much. We—here in the Senate and over in the Pentagon, we've got some people that, at times, get pretty puffed up and wear starched shirts. We all understand that. But I've dealt a lot with both of you, and you, I think, do great credit to this country and are terrific in the jobs that you hold. I appreciate your work.

I want to make a couple of comments about the B-52s, following on Senator Burns' comments, and then have you respond to it. And then I want to ask you about the Happy Hooligans, if you—

First of all, the B-52s, my understanding is that the official estimates of the Air Force is, that 21-year-old airman behind you will be 55 years old by the time you estimate that the B-52s will have no life left. So, think about that, 35 additional years of life, according to the official estimates of the Air Force. She'd be 55 years of age at the time we say the Air Force has now flown the B-52s beyond its time.

Number two, you mentioned that there were precision-guided weapons dropped last evening by B-52s. I assume, in Afghanistan, there's no antiaircraft batteries, or very few, so it was probably not standoff, you could fly into the theater. But if it were standoff, a precision-guided weapon dropped on a standoff capability, then you would—you used a bomb truck. The B-52 is a bomb truck. You could have used a different truck. You could have used a B-1, B-2. The B-52, as a bomb truck, is one-third the cost of operation of a B-2, and one-half the cost of operation of a B-1. When you are desperately short of funding—and I don't see the Air Force budget growing the way some of the other areas grow—when you're desperately short of funding, I wonder about the advisability of going from 93 down to 56 of the least expensive bomber we have, espe-

cially when we are moving more and more towards precision-guided weapons. And so, I think we should talk a bit about that.

My understanding is, General, that there were 42 B-52s deployed during the Afghanistan and Iraq War, but it took 80 airplanes—82 to 84 B-52s, really, to move in and out, in a rotational capability, to satisfy that requirement. In the future, we couldn't do that. I believe we used 140 B-52s in the first gulf war. I think we've now used 80 to—82 to 84 B-52s to circle in and out of the second. And we're proposing that we go down to 56 B-52s, which is the least-cost operation of a bomber fleet, by one-third or one-half. And, once again—I didn't mean to single you out, young lady, but, by the time you reach 55, they say we can keep using that B-52 all of these years. I think it's a bargain for the taxpayers.

So, let me ask you to respond to that. And then, if you can, let me also have just a moment to respond to the B-52s—or to the Happy Hooligans, rather.

General MOSELEY. Sir, the range that we're operating these airplanes, from Diego Garcia to targets in Afghanistan, are the same distance—and this gets at Senator Burns' question—it's the same distance from Tampa, Florida, to Juneau, Alaska. So, our crews are flying the same distances on these missions from Florida to Alaska every day, and delivering ordnance. So, that's the benefit of the tanker, and that's the benefit of the bomber.

Sir, in the future, in this unknown future, we have to be able to operate in opposed airspace, and we have to be able to deliver these effects. With the F-22, we can maintain the dominance to get the bomber to the target. Some of the worst lessons learned in Air Force history were the lessons of 1942 and 1943, where we lost 30 to 40 to 50 percent of the bomber fleets on missions at Schweinfurt and Ploesti and Regensburg, et cetera. The bomber has to survive to be able to deliver that ordnance. When you have no air defenses, then the truck will do. When you have air defenses, you have to beat them down, suppress them, so you can get the heavy lifter to the targets. And so, that's the dilemma that we face against fifth generation surface-to-air missiles and fifth generation fighters, which is why the F-22 is important to us.

But, sir, we used every bomber that we could get once we got them in theater. But, sir, remember, we also redeployed them back to home station to minimize the time away on the people. So, there were a lot of the bombers that we did not just park at Thumrait or at places—other expeditionary airfields. We rotated the aircraft and the crews out to try to maintain some rotation time-away-from-home normalcy for the crews.

Sir, another way to do that would be to have all of the 50-plus bombers combat-capable with the \$1.3 billion spent on all of the upgrades, and you could deploy the airplanes, and then rotate the crews, instead of the other way around.

So, sir, if you're asking me, do I love the B-52? I do. Have I used it a lot in combat? I have. Have I dropped a lot of bombs off of it? I have. Have I shot a lot of cruise missiles off of it? I have.

Senator DORGAN. If you had your druthers, would you like more than 56—if you had your druthers and had the money to—

General MOSELEY. Sir, I know your attachment to the B-52, but, let me say, if I had my druthers, I would build a new bomber. I

would build new bombers so I could penetrate airspace and maintain persistence, and I can deliver this effect, whether it's opposed or unopposed airspace. And that's the cruncher, and with the money.

Senator DORGAN. I understand, yeah.

Let me just quickly—thank you for your answer, General.

General MOSELEY. Yes, sir.

Senator DORGAN. There's obviously room for a lot of discussion in that answer. But I appreciate your work on these issues.

Let me ask you about the Happy Hooligans, in Fargo. We're now scheduled for unmanned aerial vehicles and some discussion about some interim C-130s and the light cargo plan. Can you tell me what the approach is for that unit?

General MOSELEY. Sir, we're working hard to get the UAV presence right. We have North Dakota, New York, California, Nevada, Arizona, Texas, and we're working hard to get the 21 orbits, which is a euphemism for 21 separate customers, to be able to deliver the effect, whether it's surveillance or whether it's strike. And so, to get the airplanes to North Dakota which is our desire, we have to get crews trained and operations up and going to conduct combat operations.

The National Guard Bureau—having talked to Lieutenant General Steve Blum a bit, the National Guard Bureau has talked to the Adjutant General in North Dakota about four or more C-130s as an interim bridge until we can get some fidelity on the joint cargo aircraft. We've had no opposition to that, for sure. I don't know many of the details, other than there's been some discussion. And, sir, we're not opposed to that. That's not a bad way to go.

We're working the joint cargo aircraft issue with the Army, to determine the number of these aircraft, how best to employ them in theater, conduct homeland security and homeland defense with them, and upgrade some of these systems.

An aircraft of that type would have been very useful in the early stages of Afghanistan and in the early stages of Iraq. And it would be very useful today, to be able to move things in and out of those smaller airfields.

And so, we're focused on that, sir, and we're working that with the Army.

Senator DORGAN. Going back, just briefly, to the bomber issue, I understand the 2017 timeframe and so on. I have also watched the tanker, the new tanker issue languish. And, you know, I don't know when we'll have a new bomber. I understand the need for it, but I still think we need to rethink the cost of deploying these bombers. And I might say that with—particularly with standoff precision weapons, these bombers all become trucks when you're using standoff precision weapons, because they're not part of the battlefield, at that point. But I just—I hope we can continue the discussion about B-52s.

General MOSELEY. Yes, sir.

Senator DORGAN. I thank you very much for your stewardship of the Air Force, Mr. Secretary and General Moseley.

General MOSELEY. Thank you, sir.

Senator STEVENS. Thank you very much, Senator. I think the two co-chairmen remember when President Truman tried to stop the

B-52. It was built during President Truman's day. It's been around a long time. We'll have to discuss that.

Senator Inouye, if you have—your opening statement, space in the record has been reserved for you, my friend. You're up.

Senator INOUE. First, my apologies for being late. We had another function.

Mr. Secretary, General, I'd like to take this opportunity to remind some of my colleagues of the great work you've done in Enduring Freedom, in Iraqi Freedom, and Noble Eagle. I find that the media and my colleagues at times focus too much on the land forces, the marines and the Army. There's much justification for that, but I'm certain those men and women on the ground would be the first to tell all of us that without the Air Force, they're really in a fix. And so, I wish to thank you and the members of your command, and men and women who have done so much for us with all their sacrifices.

Mr. Chairman, I'd like to have my full statement made part of the record.

Senator STEVENS. Yes, sir.

Senator INOUE. I just have one question, sir. This is on your transformation. And I would like to just touch on one aspect of transformation. You speak of efficiency and consolidating redundant activities. While I think all of us support efficiencies, I do not want to be part of a group that would send a signal to certain geographic regions suggesting that maybe they're not that important. I think it is critical that a major command retain the ability to manage its people and its resources.

Now, for example, the Air Force is exploring the alteration of chain of command for operational units. And units that are currently reporting to Pacific Air Forces (PACAF) would communicate directly with the Air Combat Command. Now, that would seem to me—I'm not an Air Force general, but it would seem to me that you would make a four-star general a figurehead. He has the troops, but somebody else has command and control over them. So, I would hope that our forces in Europe and our forces in the Pacific are provided the importance that I think they deserve.

What are your comments, sir?

Mr. WYNNE. Well, one of the things is that I'm very proud to have a partner like General Moseley to work with. And when we talked about trying to husband our resources and understanding the increasing costs of our personnel, and concluded that we would take a 40,000 full-time equivalent reduction in our service, he stepped right up and said that the active should lead from the front, and the active should lead from the top, and has looked into ways to economize on 30 general officer slots, which really gets at your question, I think, in a very direct way.

That having been said, I have left all of the command relationships, if you will, to my partner in his regard to the military operation, as I think I should, and I'd like for him to take on that question very well.

General MOSELEY. Senator Inouye, thank you for the chance to answer that, because there are some misunderstandings out there.

Our desire is not for PACAF, for the U.S. Air Forces in Europe (USAFE), to become subordinate to Air Combat Command or Air

Mobility Command or Air Force Space Command or Air Force Materiel Command or Air Education and Training Command. They are major commands, with representational responsibilities and command responsibilities to U.S. Pacific Command and U.S. European Command. And we take that very seriously, as a part of the joint team.

What we have looked at, though, is using the numbered air forces in the Pacific, 11th in Alaska, 5th in Japan, 7th on the Korean peninsula, in the new Kinney Warfighting Center, on Hickam Air Force Base, which may or may not become 13th Air Force, as the fighting forces for the Pacific, which they have historically been, and to look, if there are not management oversight things within all of the major commands, the functional areas of personnel, civil engineering, communications, that we can streamline to look at saving management oversight, not command oversight.

General Paul Hester still has command of Pacific Air Forces, and he is responsible to Admiral Fox Fallon as his senior airman in theater—same with 11th, 5th, 7th, and what may become 13th on Hickam Air Force Base, which is now the Kinney Warfighting Headquarters.

So, sir, we intend, in no way, to break the command structure down, and we are looking for efficiencies in those functional areas where it makes sense such as personnel activities or civil engineering or communications. And I think you would want us to look at that to see if there's not some inefficiencies there. But there is no intent to have the Continental United States major command headquarters having anything to do with the command prerogatives or responsibilities of Europe and the Pacific.

Senator INOUE. Well, I thank you very much.

In closing, I'd just like to reiterate what my chairman has said time and again. The two aircrafts that are most important at this moment in our history, F-22 and the C-17, take good care of them, please.

The other matter that concerns me is the fact that our bomber fleet seems to get smaller and smaller. And I believe the time should come when serious consideration should be made in developing a new bomber, penetration bomber. I would assume that that is in your minds or your planning.

I thank you, sir.

General MOSELEY. Sir, it is in our minds, and out of the QDR, we have a date on the wall of 2018 for the initial operational capability of a long-range strike platform, which I believe is a bomber. And we're working hard to begin to set the stage for that acquisition program, and to go through all of the right processes to be able to get at something that we could field by 2018.

The bomber is a critical tool. And, sir, I think you would agree, the soul of an air force is just that, range and payload. And in today's uncertain world, to be able to range those targets with that B-52 at those distances, which are from Tampa, Florida, to Juneau, Alaska, every day with those crews, that's a powerful tool for General John Abizaid and the air forces in the Central Command region.

Senator INOUE. That's a good answer.

General MOSELEY. Yes, sir.

Senator INOUE. Thank you very much.

Senator STEVENS. Senator Domenici, do you have questions?

Senator DOMENICI. Do you have somebody else, so that I could have a minute?

Senator STEVENS. I have some questions I'd like to ask.

Senator DOMENICI. Please do.

Senator STEVENS. Senator Dorgan has talked about the aging fleet of bombers. Matter of fact, it's my understanding that our total aircraft inventory is the oldest in history now. We have—the average age of aircraft is—all aircraft—is 23 years. Tanker fleet's over 41 years, in average. C-130's average is over 25 years. I don't know what the average age of the B-52 is. It's got to be 50.

General MOSELEY. Forty-four.

Senator STEVENS. Forty-four? And you're now making reductions in your end strength. And we understand that. You have to capitalize your aircraft. But I think people are inclined to look at the number of Air Force personnel that are in the war zone. They're not as high as the others, the Army. But if you look at the overall activity of the air bridge, the maintaining of, you know, the constant air patrol over other areas of the world, it's still got enormous demands on your end strength. Now, last year, when the Air Force appeared, the Air Force was over its end strength. Now it looks like, in terms of applying your end-strength reductions, you're going to have an imbalance between officers and enlisted men. Is that right?

General MOSELEY. Sir, if I could try the context of the question, which is, one of the things about our aging fleet that I think you and Senator Inouye have highlighted back to us on occasion is that if we get everything that we want in our future years defense program which is debatable—and, of course, we propose, and you dispose—the age of our fleet will go from 23 years to almost 25 years. We are right on the tipping point of being behind the investment bow wave, instead of in front of it. And the U.S. Air Force has never in its life stood down an airplane because of age. And we are now on the cusp of trying to set up an Air Fleet Viability Board, because we now are on the fourth step of our 12-step program, realizing we are going to be operating an aging fleet. So, we need to understand better how our airplanes age.

We have to get ahead of this investment curve at some point into the future. We cannot keep pushing this bow wave out, and every 5 years we lose 5 years of our life, which is why we really want to start to invest in our long-range strike aircraft and begin to divest ourselves of some of our aging air fleet.

That having been said, we are looking at better ways of employing our manpower, and we find ourselves with almost an iceberg, where we have a presence very similar to the Navy. We must maintain the presence in the Pacific, in the area of North Korea, the Korean Peninsula, in Japan, and yet, yes, some of the people at Kadena. For example, when I was there, just last week, I found that 500 of those folks are, in fact, cross-deployed into supporting Iraq. So, we are managing our force deployment across the world, trying to maintain, if you will, both presence and activity within the context of the theater.

We have a little bit of a problem, because our C-17 pilots are, in fact, not in the theater long enough to be recognized as combatants, although they get shot at quite a bit, and they would, of course, argue about that. Many times, our B-52 pilots, who do not get based, if you will, into a theater, are, in fact, flying out of Diego Garcia or Guam, do not get credit for being participants in the war. Nonetheless, we know that they have dropped ordnance—in fact, just last night—and yet, they are not seen as performing combatant activities. Nor do our reachback activities—people flying the Predator out of Nellis Air Force Base, or if we do get UAV squadrons distributed through the National Guard, we haven't quite come culturally to what to call those folks. In a very similar way, we do have several people tied down in the missile fields, using and guiding our space assets.

And so, you are right, sir, we have about 179,000 people that are right now reporting to combatant commanders.

Senator STEVENS. I have, several times, suggested to this administration and past administrations that we have some defense bonds. We have to bind some way to finance a follow-on bomber, and we have to have some way to get to the Joint Strike Fighter. And part of us—I think I speak for my co-chairman—as far as our watch is concerned, we don't want to leave without knowing that there will be a follow-on bomber, there will be a follow-on joint fighter like the Joint Strike Fighter. I don't see it right now. We're putting those off. Joint Strike Fighter seems to be slipping and any concept of a new bomber is slipping. And my friend from North Dakota and I had a little discussion about it. I think we've got to stop supporting some of these ancient planes and start putting that money into getting us into another generation, as far as Joint Strike Fighter and the bomber, or we have to go to some defense bonds and get the money now—I think the public would buy them—for the defense force of the third decade of this century. You can't get there without money now. And we can't keep up the old ones and ever hope to start getting the replacements that are necessary.

So, I hope we can have a dialogue with the administration and with you about finding some way to finance it. It's not dissimilar from the other committee that Senator Inouye and I serve on, in terms of the airways. We have to have a new airway system. We've got an analog system out there, but we're flying digital airplanes, and we've got to have a new system. But the only way to do it is to find some way to fund it now and have that money paid back over a period of years. Same thing here. We have to fund these things now. Within this next decade, we have to start a follow-on bomber, and we have to be assured that the Joint Strike Fighter is coming. But I don't see it yet.

Senator Domenici.

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

And, General, a pleasure to be with you again. And——

General MOSELEY. Yes, sir.

Senator DOMENICI [continuing]. Secretary, it's good to see you.

I only have three or four questions. We talk a lot about these, you and I and others. We have the two bases in New Mexico that have come into focus now, by coincidence—Cannon, one located at

Clovis—is on your radar screen, because it fell upon that base to get a very special denomination in the BRAC inclusions when it was set up as a—what was the word used, the favored word to describe it, what would it be?

Mr. WYNNE. Well, they asked us to go for a follow-on mission, I believe, to try to ensure the continuity of the base.

Senator DOMENICI. But it was called an “enclave.”

Mr. WYNNE. An enclave, I think is the unique term of art. Yes, sir.

Senator DOMENICI. And it remains an enclave for a substantial period of time, by definition of the BRAC Commission. It’s now in—only had that status for months, but it can remain that way for years. It has been everybody’s desire that that not remain an enclave for a long time—is that correct?—that it be done—the enclave be determined—

Mr. WYNNE. I think it’s a little bit unfair to leave a community on edge.

Senator DOMENICI. Correct.

Mr. WYNNE. I want to resolve this within the context of this year, if it’s possible. I have kind of set targets out there for a June or July resolution.

Senator DOMENICI. Now, much has been going on, by way of background determinations, following certain practices and procedures, to make sure everybody knows what’s going on. And—

Mr. WYNNE. Yes, sir.

Senator DOMENICI. And just recently—

Mr. WYNNE [continuing]. We have worked very hard with the local community.

Senator DOMENICI. Correct.

Mr. WYNNE. We are working other agencies to try to identify the maximum number of opportunities for that base.

Senator DOMENICI. And, in the meantime, things are in a status quo.

Mr. WYNNE. Yes, sir. In the meantime, things are in a status quo. We hope to bring this to a resolution by mid-year.

Senator DOMENICI. For which we are very grateful to all concerned, including Congress for putting it in that status following the BRAC determination. Now, as you know, just recently there has been a workshop regarding Cannon to provide Federal agencies with opportunities to consider potential uses. Can either of you, or both of you, describe, in whatever way is appropriate, how the workshops went? And can you update us on the Department’s long-term plan, if there is one, or if it is shaping up, however you might describe it?

Mr. WYNNE. I guess I would describe it in the latter condition. It is shaping up. We have had, I thought, a positive workshop, but we have had a relatively few respondents, some of whom have been very positive, however. And so, we are hoping to continue this, if you will, missionary work, together with the community, describing the positive attributes that are available at Cannon Air Force Base. As you know, we have a lot of our Air Force officers who, in fact, have been there. We were very sad to hear of the death of one of the leading town citizens and sponsors, and recognize that we, in his legacy, need to continue this work to resolve this issue.

Senator DOMENICI. Well, this won't go on for long—you know, indefinitely, will it, Mr. Secretary or General?

Mr. WYNNE. No, sir. We are trying to draw this to a conclusion. I would, on the outside, because every process we've ever done seems to slow down, say it's this year, but I am trying to get it done this summer.

Senator DOMENICI. Thank you very much.

General Moseley, do you have anything to add on that? And I'll move over to Holloman for a moment.

General MOSELEY. No, sir. I would just add that the community has been great to work with. It has been very open about the varieties of teams that have come out and looked, and the variety of opportunities. Doc is going to be missed by all of us. Randy is doing a great job, and the community has been very supportive of those folks that are out there to look at options. We, along with the Secretary, we get weekly progress reports. The staff understands that there is a motivation to do this sooner, versus later.

Senator DOMENICI. What does the Air Force need from moving over there, now, to the other side of the State—White Sands Missile Range, Alamogordo, and New Mexico—to make sure that joint training becomes a reality? Fort Bliss is becoming a training area of major proportions. And so, the question is, clearly, how will White Sands Missile Range and—Holloman fit into that, if you know?

General MOSELEY. Sir, let me address that one, because it gets into ranges and training space. It would be no surprise for you to hear an Air Force chief say, "Big ranges, supersonic airspace, ranges that we can drop bombs on are premium commodities for us these days." The ranges that we have in New Mexico, the ranges that we have in Alaska, the ranges that we have in Utah, Arizona, and Nevada, cannot be replicated anywhere. We have to hang onto those ranges and avoid encroachment.

The footprint of the weapons that we have now require larger airspace. The speed of the aircraft require bigger spaces. And the ability to instrument these ranges, and the ability to do this jointly, is critical to all of us.

Senator DOMENICI. All right.

General MOSELEY. You know very well what Red Flag is. Red Flag is now in two parts, one in Alaska and one in Nevada. But the size of the ranges and the airspace are critical for us. Having spent a tour or so in Alamogordo, the White Sands Missile Range, the McGregor airspace, and the ability to partner with operations out of Fort Bliss are very important for us in the future as we look at marrying systems, airborne UAVs and weapons with our Army brothers and sisters. So, sir, that range is important to us.

Senator DOMENICI. Well, I want to thank both of you for your continued cooperation. And I think I speak for the entire community, I don't think there is a more cooperative community in all of the United States than that one. And it has been reciprocal on the part of the Defense Department. It's obvious that the mission at Cannon is changing. It is clearly not going to be the same kind of Air Force base it was before, a single purpose. Clearly, it's being looked at in a much—in a much broader way. And I think that's good for the country, in terms of what I see as this joint operation

concept, which it may end up taking the lead in. And, for that, we're grateful.

Mr. Chairman and co-chairman, you have helped us get to where we are, and we're very appreciative. We will always be appreciative for it. Thank you.

Senator STEVENS. Thank you.

Senator Dorgan, you said you had another question?

Senator DORGAN. Mr. Chairman, I didn't want the term "ancient" to hang out there until the next hearing. "Ancient aircraft." I wanted to make a point, if I can.

I think your comments and the comments by Senator Inouye about modernization are really important. There's no question that we have to move to a new bomber at some point, support the C-17, support the F-22, and so on. But I do want to point out, with respect to the F-52 flight—or B-52 airplanes, these are not ancient planes. It is true the airframe has some time on them. But they are low-hour airplanes. When you get on an airplane at the airport out here, you're probably, in most cases, going to fly a commercial airliner that has three and four times the hours the average B-52 has on it.

Number two, most of that B-52 is new, and we've spent a great deal of money to modernize it.

And, number three, finally and importantly, it costs one-third the cost to fly that, versus a B-2, and one-half the cost to fly it, versus a B-1.

We will need a new penetrating bomber, but we're also going to need bomb trucks. The least expensive bomb truck, and one that is still modern inside, in my judgment, is the B-52. And we always ought to look for the least-cost opportunity. And, as I said, it'll last 35 years, until that young lady's 55 years old.

Mr. Chairman, thank you.

Senator STEVENS. That's a discussion for another time.

I'd like to ask one question about satellites. We have really emphasized, in this subcommittee, the development, deployment, and protection of the military satellites. They're very important, not only for the GPS system, but we have lots of other involvement—some, highly classified. But in the last few years, there's been significant cost overruns, in terms of the satellite programs. And that includes the space-based infrared system (SBIRS) high and the national polar orbiting operational environmental satellite system. We are really looking now at trying to find some way to improve the program management and to really ensure that these technologies are matured.

Can you tell us, what are you doing to follow on that process?

Mr. WYNNE. Well, thank you very much, Senator, for that.

We are really taking this to heart. We have, I think, reduced our acquisition force in the space area way too much. It is now showing and telling, as a result, in cost overruns, due to requirements growth and/or, frankly, just bad engineering quality has affected us on a couple of occasions.

We think that the first opportunity we have is to increase our talent pool, and manage it better, so we get the best talent on all these hard problems. The second thing we are doing is to make sure that we go with a baseline technology-mature craft. It is a

part of our configuration freeze routine that we are trying to make sure that we have the right level of technology, not more, going up on our rockets. We have successfully gotten our rockets to the point where they are very efficient launch vehicles. However, we now have to work on our satellites so they, if you will, can fly on a schedule.

We are committed to bringing to your attention the reduced technology risk for the transformational satellite, for space-based radar, as well as what we have done to mitigate the space-based infrared and the national polar orbiting operational environmental satellite system (NPOES) satellites.

This is a very difficult area. I think it's one that merits your attention. And we are giving it that.

Senator STEVENS. General Moseley, our conference report last year highlighted this and asked the Air Force to really monitor the space radar and transformational satellite communications program. Can you tell us what steps have been taken to follow up on that urgency?

General MOSELEY. Sir, as we've talked about the F-22 and the tanker, to build an A model, or to build an initial block satellite is what Secretary Wynne and I have pressed on the staff. Instead of attempting to upgrade this thing as it is being built, our desire is to freeze the configuration, whether it is TSAT or whether it is space radar or whether it is any of our new satellites, so that we don't continue to add things to it and increase cost and risk to the program. Because by doing that, the contractor, the user, and the end result is, it takes longer, it costs more money, and there's more risk.

We have also focused on the known technologies. Space radar is a good example of what's out there, as far as the modules and the sensors to build the plan or array that exists today, instead of trying to leap out 10 or 15 or 20 years into the new technology.

So, sir, the two of us have been taking this very seriously since our assumption of these jobs to try to get the cost down on the satellites, the cost down on space operation, and a lot more visibility into the acquisition process and the contracting process, to be able to deliver these things on time and on schedule.

Senator STEVENS. Well, thank you very much.

For the benefit of Senator Domenici and our co-chairman, I want to make sure they have met these young men and women you've brought to this—to the hearing today. Senators, let me introduce to you Polly-Jan Bobseine—is that right?

Sergeant BOBSEINE. That's right, thank you.

Senator STEVENS And Tec Sergeant Brad Reilly—

Sergeant REILLY. Yes, sir.

Senator STEVENS [continuing]. And Lieutenant Colonel Ann Konnath—is that right, Colonel?—and Lieutenant Colonel Trey Turner. We're delighted to have you with us today. They've all had repeated assignments to the war zone, and deployments, and I guess that Polly-Jan is going back again soon. She's just turned 21.

General MOSELEY. Sir, Sergeant Reilly is going back in July. Senior Airman Bobseine is going back in June. So, this'll be five deployments for him, after July, and four for her, after June.

Senator STEVENS. We appreciate your commitment to our country. We're proud to have you here with us.

ADDITIONAL COMMITTEE QUESTIONS

We thank the General and the Secretary for appearing here today. And we also, obviously, thank those who have accompanied 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 MICHAEL W. WYNNE

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

JOINT STRIKE FIGHTER

Question. The Joint Strike Fighter will incorporate advanced technologies in a number of areas. How can you be assured that JSF is ready for production when so little of the test program has been completed?

Answer. The Joint Strike Fighter (JSF) acquisition strategy includes clear entry and exit criteria for critical milestones to ensure that technologies are mature, and required incremental test objectives are achieved before obligating funds for production. The Department conducts acquisition reviews via Integrating Integrated Product Teams and Overarching Integrated Product Teams, which support Defense Acquisition Board Reviews. Configuration Steering Boards and Service Acquisition Executive reviews are conducted quarterly to assess program performance, including test objectives, ensuring associated program risks are understood and appropriately mitigated. The JSF acquisition strategy provides the most effective balance of technical risk, financial resources, and the Services' operational needs.

ALTERNATE ENGINE PROGRAM

Question. The Department had supported the cost-benefit advantages of the alternate engine program until this budget submission. What has changed leading the Air Force to drop this program? Are you concerned about the potential loss of competition in the engine program?

Answer. During the fiscal year 2007 budget deliberations, the Department of Defense considered the investment cost of developing a second engine, the maturity of the F-135 primary engine, and the findings of past engine assessments. The Department of Defense concluded that while there are benefits to having a second engine source, a single engine source provides the best balance of risk and cost. The Air Force supports this difficult choice and remains committed to an F-35 that is lethal, supportable, survivable, and affordable.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

SUPPLEMENTAL FUNDING

Question. It would be helpful if you could explain how soon you need the Supplemental funds requested for the Global War on Terrorism, which were requested in mid-February. Also, could you share with the committee what impact there would be from any delay in receipt of the requested funds?

Answer. To date, we have received \$2.5 billion in Operations and Maintenance Bridge funding to support our day-to-day requirements in the Global War on Terrorism. This bridge funding lasted four months and we began to cash flow the war from our peacetime program in February 2006. Any extended delay in receipt of fiscal year 2006 Supplemental funding jeopardizes Air Force readiness, taxes our peacetime programs to cash flow the war, and further exacerbates what already promises to be a challenging year. Without additional fiscal year 2006 Operations and Maintenance supplemental funding, we will exhaust currently available funding in August 2006.

KEESLER TRAINING PIPELINE

Question. I would like to thank you for your support in helping with hurricane recovery efforts to include reestablishing Keesler's critical training mission. As I understand it, of the 56 enlisted initial skills training "pipelines," 90 percent are now operational. Can you please give us an update on the status of Keesler Air Force Base?

Answer. Senator Cochran, it gives us great pleasure to share with you the good news concerning the on-going reconstitution endeavors at Keesler Air Force Base. The diligent and dedicated efforts of the men and women of Air Education and Training Command, 2nd Air Force, and the 81st Training Wing partnered together to ensure critical training would resume in an expedient timeframe at Keesler Air Force Base in the aftermath of Hurricane Katrina.

All of the enlisted and officer initial skills taught at Keesler Air Force Base are 100 percent fully operational. In addition, 86 percent (74 of 85) of the additional courses taught at Keesler are fully operational. These courses are currently conducted at alternate locations; however, they will be returned to Keesler Air Force Base by July 2006.

We are proud of our Airmen who tirelessly reflect the strength, tenacity, and dedication necessary to recover our training due to one of the worst natural disasters in the history of the United States.

Thank you and the great citizens of Mississippi for their continued support in rebuilding Keesler Air Force Base.

JSF COMPETITIVE PROCUREMENT

Question. As I understand it, because of fiscal reasons, the Department intends to pursue a sole source contract for the Joint Strike Fighter aircraft. Secretary Wynne, it would appear there would be far greater benefits, such as improved performance, reduced risk, increased readiness, and lower costs, resulting from contract competition. As long as there is no delay in fielding the Joint Strike Fighter, are you supportive of using a competitive procurement process?

Answer. There are currently three primary F-35 (JSF) program contracts. Lockheed Martin is the sole source provider for the Air Vehicle and Air Systems component piece of the aircraft. Pratt and Whitney (P&W) F135 and General Electric (GE)/Rolls Royce (RR) Fighter Engine Team (FET) F136 are the two contracted engine suppliers.

During the fiscal year 2007 budget deliberations, the Department of Defense considered the investment cost of developing a second engine, the maturity of the P&W F135 primary engine, and the findings of past engine assessments. The Department of Defense concluded that while there are benefits to having a second engine source [F136 alternate engine], a single engine source [P&W F135] provides the best balance of risk and cost. The Air Force supports the difficult choice to cancel the F136 alternate engine and remains committed to an F-35 that is lethal, supportable, survivable, and affordable.

SPACED-BASED INFRARED SYSTEMS HIGH PROGRAM

Question. We have been monitoring the progress on the Space-based Infrared Systems High program to ensure the Nation maintains its early warning capability. I understand the Air Force had to seek recertification of the Space-based Infrared Systems program in December after the latest Nunn-McCurdy breach for the program. Mr. Secretary, what is the status of this program, and when will it be completed?

Answer. The Defense Acquisition Executive (DAE) certified a restructured Space-based Infrared System (SBIRS) program to the Congress on December 12, 2005. The restructured program will include completion of the development program (two Geosynchronous Earth Orbit (GEO) satellites, two Highly Elliptical Orbit payloads, and associated ground system) and procurement of one geosynchronous satellite. The contract for the procurement satellite shall not be awarded until there is confidence in the first developmental GEO satellite. An Acquisition Decision Memorandum restructuring the SBIRS program and providing specific tasking was signed by the DAE on December 15, 2005.

GEO payload/spacecraft bus mate is scheduled for July 2007, leading to a GEO 1 launch date of October 2008.

GEO Early On-orbit Test (GEOT) software has made significant progress. Prior planning combined the first three software releases into a single block, GEOT-C. This software block is being used for the initial GEO Systems Integration Tests.

When complete, the GEOT-D software block will serve as the initial launch baseline. The restructured SBIRS program should be completed by fiscal year 2013.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

500 MISSILES

Question. The QDR has changed the focus of our strategy toward these irregular threats. These are the same threats that caused us to re-think our Nuclear Posture in 2002. The Nuclear Posture Review was released in the wake of 9/11 when our forces were engaged on the ground in Afghanistan. The irregular threats that we face in the war on terror had become very real for the American people during the winter of 2001 and 2002; perhaps many have already forgotten how real those threats are. In the face of that changing reality the Nuclear Posture Review was a complete change in strategic doctrine. If I might add, the NPR was a policy document that was mandated by Congress. That policy document did two major things:

—It reduced the number of operationally deployed nuclear warheads from over 6,000 to around 2,000.

—It expanded the role of nuclear deterrent to consider it as an effective countermeasure against the possible use of Weapons of Mass Destruction by a rogue state.

—The Nuclear Posture review both expanded the role of nuclear deterrence, and decreased the number of warheads, setting the number of ICBMs around 500.

What has changed since January 2006, to necessitate a further reduction in our ICBM force? Am I correct in concluding that this is simply a budget decision that is driving strategy?

Answer. The Quadrennial Defense Review (QDR) allowed us to test our assumptions about the continuously changing nature of the world. The QDR reevaluated our strategic nuclear force posture and determined that with minimal and acceptable risk we can make further modest reductions and retire 50 Minuteman IIIs. This represents a 10 percent reduction in the size of the Minuteman III force as envisioned by the NPR from 2001. The ICBM reduction maintains an effective, balanced nuclear force for worldwide deterrence.

This reduction also provides us with additional test assets to ensure the viability of the system for years to come.

ICBM FORCE REDUCTION

Question. Nuclear weapons technology continues to proliferate. Right now we are seeing great advances in missile technology in Iran and North Korea, and we are seeing a concerted effort to acquire nuclear weapons from both of these states which are openly hostile to the civilized world.

Considering this proliferation, why would we consider reducing our ICBM fleet further when the NPR numbers were based on “having the smallest nuclear fleet possible?” In other words, the target set of nuclear capable, WMD capable, and rogue states seems to have remained constant, so why the change?

Answer. The Quadrennial Defense Review (QDR) allowed us to test our assumptions about the continuously changing nature of the world. The QDR reevaluated our strategic nuclear force posture and determined that with minimal and acceptable risk we can make further modest reductions and retire 50 Minuteman IIIs. This represents a 10 percent reduction in the size of the Minuteman III force as envisioned by the NPR from 2001. The ICBM reduction maintains an effective, balanced nuclear force for worldwide deterrence.

B-52 CUTS

Question. Another example of questionable budget driven decisions is your decision to cut the B-52 fleet in half (from 94 to 56). The B-52 has proven itself time and time again as a work horse and a force multiplier over the battlefield. With the addition of GPS guided bombs, the B-52s over Iraq have become the modern day “Iowa class battleship”. They were able to stay on station for five hours or longer, while tactical attack aircraft had less than an hour. They carried more than ten times the bomb load of fighters, and provided precision strike every bit as good.

If there is no new long-range strike capability on the drawing board until at least 2016, why would you cut the most versatile long-range bomber in the fleet without anything on the drawing board any time in the near future?

Answer. The proposed reduction in B-52 aircraft is from the Air Force program of record, 76 total aircraft, down to 56 total aircraft resulting in a 27 percent reduc-

tion. The 94 total aircraft in testimony includes the Congressionally-restricted 18 excess attrition reserve jets kept in the inventory since 1995.

The imperatives for transformation, recapitalization and modernization levy requirements on the Air Force in excess of available resources. The fiscal year 2007 President's budget request successfully balances the imperatives of transformation and recapitalization against the sustainment and modernization of the legacy Air Force fleet. A reduction in the number of B-52H aircraft is possible given the enhanced conventional capabilities across the Air Force since 2003. The B-1, B-2 and B-52 bombers all carry similar satellite-guided conventional weapons though each offers unique capabilities. The Air Force assessed the operational risk associated with the drawdown and concluded the proposed bomber force meets any Combatant Commander operational war plan or major contingency operation plan. The modernized bomber fleet will be more lethal, responsive and survivable as a result of planned investments in advanced weapons, increased accuracy, integrated data links, improved connectivity, improved threat awareness systems, low observability upgrades and improved electronic protection.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

ROBUST NUCLEAR EARTH PENETRATOR

Question. What assurances can you give us that RNEP is dead? Are you aware of plans to re-start the RNEP program at a future date?

Many, including myself, who fought to eliminate funding for RNEP, urged the Administration to consider conventional bunker buster alternatives. The fiscal year 2006 Defense Appropriations Conference report provided \$4 million for such a purpose.

Answer. The Nuclear Weapons Council officially terminated the joint Air Force-National Nuclear Security Administration (AF-NNSA) Robust Nuclear Earth Penetrator (RNEP) Concept Feasibility Study on 25 January 2006. The Air Force terminated all RNEP-related activities at the start of fiscal year 2006. The Air Force has not requested any funding for RNEP in the fiscal year 2007 President's budget request and does not plan to ask for funding in the future.

SLED TEST STATUS

Question. What is the status of the sled test? I understand the sled test will take place at Holloman Air Force Base in New Mexico. True? What assurances can you give us that the test is not a back door to resume the Robust Nuclear Earth Penetrator study?

Answer. The Secretary of Defense has elected to have the Defense Threat Reduction Agency (DTRA) plan and conduct the penetrator sled test. Further, the \$4 million appropriated in fiscal year 2006 to the Air Force for the sled test has been transferred to DTRA for execution. The Air Force has not committed any additional funds other than those appropriated to the sled test. The Air Force is participating in the test planning process at DTRA's request, but has only a limited role. Questions concerning penetrator sled test specifics should respectfully be addressed to DTRA.

SLED TEST ASSISTANCE FROM SANDIA

Question. In response to December 21, 2005 letter to the Secretary of Energy Samuel Bodman expressing concern that the sled test would imply continued research on RNEP, Ambassador Linton Brooks of the National Nuclear Security Administration responded that no sled test would be conducted at Sandia or any other facility. However, he did say that "[i]f DOD chooses to conduct the test at a DOD facility, we believe it is fully consistent with the intent of Congress for Sandia to provide equipment and technical expertise in support of a DOD study of conventional earth penetrators."

Has the Air Force requested assistance and technical expertise from Sandia? What specifically has been requested? Could any of the assistance provided be useful for a nuclear bunker buster study?

Answer. The Air Force has not requested any assistance or technical expertise from the Department of Energy national laboratories. The Secretary of Defense has elected to have the Defense Threat Reduction Agency (DTRA) plan and conduct the penetrator sled test. The Air Force is participating in the test planning process at DTRA's request, but has only a limited role. Questions concerning penetrator sled test specifics should respectfully be addressed to DTRA.

QUESTIONS SUBMITTED TO GENERAL T. MICHAEL MOSELEY

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

PERSONNEL END STRENGTH REDUCTIONS

Question. General Moseley, in reviewing the Air Force transformation efforts, I noticed your proposal to reduce personnel end strength by approximately 40,000 over the next five years. General, what functions are we giving up with these reductions and are we balancing needed capabilities with this transformation?

Answer. The Air Force is committed to developing and caring for our Airmen in order to maintain their competitive advantage in both war and peace. We must balance the needs of our current force to fight today's wars with the need to prepare our future force to meet the challenges of the future. We must transform our Airmen as we transform our force structure, organizations, and processes. Through the savings generated by transformation, we will recapitalize our force to prepare for the future.

Although we are reducing in number our most valuable resource, we are carefully shaping the future force by identifying capabilities our force will need in addition to the training and professional development our Airmen will need to prevail in any environment. We have established Air Force Smart Operations 21, an organization dedicated to inculcating, organizing and training our Airmen to identify process efficiency improvements in accomplishing their mission. By achieving an operating style of continuous improvement in the Air Force—focused on our core mission—the Air Force will better prepare for and participate in the joint fight, develop, maintain and sustain the warfighter edge, prepare motivated and accountable warriors and improve our ability to meet the ever-changing demands of the world, our enemies and fiscal constraints. This approach has already yielded results across the Air Force and will continue well beyond the timeframe of the manpower reductions. Although we recognize that much efficiencies may not be realized for a few years, the value of installing this approach now will yield some early benefits and savings.

JOINT CARGO AIRCRAFT AND MULTINATIONAL OPERATIONS

Question. General Moseley, I understand the Air Force and the Army recently completed the acquisition strategy for the new Joint Cargo Aircraft and a joint program office charter, with the Army as the lead agency. I commend the Air Force and Army for the cooperative spirit exemplified in the Joint Cargo Aircraft program. General, you have stated publicly that the Joint Cargo Aircraft would make it easier to operate with coalition partners during multinational operations. General, can you expound on the reasoning behind this statement and also provide this subcommittee with an update on the status of the program?

Answer. The Joint Cargo Aircraft (JCA) provides valuable niche capabilities to nations with advanced Air Forces, and lower cost airlift options for nations that cannot afford larger airlift platforms. In addition, future JCA security cooperation efforts would support the Quadrennial Defense Review objectives of building partnership capacity and enabling partners to do more for themselves. These airlift capabilities are essential across the range of combat, stability, and humanitarian operations.

The Acquisition Strategy Report has been signed by Under Secretary of Defense for Acquisition, Technology and Logistics and the Request for Proposal was released on March 17, 2006. We expect the source selection process to be completed and a contract to be awarded in January 2007. Additionally, we are drafting a Memorandum of Agreement between the Army and Air Force to clarify the roles and responsibilities on this joint program. We are also pressing forward on establishing a Joint Program Office (JPO). The JPO Charter providing guidance for the operation of the JPO should be completed in May and the JPO is still scheduled to standup on October 1, 2006.

JOINT CARGO AIRCRAFT PROGRAM ALLIED PARTICIPATION

Question. General Moseley, will the Joint Cargo Aircraft program office explore having U.S. allies join the program in the developmental phase—as a number of allies have done with the Joint Strike Fighter program?

Answer. There are no plans to have our allies join the program at this time. The Joint Cargo Aircraft is being procured as a non-developmental item; therefore, the Army does not envision a developmental phase. The Air Force, however, may pursue a small developmental period to address any potential mission unique requirements after source selection.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

AIR FORCE PERSONNEL CUTS

Question. Another budget decision that doesn't make sense is your decision to cut as many as 57,000 Active, Guard and Reserve Airmen from the force. The Air Force posture statement is right on target when it states our Airmen are the Air Force's most valuable resource. These young men and women are all heroes. They are heroes because they have volunteered to serve in a time of war. They have come forward because they believe in what this country stands for, and we in the Senate will stop at nothing to ensure that their needs are taken care of.

Pushing these Airmen out of the Service on their return from combat deployments just isn't right. Sacrificing you people on the altar of future weapons systems is not the way we want our Nation's Armed Forces to be managed. This seems to be a budget driven decision that makes cuts based on "efficiencies" which have yet to be realized.

How has the Air Force already achieved the efficiency gains necessary to allow these cuts?

Answer. The Air Force is committed to developing and caring for our Airmen in order to maintain their competitive advantage in both war and peace. We must balance the needs of our current force to fight today's war with the need to prepare our future force to meet the challenges of the future. We must transform our Airmen as we transform our force structure, organizations, and processes. Through the savings generated by transformation, we will recapitalize our force to prepare for the future.

Although we are reducing in number our most valuable resource, we are carefully shaping the future force by identifying capabilities our force will need in addition to the training and professional development our Airmen will need to prevail in any environment. We have established Air Force Smart Operations 21, an organization dedicated to inculcating, organizing and training our Airmen to identify process efficiency improvements in accomplishing their mission. By achieving an operating style of continuous improvement in the Air Force—focused on our core mission—the Air Force will better prepare for and participate in the joint fight, develop, maintain and sustain the warfighter edge, prepare motivated and accountable warriors and improve our ability to meet the ever-changing demands of the world, our enemies and fiscal constraints. This approach has already yielded results across the Air Force and will continue well beyond the timeframe of the manpower reductions. Although we recognize that many efficiencies may not be realized for a few years, the value of installing this approach now will yield some early benefits and savings.

COMPETITOR STATES

Question. In your posture statement you refer to "competitor states, that are developing air and air defense systems that could threaten our ability to maintain Air and Space Dominance."

What "competitor states" are you talking about that are hostile to the foreign policy objectives of the United States?

As a follow-up: Are you telling us that the United States Air Force cannot hold its own with China? Or are you saying that we should be prepared to face a military threat from India? If so, why are we considering selling top of the line military hardware to India, and why are joining then in a landmark nuclear agreement?

Answer. Specifically, we were referring to China and Russia which are developing air and air defense systems that could threaten our ability to maintain Air and Space dominance, especially when exported to nations of concern. In addition, several nations build advanced subcomponents or upgrade older systems to modern standards, increasing the capability of so-called legacy weapon systems. Although several of these technological competitor states are not hostile to the foreign policy objectives of the United States, they often export to nations that can threaten American interests or are politically unstable.

We are not trying to imply that we are unable to hold our own against China or any other nation nor are we saying India represents a military threat. We used India as an example of a nation that is producing advanced fighters, adding to the already sizable fleet across the globe.

AGING AIRCRAFT

Question. You've talked quite a lot about the age of your aircraft, and that the average age of your fleet is 23 years. I am concerned that in the drive to retire old aircraft we risk short changing our efforts to maintain those aircraft for the long term. Last June I sent a letter to your office in regard to this effort. I was given

a response last week. I have three questions that were not answered in a long delayed response letter.

Is the Air Force canceling and delaying Aging Aircraft Structures technology programs and if so, why, when the USAF is currently grounding aircraft due to excessive cracking and corrosion?

Answer. The Air Force is not canceling its aging aircraft structures technology efforts and is committed to ensuring the viability of aircraft weapon systems throughout their life cycles to encompass the full spectrum of aging aircraft issues including, but not limited to, aircraft structures, wiring, aerospace electronics, airborne subsystems, aircraft coatings, depot technologies, etc. The Air Force aircraft structural integrity program works to reduce the risk of structural failures, while individual inventory assessments by the Air Force Fleet Viability Board focus on identifying technical issues and the cost of continued ownership.

Question. Are other weapons systems and avionics upgrade programs continuing for aircraft which have had their aging aircraft structures programs cut? Why are we modernizing aircraft that are not being maintained?

Answer. While it was necessary for the Air Force to reduce core aging aircraft funding to support higher Air Force priorities, the shift in focus resulting from this action does put increased emphasis on avionics upgrades in an effort to best position our aging aircraft fleet to support current Air Force mission objectives. The Air Force strives to maximize military utility from our legacy systems, while working to better and more efficiently meet warfighter requirements through recapitalization and modernization. The Air Force remains committed to ensuring the viability of aircraft weapon systems throughout their life cycles and continues to invest the resources necessary to maintain these aircraft.

Question. With the clear recognition that corrosion related costs are continuing to escalate, why would the Air Force's aging aircraft office drop virtually all work in this area?

Answer. Aging aircraft funding augments ongoing corrosion efforts, but is not the primary source of funding for these efforts. While it was necessary to reduce core aging aircraft funding to support higher Air Force priorities, the Warner Robins Air Logistics Center continues to lead the way in corrosion-related efforts for the Air Force. Further, as the Air Force has shifted the focus of its aging aircraft program to those efforts that will best position its aging aircraft fleet to support current Air Force mission objectives, this is not at the expense of aircraft structures. The Air Force will continue to manage the structural viability of our fleet today and in the future to include corrosion-related efforts.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

C-17 TRANSPORT—GENERAL ISSUES

Question. I understand that the C-17 is performing remarkable well in Iraq and Afghanistan as a medevac, personnel, and cargo transport.

Could you describe the current intra-theater utilization rate of the C-17 in support of contingency operations?

Answer. We currently have approximately 20 C-17s supporting U.S. Central Command's intra-theater airlift requirement. The intra-theater lift supports cargo and passenger movements within the U.S. Central Command's area of responsibility (AOR). Over the past three months, Mobility Air Forces (MAF) C-17s have flown an average of 2,385 hours per month in this role. The C-17 also continues to support U.S. Central Command's inter-theater airlift requirements as well, moving passengers and cargo between combatant commander AORs. An example of this mission is the deployment of an Army unit from Fort Bragg, NC, to an operating location in Iraq or Afghanistan. Additionally, MAF C-17s play a critical role in the airlift, both intra- and inter-theater, of our wounded service men and women from Central Command's AOR to the United States. The most recent 3-month average for C-17 flying hours in this role is 1,712 hours. All in all, the C-17s have proven to be an absolutely critical warfighting resource servicing both inter- and intra-theater airlift requirements. As the land forces Concept of Operations continue to evolve, we believe the intra-theater airlift role of the C-17 will only continue to grow.

Question. Assuming these rates remain generally consistent over the next several years, what affect do you believe attrition could have on the Air Force's projected strategic airlift requirements?

Answer. The C-17 has been accumulating flying hours beyond service life projections during the Global War on Terrorism; in other words, we have been "over-consuming" our C-17 fleet. If these rates continue, C-17s will reach the end of their

service life more quickly, necessitating the need to recapitalize sooner. Any reduction, either by use in secondary role or non-availability due to over-consumption, results in increased risk as outlined in the Mobility Capabilities Study.

C-17 TRANSPORT AND STRATEGIC AIRLIFT REQUIREMENTS

Question. Up until November 2005, the Air Force had consistently stated its requirement for a total of 222 C-17s, but following a budget rescission directive from the Secretary, announced that it would end its procurement of C-17s after purchasing just 180, and terminate the line after 2008.

To support the change in its position from a requirement of 222 C-17s to 180 C-17s, the Air Force cited an internal Mobility Capabilities Study (MCS) that concurred with the view that 180 C-17s could meet the Air Force's airlift requirements.

However, this pre-9/11 commissioned MSC analysis failed to consider the increased use of the C-17, particularly intra-theater needs in Iraq and Afghanistan. The study also did not take into account the shifting of a number of heavy brigade combat teams back to the United States from overseas stations, along with the Army's requirements for additional aircraft as it transitions to a modular, rapid deploying force.

Could you explain to the Committee why, over a matter of just a few months, your airlift requirement changed so dramatically?

Answer. The MCS study began in the Spring of 2004 and completed its analysis in the Summer of 2005 with formal release of the study results by the Deputy Defense Secretary in December 2005. The MCS found that the current inter-theater airlift program—180 C-17s and 112 modernized C-5s—would support DOD warfighting demands with acceptable risk. The Quadrennial Defense Review echoed and supported those findings. “The analysis conducted within the MCS analysis was based on current, approved Defense Planning Scenarios and recent (post 9/11) operational experience.” (MCS Executive Summary)

The MCS study solicited inputs from the Services describing their projected force structure and Concepts of Operation for the 2012 timeframe modeled in the study. The MCS assumptions included the most current version (July 2004) of the Integrated Global Presence and Basing Strategy position.

The Air Force program of record reflected in the fiscal year 2007 President's budget request is 180 C-17s. Although advocates have pressed for 222 C-17s, the Air Force has never requested greater than 180 C-17s in budget submissions. We are, however, reviewing the impact of increased C-17 utilization to support the Global War on Terrorism. The C-17 has been increasingly used in the intra-theater role in Southwest Asia to backfill demobilizing ARC (Air Reserve Component) C-130s. This has increased the wear and tear on the C-17 fleet due to increased operations in an austere tactical environment and a higher than planned use rate. Because of this, the Air Force's number one unfunded priority list item is National Defense Airlift Fund Capability Upgrades to reset forces due to combat losses and increased utilization. This item includes a request for 7 additional C-17s to maintain capacity as C-17s are used up in the Global War on Terrorism. Additionally, the impact of the recent C-5 mishap is being reviewed, although no determination has been made yet on how to replace the lost capacity.

Question. As you know, General Handy—the U.S. TRANSCOM Combatant Commander until mid-2005—repeatedly and publicly stated that a minimum of 42 additional C-17s were necessary to meet the Air Force's mobility needs.

Outside of the findings of the Mobility Capabilities Study (MCS)—a study that many believe fails to consider a number of critical factors related to airlift requirements post-9/11—what evidence do you have that 180 C-17s will be sufficient to meet our military's future airlift requirements?

Answer. The MCS study released in December 2005 by the Deputy Secretary of Defense is the most authoritative and current document describing our mobility capabilities. The MCS looked at the full range of the Defense Strategy to determine the demands placed on the defense mobility system to include the strategic airlift fleet. The study analyzed the 2012 force structures and Concepts of Operation provided by each of the Services and completed a detailed look at future mobility requirements.

The MCS concluded that the programmed fleet of 292 strategic airlift aircraft (180 C-17s and 112 modernized C-5s) provided a capability sufficient to meet the warfighting demands of the defense strategy with acceptable risk. While recognizing the programmed fleet as sufficient, it caveated this finding by identifying the need for continued investment in the mobility system, in line with current priorities, in order to maintain that sufficiency.

The C-17 has been increasingly used in the intra-theater role in Southwest Asia to backfill demobilizing Air Reserve Component C-130s. This has increased the wear and tear on the C-17 fleet due to increased operations in an austere tactical environment and a higher than planned use rate. Because of this, the Air Force's number one Unfunded Priority List item is National Defense Airlift Fund Capability Upgrades to reset forces due to combat losses and increased utilization. This item includes a request for 7 additional C-17s to maintain capacity. Additionally, the impact of the recent C-5 mishap is being reviewed, although no determination has been made yet on how to replace the lost capacity.

Question. Based on what you know today—considering the changes over the past few years in operational requirements and airlift missions—are you able to confidently tell the Committee that the Mobility Capabilities Study (MCS) projections will adequately meet our military's airlift requirements for the so-called “long war.”

Answer. The MCS looked at the full range of the Defense Strategy to determine the demands placed on the entire defense mobility system to include our airlift fleet. The study analyzed the 2012 force structures and Concepts of Operation provided by each of the Services. This methodology provided an analysis of capabilities required out to 2012 using the approved Defense Planning Scenarios for that time-frame.

The study was completed with the participation of all of the Services, the Joint Chiefs of Staff, and the Office of the Secretary of Defense and provides the most complete assessment of future mobility requirements currently available to Department of Defense decision makers.

The MCS concluded that the programmed fleet of 292 strategic airlift aircraft (180 C-17s and 112 modernized C-5s) provided a capability sufficient to meet the warfighting demands of the defense strategy with acceptable risk. The study considered the impact of current operations and a protracted Global War on Terrorism campaign along with other issues affecting demands on the mobility system in determining its findings. While recognizing the programmed fleet as sufficient, it caveated this finding by identifying the need for continued investment in the mobility system, in line with current priorities, in order to maintain that sufficiency.

The C-17 has been increasingly used in the intra-theater role in Southwest Asia to backfill demobilizing Air Reserve Component C-130s. This has increased the wear and tear on the C-17 fleet due to increased operations in an austere tactical environment and a higher than planned use rate. Because of this, the Air Force's number one Unfunded Priority List item is National Defense Airlift Fund Capability Upgrades to reset forces due to combat losses and increased utilization. This item includes a request for seven additional C-17s to maintain capability. Additionally, the impact of the recent C-5 mishap is being reviewed although no determination has been made yet on how to replace the lost capacity.

Question. The Mobility Capabilities Study (MCS) validated a program of record to procure 180 C-17s. However, the MCS assumed that 112 of the older C-5 transports would remain in the fleet, due to Congressional restrictions barring the retirement of those aircraft.

If Congress eased the retirement restrictions placed on the 112 C-5s, how might you manage the strategic airlift fleet differently?

Answer. The Department of Defense (DOD) is committed through the Quadrennial Defense Review (QDR) to modernize the C-5 fleet and complete the C-17 multiyear contract. The QDR, informed by the MCS, confirmed the current inter-theater airlift program—180 C-17s and 112 modernized C-5s—will support DOD warfighting demands with acceptable risk. A fleet of 180 C-17s and 112 modernized C-5s provides lowest life cycle cost (LCC) through 2025 to maintain same total airlift capacity. For example, there is a \$28 billion LCC increase if the C-5As are retired and the capacity replaced with C-17s. C-5 modernization is also more cost effective than purchasing additional C-17s to achieve same capability—and it pays for itself by 2029. Even with the recent C-5 flight mishap, a modernized C-5 fleet of 111 aircraft enables the Air Force to leverage the full range of both inter-theater airlifters to support the Combatant Commanders.

Question. Additionally, to what extent are you concerned about the estimated two-year gap between the proposed termination of the C-17 line, and the completion of the C-5 modernization program?

Answer. The C-5 Reliability Enhancement and Re-Engining Program, whose reliability improvements are predominately based on a commercial engine (CF6) with a well-established track record, is considered to be a low technical risk program. We have relatively high confidence that it will meet our expectations for overall reliability improvements.

Question. What if the C-5 modernization program is unsuccessful and you've already proceeded with closing the C-17 line? What would the Air Force do at that point?

Answer. Based on low technical risk associated with the C-5 Reliability Enhancement and Re-Engining Program, we expect the modernization program to succeed.

Question. Doesn't it make the most sense to preserve the C-17 line until you can unequivocally confirm that upgrading the C-5 is a viable option?

Answer. Keeping the C-17 line open until C-5 modernization improvements are unequivocally confirmed would be an expensive option. Given the low technical risk associated with C-5 Reliability Enhancement and Re-Engining Program, the Air Force is applying our limited resources to higher priority recapitalization efforts, including replacing an aging tanker fleet.

C-17 TRANSPORT AND ARMY MOBILITY

Question. Reports suggest that the Mobility Capabilities Study (MCS)—which was supposed to provide the Pentagon an accurate projection of future strategic airlift requirements—neither takes into account (1) the Army's transition to a modular brigade force structure nor (2) the Future Combat Systems (FCS) program.

Consequently it is my understanding that the Pentagon has commissioned a new study (MCS-06) to address these and other areas that the previous MCS study failed to consider in regard to the military's future air mobility needs.

With this being the case, has the Army ever articulated to you or provided some estimate of the airlift requirements that will be connected to the mobilization of the 15 FCS brigade combat teams?

Answer. The U.S. Army will be able to provide the Air Force a realistic projection of its future airlift requirements when the Future Combat System program is more mature. Both the Air Force and the Army are engaged in a series of functional analysis studies that may help provide additional insight into the airlift requirements of the Army's brigade-centric force.

Question. If not, when do you anticipate that the Army will be able to provide the Air Force a Realistic projection of its airlift requirements based on its transition from a division-centric to brigade-centric force?

Answer. The U.S. Army will be able to provide the Air Force a realistic projection of its future airlift requirements when the Future Combat System program is more mature. Both the Air Force and the Army are engaged in a series of functional analysis studies that may help provide additional insight into the airlift requirements of the Army's brigade-centric force.

Question. To the best of your knowledge, do you believe that the Army's transformation efforts centered around the Future Combat System brigade combat teams will increase the need for flexible and versatile cargo aircraft like the C-17, which according to the Army's own projections, has the capacity to transport 3 of its next-generation tactical ground vehicles?

Answer. There will be an increased requirement for more flexible and versatile cargo aircraft if the U.S. Army transformation employs the Future Combat Systems (FCS) Brigade Combat Teams using their "vertical maneuver" concept. The Army concept of "vertical maneuver" is essentially the operational and tactical movement of multiple FCS manned ground vehicle units by air to unimproved locations where they can immediately fight. A possible solution would be use of C-17s or the Advanced Mobility Capability Concept.

SUBCOMMITTEE RECESS

Senator STEVENS. And then, our next hearing will be a closed session, in our closed session room, S-407, to discuss the budget request for intelligence, on April 5.

And the subcommittee will stand recessed until that time. Thank you very much.

[Whereupon, at 11:32 a.m., Wednesday, April 29, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, APRIL 26, 2006

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

The subcommittee met at 10:06 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Domenici, Bond, Burns, Inouye, Leahy, Mikulski, and Dorgan.

DEPARTMENT OF DEFENSE

NATIONAL GUARD

STATEMENT OF LIEUTENANT GENERAL H STEVEN BLUM, CHIEF, NATIONAL GUARD BUREAU

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good morning and welcome to all of you. Sorry to be a little late. We want to welcome you to today's hearing on National Guard and Reserve programs. There are two panels scheduled today. First we want to hear from the National Guard leadership and then from the leaders of the four Reserve forces.

This first panel consists of: Lieutenant General Steven Blum, Chief of the National Guard Bureau; Lieutenant General Clyde Vaughn, Director of the Army National Guard; and Major General Charles Ickes, Acting Director of the Air National Guard. We thank you very much for coming, for your service, and we do welcome General Vaughn and General Ickes to their first hearing before this subcommittee. We are pleased to have you here.

We know that in the past year Guard and Reserves have continued to provide support for their active duty forces overseas. The total force is a reality now, there is no question about it. In addition to augmenting the military effort in Iraq and Afghanistan, the Reserves have also stepped up to meet challenges such as securing our homeland, responding to national disasters such as Hurricane Katrina. You had several sizable missions to fulfill and have accomplished all of them with a great deal of success, and we thank all of your citizen-soldiers for their dedication and sacrifices at home and abroad.

We want to hear about several challenges we are told that face our Guard and Reserves, including the continued deployments, modernization of equipment, and recruiting and retention of per-

sonnel. We would like to have you discuss the future plans to remain relevant and ready to support our total domestic security. We look forward to hearing from each of you how the fiscal year 2007 budget request will help you address these issues.

Let me yield to my good friend, the co-chairman from Hawaii, Senator Inouye.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. I thank you very much, Mr. Chairman. I would like to join you in welcoming our witnesses.

The utilization and dependency on our Reserve and Guard forces have changed dramatically. Now you are all over the world. There is an unprecedented demand for the Reserves. Today your forces are spread around the globe and serving here at home by the thousands. As this subcommittee has noted in past hearings, your troops have responded magnificently. The integration of Reserve forces by combatant commanders in Afghanistan and Iraq have been seamless. The bravery is impressive.

Again, we congratulate you for having your forces prepared for the challenges they are now facing. But as I say this, I know that the challenges facing us are many and growing. For example, many States are concerned about the plans the Army has to reorganize several Guard units. We are aware of the concerns that our returning reservists may have difficulty being retained. We know about your shortfalls of equipment for those returning from service overseas. We understand that some Reserve units have been called to deploy overseas more than once since 9/11, straining relationships with employers and their families.

So today we are here to hear your recommendations, to ensure that our Guard and Reserve forces remain strong and ready to meet the future.

So I thank you, Mr. Chairman, for calling this hearing.
Senator STEVENS. Senator Burns.

STATEMENT OF SENATOR CONRAD BURNS

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

I want to thank the distinguished folks who are at the table this morning. I want to say on these past couple of weeks I had an opportunity to meet a group of young men from Nellis Air Force Base in Montana. They are rescue and recovery people, training in a rough topography and weather conditions, and they had them both up there, I think. And now, after a couple of weeks in Montana, why, they said, well, as tough as it was, we are reluctant to go back to Nellis. They just want to stay in Montana.

But I thank you for coming this morning on something that is very dear to all of our hearts, because not only of the obligations that some of you have in our respective States, but also had it not been for your troops in recent operations I think we would have been hard-pressed to really complete a mission. So I appreciate that. You have proven yourselves to be flexible. We have tried as Congress to put the infrastructure in place that would facilitate not only your recruiting but also your training and the morale of the troops, because, as you know, most are citizen-soldiers and have obligations to their communities and to their families and do this

out of their real deep commitment to the security of this country. I commend you on that and your leadership.

We are here now—I think a couple of primary concerns is ensuring that you have the funding to reset the force now, because we have been deployed around the world, as Senator Inouye indicated, now to revitalize not only from a human resource but also our equipment and our ability to train and to bring new people into our force. We are making sure that the funding is not shortchanged with the area of your concerns, that we maintain that ability to be ready when called, and also taking care of these great Americans, their families and their support system that really makes us a different kind of a society, so to speak.

So I commend you on your leadership. Also, how do we deal with employers who all at once look down the line one day and they have some holes in their own operation at home, and when the troops come home do they have jobs and do they have the support system that puts them back into society before it was disrupted? Not that their level of patriotism has lowered any, but they have other obligations also, and we want to make sure that those support services are there.

So thank you, Mr. Chairman. I look forward to their testimony.
 Senator STEVENS. Thank you, Senator.
 Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you, Mr. Chairman.

To the people at the head table, a very enthusiastic welcome. General Blum, it is great to see you again. They really enjoyed your speech at the University of Baltimore graduation, where you were inspirational, motivational, and really admired, and my family certainly enjoyed meeting you that day.

I think that is characteristic here. You know, your job is to inspire and to motivate the Guards and our job is to make sure you have the right resources to do that.

I just wanted to say very briefly, number one, thank you and please thank every single soldier, Air Force member of the National Guard that you represent. They really are appreciated, and we are going to show that appreciation today, not with words but with deeds.

We want to hear what are the resources that are needed to support the Guard in their current mission and operations. Number two, what can we do to retain the best of the best in terms of whether it is family support, employer support, et cetera? Number three, how do we recruit new members of the National Guard, because they see that what it takes to be a citizen-soldier is a significant commitment of time, duty, and even personal expense.

So thank you and God bless you for what you do and many thanks to all those who serve.

General BLUM. Thank you, Senator.

Senator STEVENS. Are you finished, Senator?

Senator MIKULSKI. Yes.

Senator STEVENS. Thank you very much.

Senator Bond.

STATEMENT OF SENATOR CHRISTOPHER S. BOND

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

Lieutenant General Blum, Lieutenant General Vaughn, Major General Ickes, welcome back to the subcommittee. Thank you very much for the service. The Guard as participants in the first gulf war, responders to 9/11, Hurricane Katrina, service in Operations Iraqi and Enduring Freedom, just to name a few, provided tremendous service to this country.

I have been around a while working with Guard issues. In 1991 I led a charge to preserve Guard units, including 3,100 guardsmen in Missouri and more than 100,000 across the Nation, who were proposed for cuts by the Pentagon. In 2001 the Air Force eliminated the B-1 mission from the Air National Guard. During the 2005 base realignment and closure (BRAC) process we learned from testimony of adjutants general that the Air National Guard was not substantively involved and as a result they made one of the worst decisions I have seen, to shut down the 131st Fighter Wing with the F-15s at St. Louis, providing homeland security protection in the most efficient force, F-15 force, in the air assets.

Earlier this year, we heard proposals coming out of the Pentagon to reduce end strength of the Army Guard by 17,000 and 14,000 from the Air Guard. We sent a little letter with 75 or 80 signatures that got some rethinking of it.

But on issue after issue, the Guard has had to rely on Congress, not its total force partners in the active duty, to equip and provide fully the resources and benefits it needs, not only to support our active duty warfighters in the away game as they serve right alongside with those men and women on active duty, but also to fulfil the Guard's paramount home game mission of defending the homeland and providing support to civil authorities.

Why? It is obvious that the Guard is not provided with the bureaucratic muscle commensurate with its contributions to the total force. That is why Senator Leahy and I, who are co-chairs of the Senate National Guard Caucus, are introducing legislation today aimed at redressing the uphill battles the Guard must fight every year to ensure full training, equipping, and readiness to meet the missions.

Mr. Chairman, I have a very long-winded statement that I will submit for the record, but I will spare you that and just wait for the questions. I thank the chair.

Senator STEVENS. We thank you for your generosity, Senator.
[The statement follows:]

PREPARED STATEMENT OF SENATOR CHRISTOPHER S. BOND

Thank you Mr. Chairman.

Lieutenant General Blum, Lt. General Vaughn and Major General Ickes (pronounced like ick-iss) welcome back to this committee and thank you first and foremost for your service to our nation.

As participants in the first Gulf War, responders to 9/11 and Hurricane Katrina, service in Operation Iraqi and Enduring Freedom, just to name a few operations, all of us are familiar with the tremendous service the National Guard has rendered to our Nation and the 50 states and four protectorates.

In 1991, I lead a charge to preserve National Guard Units, including 3,100 guardsmen in Missouri and more than 100,000 across the nation, from proposed cuts by the Pentagon. In 2001, the Air Force eliminated the B-1 mission from the Air National Guard, consolidating units into the active duty. During the 2005 BRAC

process, we learned and heard testimony from Adjutant Generals from numerous states that the Air National Guard was not substantively involved in that process or in the formulation of the Future Total Force initiative.

Earlier this year, DOD, the Army and the Air Force proposed to reduce end-strength by 17,000 and 14,000 respectively and again, Congress had to step in and prevent such cuts. This decision, in addition to the aforementioned ones and the litany of others that I have not mentioned, was made without the substantive input from National Guard leaders.

Year after year, issue after issue, the National Guard has had to rely on the Congress—not its total force partners in the Active duty—to equip and provide fully the resources and benefits it needs—not only to support our active duty warfighters in the away game as they serve right alongside with our brave men and women in the active duty, but to also fulfill the Guard's paramount home-game mission of defending the homeland and providing support to civil authorities.

Why? Well, it is obvious to me that the National Guard is not provided with the bureaucratic muscle commensurate with its contributions to the total force. Senator Pat Leahy and I as co-Chairs of the Senate National Guard Caucus are introducing legislation today aimed at redressing these uphill battles that the Guard must fight every year to ensure they are trained, equipped and ready to meet their missions.

Hurricane Katrina was one of the worst natural disasters in our nation's history.

Our nation was reminded during the response to Hurricane Katrina of the Guard's other paramount mission: homeland defense and civil support. The National Guard's contributions to Hurricane Katrina were stellar.

The magnitude, quality, and timeliness of the Guard's response remains one of the less publicized successes of the Katrina disaster.

The Guard's successful response was attributable to the fact that the Guard is best organized and trained to initiate and coordinate a civil responses on the scale of Katrina.

With equipment availability levels currently at a perilous 35 percent, just think of the capability a fully equipped National Guard could provide a Governor and localities in the event of another terrorist attack or natural disaster.

This is why I lead the charge along with my co-chair of the Senate National Guard Caucus Sen. Patrick Leahy, to provide over \$900 million in last year's Defense Appropriations Bill for the shortages in equipment the Guard is experiencing.

Time and time again the National Guard has been a tremendous value for the capabilities it provides our nation, providing 40 percent of the Total Force for around 7–8 percent of the budget.

Now more than ever, as budgets are constrained and entitlements continue to grow at alarming rates, we should not be looking to reduce the Guard, but rather fully man and fully equip it.

The growing significance of the operational role of the National Guard in matters of national security and homeland defense and homeland security, beyond that strictly deriving from its role as a reserve component of the Army and the Air Force, demands that the position of the Chief of the National Guard Bureau be raised to an authorized grade of General.

It is a fundamental practice within the Pentagon that the most strategic decisions are made at the Secretarial level with the advice of the four-star Service Chiefs, the four-star Combatant Commanders and the other four-stars within the active duty force. The legislation introduced by Sen. Leahy and I will ensure that the vital interests of the National Guard which impacts military readiness, support to civilian authorities within the fifty states and four protectorates, and the 450,000 civilian-soldiers and airmen, will be adequately represented.

Senator STEVENS. General Blum, we would be happy to have your statement. All your statements will appear in the record in full as though read, but we want to hear what you want us to hear.

OPENING STATEMENT OF GENERAL BLUM

General BLUM. Well, thank you, Chairman Stevens, Senator Inouye, and distinguished members of the subcommittee. Thank you for the opportunity to appear today and discuss the National Guard's budget submission for fiscal year 2007. I am proud to be here today with General Vaughn, the Director of the Army National Guard, and Major General Chuck Ickes, who is the Acting Director of the Air National Guard. Each of you—we will all dis-

cuss the funding issues that you asked us about, so you can better understand what we need to deliver the capabilities that you have so well articulated, so well that I am going to dispense with most of my opening statement because, frankly, you have delivered it for me, which is even better because it means you completely understand the issues and you understand the challenges that the National Guard is facing as we move from a strategic reserve to an operational force.

I would be remiss, however, if I did not speak for the 460,000 citizen-soldiers and citizen-airmen and express their appreciation to this subcommittee for the magnificent support that you have displayed for us, particularly in this last year. You helped us take care of personnel, training, and equipment needs in a very, very measured and effective manner. In fact, the robust appropriations of this particular subcommittee to the National Guard and Reserve account helped us purchase needed capabilities that we will probably use, unfortunately, very soon here in our country in the upcoming hurricane season, so that we are even more prepared than we were last year, when we responded with 80,000 soldiers deployed overseas and at the same time generated 50,000 citizen-soldiers from every State and every territory in this great Nation to Louisiana and Mississippi to help out in the aftermath of Hurricanes Katrina, Rita, and Wilma.

The National Guard, as you have mentioned, is entering a new era in our Nation's history and it must adapt to these new challenges. To keep this type of force as effective as you have described and as important and as essential to the Department of Defense as the National Guard has become, we must ensure that the National Guard receives adequate funds and equipment to do the job.

The National Guard is absolutely proud to serve and deliver the strong military capabilities both here at home and abroad in a most cost-effective manner. The funds that you appropriate I assure you will be well spent and highly leveraged both here at home in domestic operations as well as overseas in the global war on terrorism.

When a guardsman is not mobilized, the Government does not incur any of the expenses that we routinely pay for our active duty force. We have an on-call capability for a fraction of the cost. For those of you that do not know it, the National Guard is and remains unique in the Department of Defense. It is the only uniformed force that can be called upon by the Governors of our Nation on a day-to-day basis. It is clearly the American taxpayers' best defense bargain.

The Army National Guard is only on a normal day 12 percent of the Army's budget and it provides 32 percent of the Army's overall capabilities. It presently is providing about 40 percent of the Army deployed on the ground fighting today in Iraq and Afghanistan. The Air National Guard only on a normal day gets 8 percent of the Air Force's budget and provides 34 percent of the total Air Force's capability.

There is an added benefit of the National Guard where the Federal and the State dual use dividend pays huge, huge dividends every day in every zip code of our Nation. There has never been a day in my tenure as the Chief of the National Guard Bureau for

the last 3 years where national guardsmen were not called out by their Governors to either help save lives, or help prevent suffering, or help restore order, or help bring aid and assistance that the local and state governments were unable to do, and had to leverage the military capabilities of the Department of Defense.

Before I thank you and finish my comment, I would like to introduce three American heroes. One is Command Sergeant Major John Leonard. Sergeant Leonard, please stand. This soldier will be completing 41 years in uniform next month and he will finally retire because he reaches the mandatory retirement age. That is the only reason that he is leaving. Otherwise he would stay probably for another 20.

He served in three wars. He has been a national guardsmen, he has been a marine. He has been mobilized three times. He represents every citizen-soldier and citizen-airman in this great Nation, he has been my enlisted advisor for the last 3 years, and he will be a huge loss. This Nation owes a great debt of gratitude to citizen-soldiers like John Leonard.

Senator STEVENS. Thank you very much.

Sergeant, if you would like to have a waiver on that, look us up.

General BLUM. You can think about that, John.

Command Sergeant Major Leonard leaves feeling pretty good, because there are two other soldiers, a soldier and airman, a citizen-soldier and an airman, here that I would like to introduce at this time. I have Specialist Mike Acquaviva from the United States Army National Guard. He comes out of the State of Alabama. He has been—he was prior service Air Force and he joined the National Guard 3 years ago. He is a heavy equipment operator in Alabama for Cullman County.

He was mobilized for Iraq. He spent 18 months on active duty through the mobilization process, 1 year boots on the ground. He's a signal soldier, so he went over there to provide communications to the coalition forces, the State Department, Special Operations Forces, and some of our multinational partners in Iraq up in the area of Kirkuk.

He was wearing a lot of battle armor and equipment and ammunition for several months that he thought he did not need because he thought he was there to be a radio operator, until he woke up one morning in Kirkuk and found 1,800 insurgents from one of the militias attacking and trying to overrun his position.

Specialist Fourth Class Mike Acquaviva, although he is married, although he has a 14-year-old daughter, and although he is a signal soldier, climbed to the roof of a building, employed a squad automatic weapon, and was instrumental in the defeat of this attack. A captain fighting right beside him was hit with a sniper round through the arm, through his chest, and out his back. Specialist Acquaviva stopped what he was doing, rendered first aid, and saved the life of that captain, and then went back to firing his weapon for the next 9 hours continuous combat, until he ran out of ammunition, and then picked up the weapon of the wounded captain until all of his ammunition was expended.

For his heroic deeds, he was awarded the Bronze Star with a V Device. We are extremely proud of this individual and he will be awarded the Combat Action Badge before he leaves Washington,

because his actions have earned that. You will get that award before you leave town. Mike Acquaviva, American hero from Alabama Guard.

Also, Staff Sergeant Carl Gurnsheid is from the Arizona National Guard. The reason that I have selected to bring him is that he has done every mission in the National Guard and has participated in the last 4 years. He was working in the Arizona National Guard as an engineer, a firefighter. He has shown his flexibility to retrain three times in the last 4 years to do what this Nation needed him to do. He worked in the counternarcotics, counterterrorism piece. He responded in Operation Noble Eagle right after 9/11, and ultimately he has just come back from his tour of combat in Iraq.

So at home, overseas, civilian support to law enforcement, whatever the Guard does day to day, this is the kind of involvement that Carl Gurnsheid has been willing to stand up and do whatever his State or Nation needed him to do when they needed him to do it.

He is also married. His wife Melissa and he have two children, Grace, 5, and Jacob, 3. The necessity to address not only the soldiers but their families is a priority at keeping the readiness of the force at combat level the next time we need them.

So I am pleased to be the chief of 460,000 young men and women like I introduced to you here today.

PREPARED STATEMENT

Thank you. I would be interested to answer any questions you may have. Thank you.

Senator STEVENS. Does that complete your statement, General?

General BLUM. Yes, sir. Yes, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL H STEVEN BLUM

IN MEMORIAM

A special dedication to the men and women of the Army and the Air National Guard who made the ultimate sacrifice while serving the United States of America.

AMERICA'S 21ST CENTURY MINUTEMEN—ALWAYS READY, ALWAYS THERE!

National Guard Soldiers and Airmen lost during the attacks on 9/11, Operation Noble Eagle, Operation Enduring Freedom and Operation Iraqi Freedom as of January 1, 2006

PVT Algernon Adams, SC
SGT Leonard Wade Adams, NC
SPC Segun F. Akintade, NY
SPC Azhar Ali, NY
SGT Howard Paul Allen, AZ
1LT Louis E. Allen, NY
SSG William Alvin Allers III, KY
SFC Victor Antonio Anderson, GA
SPC Michael Andrade, RI
SGT Travis Mark Arndt, MT
SSG Daniel Laverne Arnold, PA
SSG Larry Richard Arnold, MS
SGT Christopher James Babin, LA
SSG Nathan J. Bailey, TN
SPC Ronald W. Baker, AR
SGT Sherwood R. Baker, PA
1LT Gerald Baptiste, NY
SGT Michael C. Barkey, OH

1LT Christopher W. Barnett, LA
SPC Bryan Edward Barron, MS
SGT Michael Barry, MO
SPC Todd M. Bates, OH
SGT Tane Travis Baum, OR
SPC Alan Bean Jr., VT
SGT Bobby E. Beasley, VA
CPL Joseph Otto Behnke, NY
SGT Aubrey D. Bell, AL
SPC Bradley John Bergeron, LA
SSG Sean B. Berry, TX
SSG Harold D. Best, NC
SGT Dennis J. Boles, FL
SFC Craig A. Boling, IN
SSG Jerry L. Bonifacio Jr, CA
COL Canfield "Bud" Boone, IN
PFC Samuel R. Bowen, OH
SGT Larry Bowman, NY

SSG Hesley Box, Jr., AR
 SSG Stacey C. Brandon, AR
 SPC Kyle A. Brinlee, OK
 SSG Cory W. Brooks, SD
 PFC Nathan P. Brown, NY
 PFC Oliver J. Brown, PA
 SPC Philip D. Brown, ND
 SPC Jacques Earl Brunson, GA
 PFC Paul J. Bueche, AL
 CPL Jimmy Dale Buie, AR
 SPC Alan J. Burgess, NH
 SPC Casey Byers, IA
 SGT Charles T. Caldwell, RI
 SSG Joseph Camara, RI
 SGT Deyson Ken Cariaga, HI
 SPC Jocelyn L. Carrasquillo, NC
 SGT James Dustin Carroll, TN
 SGT Frank T. Carvill, NJ
 SFC Virgil Ray Case, ID
 CAPT Christopher S. Cash, NC
 SPC Jessica L. Cawvey, IL
 SPC James A. Chance III, MS
 SSG William D. Chaney, IL
 MSG Chris Shayne Chapin, VT
 SSG Craig W. Cherry, VA
 SPC Don A. Clary, KS
 MSG Herbert R. Claunch, AL
 SPC Brian Clemens, IN
 SGT Russell L. Collier, AR
 SFC Kurt Joseph Comeaux, LA
 SPC Anthony Steven Cometa, NV
 SFC Sean M. Cooley, MS
 SSG Travis Sentell Cooper, MS
 SGT Alex J. Cox, TX
 SPC Carl F. Curran, PA
 SPC Daryl Anthony Davis, FL
 SSG Kevin Dewayne Davis, OR
 SPC Raphael S. Davis, MS
 SSG David Fredrick Day, MN
 SGT Felix M. Del Greco, CT
 SPC Daryl T. Dent, DC
 SPC Daniel A. Desens, NC
 PFC Nathaniel Edward Detample, PA
 SPC Joshua Paul Dingler, GA
 SPC Ryan E. Doltz, NJ
 1LT Mark Harold Dooley, VT
 SPC Thomas John Dostie, ME
 SSG George Ray Draughn Jr., GA
 SPC Christopher M. Duffy, NJ
 SGT Arnold Duplantier, II, CA
 SSG Mark Oscar Edwards, TN
 SGT Michael Egan, PA
 SGT Christian Philip Engeldrum, NY
 CPT Phillip T. Esposito, NY
 SPC William Lee Evans, PA
 SPC Michael Scott Evans II, LA
 SSG Christopher Lee Everett, TX
 SGT Justin L. Eyerly, OR
 SPC Huey P. Long Fassbender, LA
 CPT Arthur L. Felder, AR
 SGT Robin Vincent Fell, LA
 SPC William Valentin Fernandez, PA
 SPC Jon P. Fettig, ND
 SGT Damien Thai Ficek, WA
 SGT Jeremy J. Fischer, NE
 CPT Michael Todd Fiscus, IN
 SPC David Michael Fisher, NY
 SGT Paul F. Fisher, IA
 CW2 John Michael Flynn, NV
 SSG Tommy I. Folks, Jr., TX
 SPC Craig S. Frank, MI
 SSG Bobby C. Franklin, NC
 SSG Jacob Frazier, IL
 SPC Carrie Lee French, ID
 SPC Armand L. Frickey, LA
 SSG Carl Ray Fuller, GA
 SGT Jerry Lewis Ganey Jr., GA
 SGT Seth Kristian Garceau, IA
 SPC Tomas Garces, TX
 SGT Landis W. Garrison, IL
 SGT Christopher Geiger, PA
 SPC Christopher D. Gelineau, ME
 SPC Mathew Vincent Gibbs, GA
 2LT Richard Brian Gienau, IA
 SSG Charles Crum Gillican III, GA
 SPC Lee Myles Godbolt, LA
 SPC Richard A. Goward, MI
 SSG Shawn Alexander Graham, TX
 SGT Jamie A. Gray, VT
 SPC James T. Grijalva, IL
 SGT Jonathon C. Haggin, GA
 SFC Peter James Hahn, LA
 SSG Asbury Fred Hawn II, TN
 SPC Michael Ray Hayes, KY
 SPC Paul Martin Heltzel, LA
 SPC Kyle Matthew Hemauer, VA
 1LT Robert L. Henderson II, KY
 SSG Kenneth Hendrickson, ND
 SPC Brett Michael Hershey, IN
 MSG Michael Thomas Hiester, IN
 SGT Stephen Correll High, SC
 SGT Jeremy M. Hodge, OH
 SFC Robert Lee Hollar Jr., GA
 SPC James J. Holmes, ND
 SPC Jeremiah J. Holmes, NH
 SGT Manny Hornedo, NY
 SGT Jessica Marie Housby, IL
 SPC Robert William Hoyt, CT
 SPC Jonathan Adam Hughes, KY
 SGT Joseph Daniel Hunt, TN
 SSG Henry E. Irizarry, NY
 SPC Benjamin W. Isenberg, OR
 SFC Tricia Lynn Jameson, NE
 SGT Brahim Jamal Jeffcoat, PA
 SPC William Jeffries, IN
 SPC David W. Johnson, OR
 SSG David Randall Jones, GA
 SFC Michael Dean Jones, ME
 SGT Anthony Nelson Kalladeen, NY
 SPC Alain Louis Kamolvathin, NY
 SPC Mark J. Kasecky, PA
 SPC Charles Anthony Kaufman, WI
 SPC James C. Kearney, IA
 SGT Michael Jason Kelley, MA
 SSG Stephen Curtis Kennedy, TN
 SSG Ricky Allan Kieffer, MI
 SGT James Ondra Kinlow, GA
 PFC David M. Kirchoff, IA
 SGT Timothy C. Kiser, CA
 SGT Floyd G. Knighten Jr., LA
 SPC Joshua L. Knowles, IA
 SSG Lance J. Koenig, ND
 CW3 Patrick W. Kordsmeier, AR
 SPC Kurt Eric Krout, PA

SPC John Kulick, PA
 SFC William W. Labadie Jr., AR
 SGT Joshua S. Ladd, MS
 SPC Charles R. Lamb, II
 CW4 Patrick Daniel Leach, SC
 SGT Terrance Delan Lee, Sr., MS
 PFC Ken W. Leisten, OR
 SSG Jerome Lemon, SC
 SPC Tiothy J. Lewis, DC
 SGT Jesse Marvin Lhotka, MN
 SSG Victoir Patric Lieurance, TN
 SPC Justin W. Linden, OR
 SSG Tommy Seary Little, MS
 SPC Jeremy Loveless, AL
 SSG David L. Loyd, TN
 CPT Robert Lucero, WY
 SPC Audrey Daron Lunsford, MS
 SPC Derrick Joseph Lutters, KS
 SPC Wai Phylo Lwin, NY
 SSG William Francis Manuel, LA
 SPC Joshua Samuel Marcum, AR
 PFC Ryan A. Martin, OH
 SGT Nicholas Conan Mason, VA
 SPC Patrick R. McCaffrey, Sr., CA
 1LT Erik S. McCrae, OR
 SPC Donald R. McCune, WA
 SGT John Edward McGee, AL
 SPC Jeremy Wayne McHalfey, AR
 SPC Eric S. McKinley, OR
 SPC Scott Paul McLaughlin, VT
 SSG Heath A. McMillan, NY
 SPC Robert Allen McNail, MS
 MSG Robbie Dean McNary, MT
 SPC Kenneth A. Melton, AR
 SGT Chad Michael Mercer, GA
 SSG Dennis P. Merck, GA
 SPC Michael G. Mihalakis, CA
 SGT John Wayne Miller, IA
 CPT Lowell Thomas Miller II, MS
 SFC Troy L. Miranda, AR
 SGT Ryan Jay Montgomery, KY
 SGT Carl James Morgain, PA
 SPC Dennis B. Morgan, SD
 SGT Steve Morin Jr., TX
 SGT Shawna M. Morrison, II
 SPC Clifford L. Moxley, PA
 SPC Warren Anthony Murphy, LA
 SGT David Joseph Murray, LA
 SPC Nathan W. Nakis, OR
 SPC Creig Lewis Nelson, LA
 SSG Paul Christian Neubauer, CA
 SPC Joshua M. Neusche, MO
 SPC Paul Anthony Nicholas, CA
 SGT William J. Normandy, VT
 PFC Francis Chinomso Obaji, NY
 SGT John Banks Ogburn, OR
 SGT Nicholas Joseph Olivier, LA
 SSG Todd Donald Olson, WI
 SPC Richard P. Orengo, PR
 SSG Billy Joe Orton, AR
 SGT Timothy Ryndale Osbey, MS
 SSG Ryan Scott Ostrom, PA
 SSG Michael C. Ottolini, CA
 PFC Kristian E. Parker, LA
 SSG Saburant Parker, MS
 SPC Gennaro Pellegrini Jr., PA
 SGT Theodore L. Perreault, MA
 SSG David S. Perry, CA
 SGT Jacob Loren Pfingsten, MN
 SGT Ivory L. Phipps, IL
 CW2 Paul J. Pillen, SD
 SGT Foster Pinkston, GA
 SGT Darrin K. Potter, KY
 SGT Christopher S. Potts, RI
 SGT Lynn Robert Poulin, SR, ME
 SPC Robert Shane Pugh, MS
 SSG George Anthony Pugliese, PA
 SPC Joseph Andrew Rahaim, MS
 SPC Eric U. Ramirez, CA
 PFC Brandon Ramsey, IL
 SPC Christopher J. Ramsey, LA
 SSG Jose Carlos Rangel, CA
 SSG Johnathan Ray Reed, LA
 SSG Aaron T. Reese, OH
 SGT Gary Lee Reese Jr., TN
 SPC Jeremy L. Ridlen, IL
 CPL John T. Rivero, FL
 SSG William Terry Robbins, AR
 CPL Jeremiah W. Robinson, AZ
 SSG Alan Lee Rogers, UT
 PFC Hernando Rois, NY
 SFC Daniel Romero, CO
 SGT Brian Matthew Romines, IL
 SFC Robert E. Rooney, MA
 SPC David L. Roustrum, NY
 SGT Roger D. Rowe, TN
 SGT David Alan Ruhren, VA
 CW4 William Ruth, MD
 SPC Lyle Wyman Rymer II, AR
 SGT Paul Anthony Saylor, GA
 SFC Daniel Ronald Scheile, CA
 SPC Jeremiah W. Schmunk, WA
 SPC Bernard Leon Sembly, LA
 SPC Jeffrey R. Shaver, WA
 SGT Kevin Sheehan, VT
 SGT Ronnie Lee Shelley, GA
 SGT James Alexander Sherrill, KY
 1LT Andrew Carl Shields, SC
 SGT Alfredo Barajas Silva, CA
 SGT Alfred Barton Silver, TN
 SGT Isiah Joseph Sinclair, LA
 SPC Roshan "Sean" R. Singh, NY
 SPC Aaron J. Sissel, IA
 1LT Brian D. Slavenas, IL
 SGT Eric Wentworth Slebodnik, PA
 SGT Keith Smette, ND
 CW4 Bruce A. Smith, IA
 CPL Darrell L. Smith, IN
 SGT Michael Antonio Smith, AR
 SPC Norman Kyle Snyder, IN
 SGT Mike Takeshi Sonoda Jr., CA
 SGT Patrick Dana Stewart, NV
 SGT Michael James Stokely, GA
 Maj Gregory Stone, ID
 SPC Chrystal Gale Stout, SC
 2LT Matthew R. Stoval, MS
 SGT Francis Joseph Straub Jr., PA
 SGT Thomas James Strickland, GA
 WO1 Adrian Bovee Stump, OR
 SSG Michael Sutter, MI
 SGT Robert Wesley Sweeney III, LA
 SGT Deforest L. Talbert, WV
 SFC Linda A. Tarango-Griess, NE
 SPC Christopher M. Taylor, AL

SGT Shannon D. Taylor, TN	SGT Andrew Peter Wallace, WI
MSG Thomas R. Thigpen, Sr., SC	SFC Charles Houghton Warren, GA
SGT John Frank Thomas, GA	SFC Mark C. Warren, OR
SGT Paul William Thomason, TN	SPC Glenn James Watkins, WA
1LT Jason Gray Timmerman, MN	SPC Michael J. Wedling, WI
SGT Humberto F. Timoteo, NJ	SSG David J. Weisenburg, OR
SPC Eric Lee Toth, KY	SPC Cody Lee Wentz, ND
SPC Seth Randell Trahan, LA	SPC Jeffrey M. Wershow, FL
SPC Quoc Binh Tran, CA	SGT Marshall Westbrook, NM
SGT Robert W. Tucker, TN	SPC Lee Alan Wiegand, PA
2LT Andre D. Tyson, CA	1LT Charles L. Wilkins III, OH
SPC Daniel P. Unger, CA	SPC Michael L. Williams, NY
PFC Wilfredo Fernando Urbina, NY	SFC Christopher R. Willoughby, GA
SGT Michael A. Uvanni, NY	SSG Clinton L. Wisdom, KS
SGT Gene Vance Jr., WV	SPC Robert A. Wise, FL
SGT Daniel Ryan Varnado, MS	SPC Michelle M. Witmer, WI
1LT Michael W. Vega, CA	SGT Elijah Tai Wah Wong, AZ
PFC Kenneth Gri Vonronn, NY	SFC Ronald Tanner Wood, UT
SSG Michael Scott Voss, NC	SGT Roy A. Wood, FL
PFC Brandon J. Wadman, FL	

LIEUTENANT GENERAL H STEVEN BLUM, CHIEF, NATIONAL GUARD BUREAU

CHIEF, NATIONAL GUARD BUREAU EXECUTIVE SUMMARY

This past year the National Guard demonstrated how superbly it simultaneously performs our dual missions, state and federal.

In August 2005, with more than 80,000 troops already mobilized for the global war on terror and faced with Katrina, a catastrophic hurricane, the Gulf Coast governors called upon the Guard. The Guard, the nation's preeminent military domestic response force, fulfilled our commitment to the governors and our neighbors. In spite of a massive wartime mobilization, the Guard mobilized and deployed the largest domestic response force in history. Soldiers and Airmen from all 50 states, the territories of Guam and the U.S. Virgin Islands, the Commonwealth of Puerto Rico and the District of Columbia deployed in record time in support of their Gulf Coast neighbors. Never before had every corner of America answered the desperate cry of our neighbors in such unison. Truly, when you call out the Guard, you call out America!

Guard forces were in hurricane affected neighborhoods rescuing people within four hours of Katrina's landfall. More than 11,000 Soldiers and Airmen were involved in rescue operations on August 31. The Guard mobilized and deployed, in support of rescue and recovery, an additional 19,000 troops in the following 96 hours. Guard participation peaked at over 50,000 personnel on September 7. More than 6,500 Guard men and women were in New Orleans alone by September 2, 2005. The National Guard responded in spite of massive overseas deployment of personnel and equipment in support of our federal mission.

No state, regardless of its size, can handle a natural or man-made catastrophe of the magnitude of a Katrina. Emergency Management Assistance Compacts allowed governors of affected states to immediately call upon another state's National Guard as reinforcements for recovery efforts. In 23 states, the Adjutant General also serves as the State Director of Emergency Management, State Director of Homeland Security, or both. This is an important aid in the coordination of the civil and military response.

The National Guard has undergone a total transformation in the past few years. The once ponderous Cold War strategic reserve transformed itself into an agile, lethal operational force capable of joint and expeditionary warfare—a uniquely flexible force simultaneously capable of responding to a broad range of civil and humanitarian crises.

The Guard serves our nation and communities across the full spectrum of domestic and warfighting missions. We fight narco-terrorism through our counterdrug programs. We work with our nation's youth through programs like StarBase and ChallengeNGe to ensure they have a brighter future. We stand guard over America's critical physical and cyber infrastructure. Our Airmen fly the vast majority of air sovereignty missions over America's cities, while our Soldiers man air defense batteries in the nation's capital and the nation's sole ballistic missile interceptor site in Alaska. We conduct peacekeeping operations in Kosovo and the Sinai, stand watch aboard military cargo ships as they transit the Persian Gulf, guard prisoners in Guantanamo Bay, and train the Iraqi and Afghan national armies. Joint and multi-

national training, exercises, humanitarian support and a variety of other missions have taken the Guard overseas to more than 40 nations on five continents last year alone.

The Guard stands more ready, reliable, essential and accessible today than at anytime in its near-four hundred years of existence. Since 9/11, we have been employed around the world and here at home as an operational force in a variety of contingencies. It is a role that the Guard was not structured to perform before 9/11. The Guard—with the exception of those units mobilized for war—is still under-resourced for many of the missions it now performs. Army Guard units in particular remain manned at Cold War levels, lack a robust cadre of full-time support personnel, and are equipped well below wartime requirements. Other vestiges of this Cold War construct, such as a needlessly-long mobilization process, continue to hamper the most efficient use of the Guard.

Our nation's reliance on the Guard is unprecedented at this stage in a major war. At one point in 2005, the Army National Guard contributed half of the combat brigades on the ground in Iraq. The Army's leadership has acknowledged that the Army could not sustain its presence in Iraq without the Guard. As of January 1, 2006, over 350 Guard men and women have given their lives while engaged in this global struggle.

Guard units bring more to the warfight than just Soldiers and Airmen. There is ample anecdotal evidence that the civilian skills Guard members possess make them exceptionally well suited for peacekeeping and nation building. An Iraqi policeman may have limited respect for an American Soldier who attempts to train him in the methods of civilian law enforcement. But, when that Soldier is a National Guardsman with 20 years of civilian experience as a police officer, that Soldier's credibility and impact as a trainer is vastly enhanced.

Guard support to the warfight is not limited to our role on the battlefield. The Guard's unique State Partnership Program continues to support Combatant Commander's Security Cooperation Plans and strengthen alliances with 50 allied nations around the world. This immensely successful program has grown from direct military-to-military exchanges to encompass military-to-civilian and ultimately civilian-to-civilian exchanges. Once again, the citizen Soldiers and Airmen of the National Guard are the bridge that allows this to happen, with their combination of military and civilian backgrounds providing a sterling example of how America has peacefully balanced military and civilian interests for well over 300 years.

National Guard units deployed to combat since September 11th have been the best-trained and equipped force in American history. The U.S. Army invested \$4.3 billion to provide those units with the very best, state-of-the-art equipment.

This is an unprecedented demonstration of the Army's commitment to ensure that no Soldier, regardless of component (Active, Guard, or Reserve), goes to war ill equipped or untrained. With the help of the U.S. Congress, this was accomplished over a two-year period. It is now a reality for National Guard overseas combat deployments.

The Guard, since September 11th, has been well equipped for its overseas missions, and has demonstrated its Citizen-Soldier expertise across the full-spectrum of warfighting, peacekeeping, and security engagement with our allies. The response to Katrina, however, revealed serious shortcomings in the equipping of Guard units for Homeland Security and Defense. Guard units returned from the overseas warfight with a fraction of the equipment with which they deployed, leaving them far less capable of meeting training requirements, or more importantly, fulfilling their missions here at home.

The senior leadership of the U.S. Army has committed to re-equipping the Guard, the nation's first domestic military responders. The Army has a comprehensive reset plan that recognizes the Army National Guard's critical role in Homeland Defense (HLD) and support to Homeland Security (HLS) operations. This will take time and resources. I am confident that a real sense of urgency exists to make this a reality for America. The Guard currently has less than 35 percent of the equipment it requires to perform its wartime mission. We gratefully acknowledge the \$900 million down-payment Congress made on resourcing our needs as an operational force for HLD/HLS and the overseas warfight, and recognize the full cost of restoring readiness will require continuing long-term Congressional attention.

Satellite and tactical communications equipment, medical equipment, utility helicopters, military trucks and engineer equipment are the Army Guard's highest equipment priorities. We must ensure that this equipment is identical to that required for wartime use, so that Guard units remain interoperable with their active component counterparts for both HLD/HLS and warfight operations. We also need to invest in an extensive non-lethal weapons capability for use in both domestic and overseas contingencies.

Two years ago, I committed to the governors, our state Commanders-in-Chief that the National Guard Bureau would provide each of them with sufficient capabilities under state control, and an appropriate mix of forces, to allow them to respond to domestic emergencies. I also promised to provide a more predictable rotation model for the deployment of their Army Guard Soldiers, along the lines already in place for Air Guard units participating in the Air and Space Expeditionary Force deployments.

The National Guard Bureau is committed to the fundamental principle that each and every state and territory must possess ten core capabilities for homeland readiness. Amidst the most extensive transformation of our Army and Air Forces in decades, we want to ensure that every governor has each of these "essential 10" capabilities: a Joint Force Headquarters for command and control; a Civil Support Team for chemical, biological, and radiological detection; engineering assets; communications; ground transportation; aviation; medical capability; security forces; logistics and maintenance capability.

The final 11 Civil Support Teams were organized this past year, giving every state and territory the capability of rapidly assisting civil authorities in detecting and responding to a Weapons of Mass Destruction attack. These are joint units, consisting of both Army and Air National Guard personnel.

Air Guard personnel in the Civil Support Teams are part of a larger trend. The National Guard has leveraged homeland defense capabilities from the Air Guard far beyond the now-routine mission of combat air patrols over our cities. Every state fields rapid reaction forces capable of quickly responding to a governor's summons, and in many cases these forces consist of Air Guard security police. The Air Guard also provides extensive HLS capabilities with its communications, ground transportation, and chemical-biological-radiological detection units.

The civil engineering capabilities of Air Guard RED HORSE (Rapid Engineer Deployable Heavy Operational Repair Squadron Engineer) teams and the medical capabilities of Air Guard Expeditionary Medical Support (EMEDS) systems proved extremely valuable in responding to Katrina. We are examining fielding these capabilities on a regional basis for more rapid response to future disasters.

Our 12 regional Chemical, Biological, Radiological, Nuclear and high-yield Explosive (CBRNE) Enhanced Response Force Packages (CERFP) provide mass casualty decontamination, medical treatment, security and urban search and extraction in contaminated environment capabilities in addition to the special skills of the Civil Support Teams. These units are not dedicated solely to Homeland Defense, but are existing warfighting units that have been given a powerful new HLD capability by virtue of modest amounts of additional equipment and training. This program, a concept only two years ago, has already placed 12 certified force packages on the ground, with Congress authorizing an additional five in the fiscal year 2006 Defense Appropriation. It is now an important part of the Guard's increasingly sophisticated Homeland Defense capability.

The Guard has fielded six regional Critical Infrastructure Program—Mission Assurance Assessment (MAA) teams to conduct vulnerability assessments of Department of Defense critical infrastructure. These teams conduct force protection training and plan for emergency response to a terrorist attack or natural disaster striking our critical infrastructure. Four more teams will be fielded in fiscal year 2006. These specialized capabilities are available to any state or region, along with traditional Guard forces should they be needed.

The most critical transformation the National Guard has undergone since 2001 has been in the Joint Forces Headquarters in each state, territory, and the District of Columbia (JFHQ-State). What used to be the State Area Command (STARC) and Air Guard State Headquarters, administrative organizations for peacetime control of units, has developed into a sophisticated headquarters and communications node capable of assuming command and control of units from all services and components when responding to a domestic emergency. Tested and proven during multiple National Special Security Events in 2004, these headquarters were further validated this past year by hurricanes Katrina and Rita.

These headquarters, now operated on a continual 24/7/365 basis, must be linked together to provide robust capabilities to share secure and non-secure information within the State or Territory, to deployed incident site(s), and to other DOD and inter-governmental partners engaged in support of Homeland Defense and Defense Support to Civil Authorities missions. To support these needs in the near-term, NGB has fielded 13 rapid response communications packages—the Interim Satellite Incident Site Communications Set (ISISCS)—that are regionally-based, and which proved absolutely vital when the entire domestic communications infrastructure in the Gulf Coast region of the United States went down during Hurricane Katrina. To satisfy the full range of required Command and Control, Communications, and

Computer (C4) capabilities, NGB and U.S. Northern Command have collaborated on the Joint Continental U.S. Communications Support Environment (JCCSE) construct. When fully implemented, the JCCSE will provide U.S. Northern Command, U.S. Pacific Command, the National Guard Bureau, each Joint Force Headquarters-State, and our inter-governmental partners with the vital C4 capabilities and services to support continuous and accurate situational awareness of operational capabilities at the State or Territory and incident levels; enhanced information sharing and collaboration capabilities to facilitate mission planning, resourcing, and execution; and a fully integrated trusted information sharing and collaboration environment to facilitate coordination and unity of effort.

Today we are taking on the challenge of responding to a potential flu pandemic that could challenge domestic tranquility like no other event since the Civil War. The forward deployed JFHQ-State are the only existing organization with the intrinsic capabilities, knowledge of local conditions and realities, geographic dispersion, resources and experience to coordinate the massive state-federal response that would be required in a pandemic of the predicted magnitude. Aided by the JCCSE communications backbone, the headquarters can assist civil authorities as they share a common operating picture, request and coordinate specialized regionally-based response forces, and receive follow-on forces from other states, federal reserve forces, or active duty forces.

The Guard must continue to transform in order to maintain our status as a fully operational reserve of the Army and the Air Force, while at the same time increasing our ability to respond to terrorist attack or natural disaster at home. We must also continue to commit ourselves to recruiting and retaining a quality force capable of meeting these challenges for decades to come.

Seventy-four percent of the Army National Guard's units are impacted by the U.S. Army's conversion to a modular force structure. The Army National Guard contribution to the modular total force includes 34 Brigade Combat Teams, six Fires Brigades, 10 Combat Support Brigades (Maneuver Enhancement), 11 Sustainment Brigades, 12 Aviation Brigades, an Aviation Command and three Sustainment Commands. These units are identical in structure to those in the active component, and, when resourced like their active counterparts, will allow a seamless transition between active and reserve forces in combat with minimal time required for train up.

However, to make the Guard's units truly interchangeable, we must man them like the active Army, with an overhead allotment for trainees, transients, holdees, and students. Otherwise, we are forced to continue the debilitating practice of stripping other units of personnel whenever we mobilize a unit for war. In the same way, our full-time manning levels are also based on a Cold War construct, and assume that our units will have ample time to make up for a lack of readiness after mobilization. Cold War era manning levels limit the Guard's ability to perform as a modern, operational force.

The National Guard continues to engage with Joint Forces Command and the Army to transform the lengthy and redundant mobilization process for Army Guard units, one of the last vestiges of our Cold War military construct. The no-notice deployment of 50,000 Guard members to the Gulf Coast for Hurricane Katrina, as well as the fact that over half of all current Army Guard members had been previously mobilized, makes the argument for streamlining mobilization more powerful than ever before in our 369 year history.

The Air National Guard will continue to leverage its existing capabilities as it evolves to remain a full partner in the Future Total Air Force plan. The response to Hurricane Katrina reaffirmed the critical need for intra-theater airlift. The unprecedented, timely response would have been impossible without the Air Guard's airlift.

The Base Realignment and Closure process removed the last flying unit from some states. Though the Air National Guard is expanding in such non-flying missions as intelligence, security police, and unmanned aerial vehicles, it is impossible to maintain a healthy, balanced Air National Guard structure in any state without some manned aircraft. The National Guard Bureau is entrusted to allocate Guard units among the states, and working together with the Air Force and Air Force Reserve, I will attempt to maintain manned aircraft in every state, territory, and the District of Columbia.

The Air National Guard is at full strength, with retention and recruiting programs to fill the ranks. The Army National Guard has turned the corner and has begun to increase in strength due to the increases in bonuses and the funding of new recruiters authorized by Congress in 2004. However, we can do more to strengthen recruiting. Historically, Guard units enjoy close camaraderie because they are built around a network of Soldiers and Airmen who actively recruit their friends and family into their units. We acknowledge and encourage this powerful

source of strength by promoting both the Guard Recruiting Assistance Program (G-RAP) and the "Every Soldier a Recruiter" (ESAR) initiatives, rewarding Guard members who make the extra effort to bring new enlistees into their units and sponsor them through the initial entry process.

Retention of current Guard members, particularly those in units returning from overseas, is well above pre-September 11th levels. Nevertheless, we must remain aware of the negative impact that our most critical need—lack of equipment—has on our ability to recruit and retain Soldiers. Morale suffers when Soldiers cannot train for their wartime or domestic missions for lack of equipment.

Our priorities this year to maintain a vibrant, capable and agile National Guard are recruiting and retention bonuses and initiatives, equipment reset and modernization and obtaining critical domestic mission resources. Our nation's future security mandates that the Guard continues to transform to meet challenges both at home and abroad.

Critics maintain that more than four years of continuous service at home and abroad have stressed the National Guard to the breaking point. I emphatically disagree. Morale in the National Guard is superb. We fight a fanatical enemy overseas that has already demonstrated his desire to destroy our families and our nation. At home, the gratitude our nation displayed to its Army and Air National Guard in the wake of hurricanes Katrina and Rita has been invigorating. We understand the mission and purpose for which we have been called.

We have been, and we remain, America's minutemen—Always Ready, Always There!

LIEUTENANT GENERAL CLYDE A. VAUGHN, VICE CHIEF, NATIONAL GUARD BUREAU AND
DIRECTOR, ARMY NATIONAL GUARD

"SERVING A NATION AT WAR: AT HOME AND ABROAD"

MESSAGE FROM THE DIRECTOR

During fiscal year 2005, the nation saw Army National Guard Soldiers at their best and busiest: fulfilling dual roles as citizens and Soldiers and responding frequently to the "call to duty." Our Soldiers have been noticeably involved in operations both at home and around the world. In Iraq and Afghanistan, they continue to aid in the transition and struggle for a healthy democracy. Along the Gulf Coast after Hurricanes Katrina and Rita, Soldiers performed thousands of rescue and recovery operations. Across the nation, they continue to support communities and citizens in need. In fiscal year 2005, the National Interagency Fire Center responded to over 54,000 wild land fires that threatened over 8 million acres; the National Guard participated in a large proportion of these alerts. Citizen-Soldiers continued to guard key assets and responded to Governors' requests in support of state emergencies.

Use of Army National Guard units in domestic and foreign contingencies continued in record-setting numbers throughout fiscal year 2005 with increased participation in areas of military support to civilian authorities, state active duty, counterdrug operations, and force protection. During Operation Winter Freeze (November 2004 through January 2005), the National Guard and active component Title 10 forces, in support of the U.S. Border Patrol, prevented illegal alien access along a 295-mile stretch of the U.S.-Canadian border. During the mission, the National Guard exposed three terrorist smuggling organizations.

Following the best traditions of the Army National Guard, all 54 states and territories engaged in one or more of the following operations: Operation Iraqi Freedom, Operation Enduring Freedom, Operation Noble Eagle, Operation Winter Freeze, Operation Unified Assistance (Tsunami Relief), Hurricane Recovery Operations for Katrina, Rita and Wilma, Stabilization Force Bosnia, Kosovo Force, Horn of Africa, Multi-National Force Observers, Guantanamo Bay Operations, Force Protection Europe, and numerous other missions. As we enter the fifth year of the Global War on Terrorism, we anticipate a slight downward trend in Overseas Continental United States (OCONUS) operations. We face some critical shortages that must be addressed over the coming year to ensure we continue to accomplish our missions.

This Posture Statement presents an opportunity to detail Army National Guard plans to ensure our nation's defense, meet our strategic and legislative goals and transform to meet tomorrow's challenges. The Chief of the National Guard Bureau established our fiscal year 2006 priorities to Defend the Homeland, Support the Warfight and Transformation for the Future.

The Army National Guard balances its status as an integral element of the United States Army with its duty to serve the Governors and the people of our communities. Citizen-Soldiers represent thousands of communities across America.

These Soldiers bring with them real world experience and provide capabilities to address both Homeland Security/Defense and overseas conflicts.

The Army National Guard remains committed to completing the transformation from strategic reserve to operational force capable of both supporting the warfight and serving the Governors. We are able to maintain this commitment because of the continued dedication of our Soldiers, support from our families and the resources provided by Congress.

HOMELAND DEFENSE: HERE AND ABROAD FOR OVER 369 YEARS

Prepared and Ready

The Army National Guard continued to provide forces for domestic missions throughout fiscal year 2005, particularly in the areas of disaster relief, state active duty, counterdrug operations, and force protection. In a major contribution to the Global War on Terrorism, the Army National Guard provided key asset protection for much of the nation. Readiness concerns such as full-time manning, recruiting, retention, and modernizing our ground and air fleets are the top priorities for the Army Guard in today's geostrategic environment.

As the Global War on Terrorism continues, the Army National Guard will continue to meet the Army's requirements to protect our national interests, prevent future acts of terrorism, and meet Governors' requests to respond to state emergencies. However, some critical shortages still exist in the Guard structure and impose challenges to meet these requirements such as the accurate reporting of readiness.

The Department of Defense has mandated the use of the Defense Readiness Reporting System. This action will impose readiness reporting challenges on the Army National Guard as it transitions to meet this requirement. This reporting system is a web-based readiness program that can provide a real time assessment of a unit's capability to execute its wartime or assigned missions. This allows the Office of the Secretary of Defense, Combatant Commands, and the Services direct access to unit readiness assessments.

Full-Time Support

Fighting the Global War on Terrorism underscores the vital role Full-Time Support personnel hold in preparing Army National Guard units for a multitude of missions both at home and abroad. Full-Time Support is a critical component for achieving soldier and unit-level readiness. Full-time Army National Guard Soldiers maintain responsibility for organizing, administering, instructing, training, and recruiting new personnel, and maintenance of supplies, equipment, and aircraft. Full-Time Support personnel are key to a successful transition from peacetime to wartime, as well as a critical link to the integration of the Army's components: Active, Guard, and Reserve. To meet the heightened readiness requirements of an operational force, the Chief, National Guard Bureau, in concert with the State Adjutants General, placed increasing Full-Time Support authorizations as the number one priority for the Army National Guard.

The current Full-Time Support ramp received approval before 9/11. Although this ramp up was a step in the right direction it proved only marginally acceptable while the Army National Guard served as a strategic reserve. Following 9/11, the Army National Guard converted to an operational force mobilizing more than 240,000 Soldiers in support of the Global War on Terrorism. At the height of our mobilizations, the Army Guard deployed over 9,000 full-time support personnel. With fiscal resources only capable of backfilling the Active Guard Reserve at a 1:3 ratio and the Military Technicians at a 1:5 ratio, the burden on our Full-Time Soldiers reached an all time high. As a result, the Army National Guard witnessed an increase in the attrition of our full-time force by over 40 percent.

While we made progress in recent years to increase Full-Time Support, obstacles remain in obtaining acceptable full-time levels. Emerging and expanding Army National Guard missions must receive resources above those identified in the Full-Time Support ramp. Increased full-time resources are necessary to achieve acceptable unit readiness. It is critical we increase Full-Time Support in the near term to a minimum of 90 percent of the total validated requirement. This increase will ensure the highest levels of Combat Readiness (C1) and Personnel Readiness (P1) for Army National Guard units in the future.

Protecting the Homeland

National Guard Soldiers assisted civil authorities, established law and order, conducted disaster relief operations, and provided humanitarian assistance and force protection after two major hurricanes struck the Gulf Coast and flooded the city of New Orleans. The National Guard responded by surging more than 50,000 Soldiers

and Airmen into the areas devastated by the successive impacts of Hurricanes Katrina and Rita. These Citizen-Soldiers provided much needed relief to the citizens and support to the local authorities. The operation was the largest domestic support mission in the nation's history.

Training for the Future

The Army Guard continued to provide battle focused and mission essential training to units preparing to defend the nation. Units preparing to deploy to Operations Iraqi Freedom and Enduring Freedom and other theaters rotated through the National Training Center, the Joint Readiness Training Center, and the Battle Command Training Center. Army Guard units also participated in major United States and overseas Joint Chiefs of Staff sponsored exercises, domestic support operations, conducted overseas deployments for training and operational support, as well as performing numerous small unit training exercises.

The Army National Guard worked with U.S. Army Forces Command and Headquarters, Department of the Army in the development of an Army Force Generation Model. This model provides predictability of forces available and ready for operational deployments. It is also a paradigm shift, as it changes unit resourcing from a tiered approach to a time sequenced approach based on when a unit is expected to deploy. The Army National Guard developed improved training models that increase resources and training events to produce readiness leading up to a unit's expected deployment availability. This new paradigm also makes deployments more predictable for Guard Soldiers, their families and employers.

The training priority for the Army National Guard is preparation of combat-ready Soldiers so that lengthy post-mobilization training can be avoided. As a result of the increased emphasis on ensuring our Soldiers are combat ready, the Army National Guard Duty Military Occupational Specialty Qualification rate for fiscal year 2005 was 92.29 percent (excluding those Soldiers on their Initial Entry Training). This high qualification rate was achieved through the implementation of the phased mobilization process. This allowed Army National Guard Soldiers who lacked the requisite training to complete their individual training while in the early stages of mobilization before they were deployed.

Keeping the Force Strong: Recruiting and Retention

Recruiting and retention goals have proven to be challenging during wartime. The Army Guard increased the numbers of recruiting and retention NCOs from 2,700 in fiscal year 2004 to 4,600 by the end of fiscal year 2005, an increase of 1,900. The Army Guard plans to add an additional 500 in the first quarter of fiscal year 2006 for a total of 5,100 recruiters. Many steps were taken in 2005 to assist in meeting our end strength missions. The Army Guard increased enlistment bonuses to \$10,000, increased the reenlistment bonus to \$15,000, and increased the prior service enlistment bonus to \$15,000. We also increased retention bonuses from \$5,000 to \$15,000. These steps, as well as an increased recruiting and retention force, had positive effects and will posture the Army Guard for continued success in the future.

The Guard Recruiting Assistance Program has produced remarkable gains in recruiting for the Army National Guard since its inception as a pilot program in late 2005. In its first 60 days, operating in 22 states, the program has trained more than 19,000 Active Recruiting Assistants and is processing more than 6,000 potential soldiers. Over 1,000 new accessions have already been produced, and the program will be expanded to every state by March, 2006. The program is an adaptation of our civilian contract recruiting programs that allows the contractor to train local recruiting assistants—currently primarily traditional Guardsmen—who often serve in the same units and act as sponsors for the new recruits.

The Every Soldier a Recruiter program is a separate brand-new congressionally authorized referral program that will reward soldiers, including soldiers on active duty and military Technicians, who provide quality leads of non-prior service recruits who join the active Army, Guard or Army Reserve.

Congressionally directed end strength for fiscal year 2005 was 350,000 Soldiers for the Army National Guard. The actual end of year strength was 333,177 Soldiers (296,623 enlisted and 36,554 officers). Although below the target, we experienced three consecutive months of net gains in end strength to finish the year, the first time in 24 months, and we have thus far exceeded our goals for fiscal year 2006 in each month since the year started. The accession program's goal was 67,000 Soldiers (63,000 enlisted and 4,000 officers) for fiscal year 2005. The programmed attrition rate was 18.0 percent, and the non-prior service/prior service accession ratio was 60:40. At the end of fiscal year 2005, we exceeded our goal for prior service accessions by 104 percent, but fell short in the non-prior service category by 67 percent, thus making the actual fiscal year 2005 accession ratio 55:45 non-prior service/

prior service. Command emphasis in the areas of attrition and retention kept the loss rate for fiscal year 2005 at 19.1 percent, slightly above the program goal of 18 percent. Considering the unprecedented Army Guard mobilizations and deployments, this was an admirable achievement.

Retention of those already in the Army National Guard was superb. The first term Soldier reenlistment goal was 8,945 Soldiers, but reenlistments were 9,107 for 101.8 percent of the goal. The Careerist Reenlistment goal was 23,626 Soldiers and the actual reenlistments were 24,697 Soldiers for 104.5 percent of the goal. The overall retention achievement for the Army National Guard in fiscal year 2005 was 103.8 percent.

The No Validated (No-Val) Pay rate for 2005 was only 1.8 percent. A Soldier's name will appear on the non-validated pay report when that Soldier fails to attend training and has not been paid within the last 90 days. The fact that the No-Val rate is at an all-time low demonstrates that Soldiers who stay in the Army National Guard value their membership and want to remain active participants.

Environmental Programs

The Army National Guard Environmental Program manages resources to foster environmental quality and maintain compliance with all applicable federal, state, and local environmental requirements. The fiscal year 2005 Environmental, Operations, and Maintenance Appropriation was adequate to fully fund all critical environmental compliance, conservation, and pollution prevention projects. Fiscal year 2005 environmental restoration funding provided to the Army Guard was adequate to accomplish minimum essential cleanup requirements.

Army National Guard training lands are the cornerstone of trained and ready Soldiers. Evolving transformation actions require that we maximize our maneuver and firing range capabilities over the existing 2 million acres of Army National Guard training lands and mitigate the effects of encroachment from suburban sprawl. Through coordination with surrounding communities and the use of legislative authority, the Army National Guard was able to partner with private, local and state organizations for acquisition of easements to limit incompatible development in the vicinity of its installations.

SUPPORT THE WARFIGHTER ANYTIME, ANYWHERE

The Citizen-Soldier: Defending the Nation

From July 2002 through September 2005, overall unit readiness decreased by 41 percent in order to provide personnel and equipment to deploying units. Personnel, training, and on hand equipment decreased between 18 and 36 percent while equipment readiness declined by 10.1 percent during the same period. Despite declines in the areas of personnel and equipment due to increased mobilizations, deployments, and funding, the Army National Guard met all mission requirements and continued to support the Global War on Terrorism. From September 11, 2001 through September 2005, the Army National Guard deployed over 69 percent (325,000) of its personnel in support of the Global War on Terrorism, homeland defense, and state missions.

Equipping the Force

The Army National Guard established funding priorities based on the Army Chief of Staff's vision for modernizing the total force core competencies. The Army National Guard's focus is to organize and equip current and new modularized units with the most modern equipment available. This modernization ensures our ability to continue support of deployments, homeland security and defense efforts while maintaining our highest war fighting readiness. Although all shortages are important, the Army National Guard is placing special emphasis on "dual use" equipment such as the Family of Medium Tactical Vehicles, channel hopping Single Channel Ground and Airborne Radio System (SINCGARS), Joint Network Node, and Movement Tracking System. Filling these shortages ensures interoperability with the active force and increases the Army National Guard's ability to respond to natural disasters or in a homeland defense role.

This requires the Rapid Fielding Initiative to equip our Soldiers with the latest gear, such as body armor, night vision devices and small arms. Additionally, it requires a steady flow of resources to the Army National Guard to mitigate shortages caused by lack of past resourcing, force structure changes, and the heightened importance of homeland security.

Intelligence Operations

Army National Guard Military Intelligence units and personnel continue to play a vital role in the Global War on Terrorism, and are deployed worldwide to support

critical tactical, operational, and strategic intelligence operations. Army Guard personnel are supporting mission critical areas in Human Intelligence, Signal Intelligence, Measurement and Signatures Intelligence, Imagery Intelligence and Open Source Intelligence. Army National Guard linguists are engaged in document exploitation, translation and interpretation within the Department of Defense, such as the National Security Agency, as well as other federal agencies. More importantly, Army National Guard Military Intelligence units are deployed at the tactical level with each Army National Guard combat division and brigade providing critical and timely intelligence on the battlefield.

Information Operations

The Army National Guard continues to provide a number of Full Spectrum Information Operation Teams in support of a broad range of Army missions and contingency operations. Army National Guard Information Operations Field Support Teams provide tactical, operational and strategic planning capabilities at all echelons of the Army. Army Guard Brigade Combat Teams deploy to all theaters with organic information operations cells that provide support and coordination at all levels of military planning and execution. Army Guard Computer Emergency Response Teams and Vulnerability Assessment Teams provide technical expertise, information assurance assessments and certification compliance inspections of critical Wide Area and Local Area networks for Army installations worldwide.

Innovative Readiness Training

The Innovative Readiness Training program highlights the Citizen-Soldier's role in support of eligible civilian organizations. This program provides real-world, joint training opportunities for Army National Guard Soldiers within the United States. The projects provide ancillary benefits to the local communities in the form of construction projects or medical services to underserved populations.

More than 7,000 Soldiers and Airmen from across the United States and its territories participate annually in Innovative Readiness Training sponsored projects. Army National Guard projects include:

- Operation Alaskan Road, a joint, multi-year fifteen mile road construction project on Annette Island, Alaska
- Expansion and improvement of the Benedum Airport infrastructure in Clarksburg, West Virginia
- Task Force Grizzly, Task Force Diamondback and Task Force Lobo continue to improve existing road networks and build barrier fencing in support of the U.S. Border Patrol in California, Arizona and New Mexico
- The South Carolina Guard's REEFEX project. REEFEX uses decommissioned Army vehicles to create artificial reefs in the Atlantic Ocean off the coast of New England and South Carolina.

Training the Nation's Warfighter

The Army National Guard's unique condition of limited training time, dollars and, in some cases, difficult access to training ranges, demands an increased reliance on low cost, small footprint training technologies. Quick response by the Army National Guard to our nation's missions requires a training strategy that reduces post mobilization training time. New virtual technologies and simulators therefore become critical tools to help the Army National Guard maintain a ready operational force. Some of these training systems are:

- The Virtual Convoy Operations Trainer. This is a simulation aid specifically adapted for current operations in Iraq and Afghanistan. It is funded with a combination of Congressional add-ons and National Guard Reserve Equipment Appropriation funds. The Army Guard placed 14 trainers under contract and fielded eight in fiscal 2005; the remaining six will be fielded in fiscal year 2006.
- The Advanced Bradley Full Crew Interactive Skills Trainer virtual gunnery system. This is a low cost, deployable training system that appends directly to the Bradley Fighting Vehicle and enhances home station training in advance of a live fire event.
- The Engagement Skills Trainer 2000. This system simulates weapons-training events. These trainers provide initial and sustainment marksmanship training, static unit collective gunnery tactical training and shoot/don't shoot training. Soldiers use this trainer primarily for multipurpose, multi-lane, small arms, crew-served and individual anti-tank training simulation. The trainer simulates day and night, as well as Nuclear, Biological and Chemical marksmanship and tactical environments.
- The Laser Marksmanship Training System simulates weapons training events that lead to live fire qualifications for individual and crew served weapons. This system allows the Soldier to use their own personal weapons to conduct indi-

vidual and sustainment marksmanship training using Nuclear, Biological and Chemical equipment.

- The eXportable Combat Training Capability. This capability allows us to take the Maneuver Combat Training Center environment to the unit. We are able to tailor this training to meet any operational focus from the conventional warfight to the contemporary operational environment in Iraq and Afghanistan. The eXportable Combat Training Capability, along with traditional Maneuver Combat Training Center rotations, will provide units with “final exam” certification as required by the Army Force Generation model prior to deployments.

Information Technology

The Army National Guard successfully increased the bandwidth and provided a secure data link to the Joint Force Headquarters in each of the 50 states, Commonwealth of Puerto Rico, two U.S. Territories, and the District of Columbia. The Army Guard’s modern wide-area network provides improved redundancy and increased network security.

TRANSFORMATION FOR THE 21ST CENTURY: READY, RELIABLE, ESSENTIAL AND ACCESSIBLE

Ground-based Midcourse Defense

Defending against ballistic missile attack is a key component of the National Security Strategy for Homeland Defense. In the initial defensive operations phase, the Army National Guard plays a major role in this mission as the force provider for the Ground-based Midcourse Defense system. We have assigned Active Guard-Reserve manpower to support this new role. The Ballistic Missile Defense program is dynamic—undergoing constant refinement and change.

Soldiers assigned to Ground-based Midcourse Defense perform two missions:

- Federal Military Mission.*—The federal military mission is to plan, train, certify, secure, inspect, coordinate, and execute the defense of the United States against strategic ballistic missile attacks by employing this system; and
- State Military Mission.*—In accordance with Title 32, the state military mission is to provide trained and ready units, assigned personnel, and administrative and logistic support.

Logistics and Equipment

The Army National Guard continues modernization to the digital force with the emerging technologies that will dramatically improve logistical support for these systems, substantially reduce repair times, increase operational readiness rates and eliminate obsolete and unsustainable test equipment. Use of these technologies allows the Army Guard to operate heavy equipment at a higher operational rate while reducing the overall costs for these systems.

The Army National Guard currently has a significant portion of the Army’s maintenance infrastructure. This Cold War infrastructure is expensive and redundant. Under the Army’s new maintenance strategy, the Army Guard and other Army elements are consolidating maintenance systems. This enhances maintenance and improves efficiency. Army maintenance personnel now effectively diagnose and maintain equipment at two maintenance levels instead of four.

Personnel Transformation

The human dimension of Army National Guard transformation is the crucial link to the realization of future capabilities and to the enhanced effectiveness of current capabilities. Transformation of human resource policies, organizations, and systems will enhance Army National Guard ability to provide force packages and individuals at the right place and time. Future web-based systems will integrate personnel and pay, provide accurate human resource information for commanders, and give Soldiers direct access to their records. Evolving current systems such as Standard Installation Defense Personnel System and the Reserve Component Automation System applications extend current capabilities and enhance readiness, providing support for development of an electronic record brief and automated selection board support.

Aviation Transformation and Modernization

Army National Guard aviation completed 109 percent of the flying hours projected for fiscal year 2005, an average of 9.9 aircrew flying hours per month—the highest level since 1996. During fiscal year 2005, an average of 307 aircrews were deployed each month in support of Operations Noble Eagle, Enduring Freedom, the Balkans (Kosovo Force and Stabilization Force Bosnia), and Operation Iraqi Freedom.

Army National Guard aircrews flew more than 94,000 hours this past year in support of the Global War on Terrorism. This is a 58 percent increase over fiscal year 2004. More than 245,000 hours were flown in support of the Army Guard missions for homeland security, training, counterdrug, and combat operations. Despite the fact that 30 percent of the Army National Guard aviation force structure was deployed, the Army aviation transformation process continued. As aircraft were redistributed to modernize units, aircrew qualification and proficiency training was accelerated to meet emerging deployments.

On the home front, the Army National Guard aviation community continued to support domestic contingencies by flying over 7,485 missions, transporting nearly 62,117 civilians to safe havens, and transporting Army National Guard Soldiers to hurricane-ravaged zones. Support aircraft were flying recovery and relief missions in Louisiana within four hours of Katrina's passage. In addition to moving approximately 7,300 tons of equipment, food, sandbags, and life saving supplies, we rescued almost 16,000 of our citizens during Hurricane Katrina and Rita relief and recovery efforts. At the peak of the relief and recovery efforts, the Army National Guard had 151 aircraft on station supporting Louisiana and Mississippi.

In Texas after Hurricane Rita, the Army National Guard flew 185 missions, transported 117 civilian and military personnel, moved 31 tons of supplies, and conducted 19 rescue or life-saving missions. Aviation assets from 28 states rallied to support Louisiana, Mississippi, and Texas in their relief and recovery efforts after Katrina and Rita. A total of 5,341 flight hours have been flown since August 2005.

The Army National Guard aviation force continues modernizing, but at a pace much slower than originally planned by the Army prior to the onset of combat operations in Afghanistan and Iraq. Associated aircraft losses and the continuing need for more operational aircraft in theater slowed aircraft transfers from the active Army. This is especially true for the critically needed UH-60-Blackhawk helicopter (the bulk of the Army Guard's aviation force). An expanded summation of Army National Guard aviation assets and requirements are listed below:

Training in "One Army"

Training centers support our ability to conduct performance-oriented training under real world conditions. The Army National Guard modernizes and restructures to effectively meet evolving warfighting requirements. We face a number of continuing challenges in sustaining power support platforms and modernizing Army National Guard live fire ranges and range operations for the Pennsylvania Guard's Stryker Brigade Combat Team. The Army National Guard will consolidate range and training land investment documentation under the Sustainable Range Program.

The Army National Guard achieves training excellence by leveraging Distributed Learning. Distributed Learning improves unit and Soldier readiness by increasing access to training resources and reducing unnecessary time away from the home station. Interactive Multimedia Instruction courseware, satellite programming and distance learning offer needed instruction in such areas as Military Occupational Skill Qualification reclassification for Soldiers and units.

SUMMARY

The Army National Guard engages in a full spectrum of civil-military operations. Our Soldiers represent every state, territory, and sector of society. Today, they represent their nation serving honorably throughout the world. In these critical times, the Army National Guard must maintain readiness. A vital part of the Army's force structure, the Army Guard remains a community based force committed to engage in overseas missions while protecting and serving our cities and towns. The Army National Guard proves itself capable of carrying out its goals of supporting the Warfight, defending the Homeland and transforming into a ready, reliable, essential and accessible force for the 21st century.

The National Guard is foremost a family. This year we remember the spirit and sacrifice of Guard families who lost homes and loved ones during the Gulf Coast hurricane season. For his selfless service responding to Hurricane Katrina, we honor the memory of: Sergeant Joshua E. Russell, Detachment 1, Company A, 890th Engineer Battalion.

LIEUTENANT GENERAL DANIEL JAMES III, VICE CHIEF, NATIONAL GUARD BUREAU AND
DIRECTOR, AIR NATIONAL GUARD

MESSAGE FROM THE DIRECTOR

What an incredible year this has been for the nation and the Air National Guard! The Air Guard continues to serve with distinction at home and abroad. At home, the Hurricane Katrina relief effort brought into sharp focus our role as America's

Hometown Air Force. We flew over 3,000 sorties, moved over 30,000 passengers, and hauled over 11,000 tons of desperately needed supplies. Air Guardsmen saved 1,443 lives—heroically pulling stranded Americans off rooftops to safety. Air National Guard medical units treated over 15,000 patients at eight sites along the Gulf Coast, combining expert medical care with compassion for our fellow Americans.

Abroad, the Air Guard brings the will of the American people to the Global War on Terrorism. The Air Guard fulfills 34 percent of the Air Force's missions on 7 percent of the Air Force's budget, a definite bargain in fiscally constrained times. Our contributions over the past four years have been tremendous. Since September 11, 2001, we've mobilized over 36,000 members and have flown over 206,000 sorties accumulating over 620,000 flying hours. One-third of the Air Force aircraft in Operation Iraqi Freedom were from the Air Guard. We flew 100 percent of the Operation Enduring Freedom A-10 missions and 66 percent of the Iraqi Freedom A-10 taskings. We accomplished 45 percent of the F-16 sorties. The A-10s flew more combat missions in the Iraqi war than any other weapon system.

We flew 86 percent of the Operation Iraqi Freedom tanker sorties. We accomplished this primarily through the Northeast Tanker Task Force. In keeping with our militia spirit, that task force was initially manned through volunteerism. A total of 18 units supported it; 15 were from the Air National Guard.

Air National Guard Security Forces were the first security forces on the ground in Iraq. Intelligence personnel have been providing unique capabilities for Central Command and organizational support for the U-2, Predator, and Global Hawk. Medical personnel have been using the new Expeditionary Medical Support system capability, providing critical care to the warfighter. Civil Engineers have built bare bases in the desert and trained Iraqi firefighters while Weather personnel worldwide provided over 50 percent of the Army's weather support. Financial Management personnel have been diligently working to keep benefits moving to our members despite challenging pay, allowance and benefit entitlements and complex administration systems. Air National Guard Command, Control, Communications and Computer personnel have kept vital information flowing on one end of the spectrum and provided Ground Theater Air Control System Personnel on the other. And our tireless chaplains have been providing outstanding spiritual aid out in the field. We have been able to participate at these levels because we provide Expeditionary and Homeland Defense capabilities that are relevant to the nation.

Today as we look toward our future relevancy, having proven ourselves as indispensable and equal Total Force partners, we have to be prepared to transform with the Total Force. We are now in a position to make the decisions that will influence our next evolution . . . transforming the Air National Guard.

Some of today's capabilities may not be required in the future. The future Air Force will rely heavily on technological advances in space, command and control, intelligence and reconnaissance systems, information warfare, unmanned aerial vehicles, and the ability to conduct high volume and highly accurate attacks with significantly fewer platforms. For the Air Guard to remain Total Force partners, we have carved out our strategy in those areas and will explore new organizational constructs. Among those constructs are various forms of integrated units where we can combine individual units with other Air Guard units or with another service component. We have to expand our capabilities as joint warfighters and make the necessary changes to integrate seamlessly into the joint warfighting force. To remain relevant we must continue to listen to the messages that are being sent today.

Now is the time for us to lead the way by considering, selecting and implementing new concepts and missions that leverage our unique strengths to improve Total Force capabilities in support of expeditionary roles and homeland defense. This can only be accomplished by involving all Air National Guard stakeholders, working toward a common goal . . . enhanced capabilities to assure future relevance for the Air National Guard.

By addressing together the complex issues that face us, we will keep the Air National Guard "Ready, Reliable, Essential and Accessible—Needed Now and in the Future."

HOMELAND DEFENSE: HERE AND ABROAD FOR OVER 90 YEARS

Air Sovereignty Alert

Since September 11, 2001, thousands of Air National guardsmen have been mobilized to operate alert sites and alert support sites for Operation Noble Eagle in support of Homeland Defense. Our Air National Guard has partnered with active duty and reserve forces to provide Combat Air Patrol, random patrols, and aircraft intercept protection for large cities and high-valued assets in response to the increased terrorist threat. The Air National Guard has assumed the responsibility of all

ground alert sites and some irregular Combat Air Patrols periods. This partnering agreement maximizes our nation's current basing locations and capitalizes on the high experience levels within the Air Guard and its professional history in Air Defense operations.

To continue operations at this indefinite pace has posed some unique funding and manning challenges for both the field and headquarters staffs. As we move into the fiscal year 2006 Program Objective Memoranda exercise, the active Air Force and Air National Guard will continue to work towards a permanent solution for our alert force and seek ways to incorporate these temporary Continuum of Service tours into permanent programs.

Space Operations: Using the Stars to Serve the Community

For the Air Guard, space operations provide a critical communications link to communities throughout the nation in the form of satellite support for everyday uses, television, computers, and wireless phones, but also serve as an important military deterrence from external threats. Colorado's 137th Space Warning Squadron provides mobile survivable and enduring missile warning capability to U.S. Strategic Command. Recently, Air National Guard units in Wyoming and California have come out of conversion to provide operational command and control support to Northern Command and to provide round-the-clock support to the Milstar satellite constellation. Alaska's 213th Space Warning Squadron ensures America's defense against nuclear threat by operating one of our nation's Solid State Phased Array Radar that provides missile warning and space surveillance.

The Air Force has approved space missions for the 119th Command and Control Squadron in Tennessee to support the U.S. Strategic Command, and the 114th Range Flight in Florida is partnered with an active Air Force unit performing the Launch Range safety mission. There are future plans by the Air Force to transition additional space program missions and assets in Alaska and other states to Air National Guard control.

SUPPORT THE WARFIGHTER ANYTIME, ANYWHERE

The Air National Guard has been contributing to the Global War on Terrorism across the full spectrum of operations. During the peak of Operation Iraqi Freedom, we had over 22,000 members mobilized or on volunteer status to support the Global War on Terrorism worldwide. In Operation Iraqi Freedom we flew 43 percent of the fighter sorties, 86 percent of the tanker sorties, 66 percent of the A-10s close air support sorties and 39 percent of the airlift sorties. At the same time we were flying almost 25 percent of the Operation Enduring Freedom fighter sorties and over 20 percent of the tanker sorties.

However, our capabilities do not reside only in aircraft: 15 percent of our expeditionary combat support was engaged during this same period. This includes 60 percent of security forces, many of whom were mobilized for the longest duration. Additionally, about 25 percent of our intelligence, services and weather personnel were mobilized. Logistics and transportation capabilities are vital to homeland defense as well as our expeditionary mission.

Air National Guard men and women are proud to defend and protect our nation at home and abroad. Often, however, support equipment requirements overseas necessitate that equipment remain in place, causing a shortage of equipment for training at home. We are working with Air Force and Defense Department leaders to develop a solution.

Medical Service Transformation—Expeditionary Combat Support, Homeland Defense, and Wing Support

The Air National Guard's Surgeon General led the Air National Guard Medical Service through its most revolutionary transformation in history by reconfiguring its medical capabilities into Expeditionary Medical Support systems. These systems provide highly mobile, integrated and multifunctional medical response capabilities. They are the lightest, leanest and most rapidly deployable medical platforms available to the Air National Guard today. This system is capable of simultaneously providing Expeditionary Combat Support to the warfighter for Air and Space Expeditionary Force missions, Homeland Defense emergency response capabilities to the states and support to the Air National Guard Wings.

The Expeditionary Medical Support capability allowed ten percent of Air National Guard medical unit personnel to deploy for Operation Iraqi Freedom, compared to only three percent in the early 1990s for deployments for Operations Desert Shield and Desert Storm. The U.S. Central Command has validated that the Expeditionary Medical Support system is a perfect fit for the Chief of Staff, U.S. Air Force Global Strike Task Force and Concept of Operations.

The Expeditionary Medical Support system also plays a critical role in Homeland Defense. The Air National Guard Medical Service plays a vital role in the development and implementation of the National Guard's Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Package. This package will provide support to state and local emergency responders and improve Weapons of Mass Destruction response capabilities in support of the Civil Support Teams. The Air National Guard has contributed to the 12 trained CERFP teams and will build towards 76 Expeditionary Medical Support teams by 2011.

The Guard's short-term objective is to obtain 20 Small Portable Expeditionary Aerospace Rapid Response equipment sets, two for each Federal Emergency Management Agency region. This would allow for additional reachback capability for the Civil Support Teams and the states. This has been a prelude to the next step in the Air National Guard Medical Service Transformation.

At Readiness Frontiers, over 100 medical planners received Federal Emergency Management Agency training to enhance Air National Guard Medical Service responsiveness to homeland disasters. This is the first time the medical service has taken on an endeavor of this magnitude and allows for future training opportunities in building routine relationships with military, federal and civilian response personnel.

The Air National Guard medical service's new force structure provided by the Expeditionary Medical Support system delivers standardized and much-improved force health protection, public health, agent detection, and health surveillance capabilities to better support all Air Guard Wings. This will enhance the protection of the wings' resources and improve the medical readiness of its personnel.

Eyes and Ears in the Sky—Air National Guard Intelligence, Surveillance, and Reconnaissance Systems and Support

The Air National Guard's Intelligence, Surveillance, and Reconnaissance personnel and systems play an increasingly important role in the defense of our nation. Air Guard men and women are essential to support Global Hawk, Predator, and U-2 collection missions.

Due to a significant increase in Air Force mission requirements, the Air Guard continues to expand its intelligence collection and production capability. The Air Guard has also expanded its imagery intelligence capability through the use of Eagle Vision, which is a deployable commercial imagery downlink and exploitation system. This system provides valuable support to aircrew mission planning and targeting, as well as imagery support to natural disasters and terrorism.

Other developing Air Force capabilities entrusted to the Air National Guard include the F-16 Theater Airborne Reconnaissance System and the C-130 SCATHE VIEW tactical imagery collection system. The Theater Airborne Reconnaissance System will be improved to provide near-real-time support to warfighter "kill-chain" operations in day-night, all weather conditions. SCATHE VIEW provides a near-real-time imaging capability to support humanitarian relief and non-combatant evacuation operations. To support signal intelligence collection requirements, the Air Guard continues to aggressively upgrade the SENIOR SCOUT platform. SENIOR SCOUT remains the primary collection asset to support the nation's war on drugs and the Global War on Terrorism in the southern hemisphere.

Comprehensive and Realistic Combat Training—An Asymmetric Advantage

The National Guard Bureau has a fundamental responsibility to ensure that the men and women of the Air Guard are properly trained to meet the challenges they will face to protect and defend this country. This can be done through the effective development and management of special use airspace and ranges. To support this training requirement, the Air Guard is responsible for 14 air-to-ground bombing ranges, four Combat Readiness Training Centers, and the Air Guard Special Use Airspace infrastructure.

To ensure that our units remain ready and relevant, they must have access to adequate training airspace and ranges that meet the demands of evolving operational requirements. The National and Regional Airspace and Range Councils, co-chaired by both the Air Guard and the Air Force, continue to identify and resolve airspace and range issues that affect combat capability and are engaged with the Federal Aviation Administration in the redesign of the National Airspace System.

The four Combat Readiness Training Centers provide an integrated, year-round, realistic training environment (airspace, ranges, systems, facilities, and equipment), which enables military units to enhance their combat capability at a deployed, combat-oriented operating base and provide training opportunities that cannot be effectively accomplished at the home station. As such, these centers are ideal assets for the Joint National Training Capability. The centers offer an effective mix of live,

virtual and constructive simulation training. The Air National Guard continues to pursue National Training Capability certification for these centers and ranges.

It is imperative to the warfighter that the Air Guard maintains its training superiority. As the warfighting transformation and joint operational requirements evolve, it is essential that the airspace and range infrastructure be available to support that training. There are challenges. The Air National Guard has a shortfall in electronic warfare training. To keep our Citizen-Airmen trained to the razor's edge, we must have the Joint Threat Emitter to simulate the various surface to air missile and anti-aircraft artillery threats that any future conflict might present.

TRANSFORMATION FOR THE 21ST CENTURY: RELEVANT NOW . . . AND IN THE FUTURE

Supporting a "Capabilities Based" Military Force

The Air National Guard is a solid partner with the Air Force, the Air Force Reserve, and the Department of Defense. The Defense Department's priority is Transformation . . . and therefore it is the priority of the active services and the reserve components.

The Air Force is pursuing innovative organizational constructs and personnel policies to meld the various components into a single, unified force. Ongoing shifts in global conflict and U.S. strategy suggest an increasing attention to activities such as homeland defense, nation-building, and others that may require different mixes of capability that are not necessarily resident at sufficient levels in the active component. This "Future Total Force" integration will create efficiencies, cut costs, ensure stability, retain invaluable human capital, and, above all, increase our combat capabilities.

One example of this transformational initiative is the proposed movement of Air National Guard manpower to Langley AFB, an active duty base, from Richmond, an Air National Guard base, with the intent of leveraging the high experience of Guard personnel to improve the combat capability for the active force.

Another transformation effort is to "integrate," where sensible, units from two or more components into a single wing with a single commander. Active, Guard, and Reserve personnel share the same facilities and equipment, and together, execute the same mission. This is a level of integration unmatched in any of the Services.

Emerging Missions

The Air National Guard is working to embed new and innovative capabilities into the force. These include: Predator unit equipped and associate, Global Hawk, Deployable Ground Stations/Distributed Common Ground System, F-15 Aggressor, C-130 Flying Training, Cryptological and Linguist Training, Expeditionary Combat Support, as well as support to Joint Forces with Battlefield Airmen, Air Operations Centers, Warfighting Headquarters, Space Control and Operations.

On November 25, 2004, the Secretary of the Air Force and Chief of Staff of the Air Force outlined a Total Force vision for Air Guard Intelligence, Surveillance and Reconnaissance by calling for the standup of two MQ-1 Predator flying units in Texas and Arizona by June 2006 to help fill worldwide Reconnaissance, Surveillance, and Target Acquisition requirements. Air Guard Predator operations will first fill worldwide theater requirements, but will also likely evolve into providing direct defense for the Homeland in conjunction with the Department of Homeland Security and U.S. Northern Command.

Adoption of emerging missions by Air National Guard units promotes all three National Guard priorities for the future. The addition of new weapons systems to the Air Guard provides essential capabilities that enable homeland defense and homeland security missions. New systems including RQ/MQ-1 Predator, and RQ-4 Global Hawk, provide intelligence, surveillance, and reconnaissance capabilities to Air National Guard forces. Other capabilities, such as air operations center support, will provide ready experience in planning, command and control, and mission leadership that will be invaluable in federal/state mission capable units.

Modernizing for the Future

The Air National Guard modernization program is a capabilities-based effort to keep the forces in the field relevant, reliable and ready for any missions tasked by the state or federal authorities. As a framework for prioritization, the modernization program is segmented into three time frames: short-term, the current and next year's Defense budget; medium-term, out to fiscal year 2015; and long-term, out to fiscal year 2025 and beyond.

The Air National Guard remains an equal partner with the Air and Space Expeditionary Forces that are tasked to meet the future challenges and missions. Budget constraints require the Air Guard to maximize combat capability for every dollar spent. The Air National Guard includes all aircraft, ground command and control

systems, and training and simulation systems in this modernization effort. The requirements necessary to focus this effort must be grounded in clearly defined combat capabilities and missions.

The following summarizes the Air National Guard's force posture by weapons system:

The E-8C Joint Surveillance Target Attack Radar System remains a highly coveted asset by all combatant commanders. It provides wide theater surveillance of ground moving targets operated by the first-ever blended wing of Air National Guard, Air Force and Army, the 116th Air Control Wing, at Robins AFB, Ga. Keeping the system modernized while maintaining the current high Operations Tempo in combat theaters will be a continuing challenge in the future. The most urgent modernization needs for the Joint Surveillance Target Attack Radar System include re-engining, radar upgrades, installation of the Traffic Alert Collision Avoidance System, and integration of a self-protection suite.

The A-10 remains the only Air Force fighter/attack aircraft operating out of Afghanistan today. Six Air Guard squadrons account for 38 percent of combat-coded A-10s in the Combat Air Force. The A-10 is undergoing modification to modernize the cockpit, provide a data link, improve targeting pod integration, and add Joint Direct Attack Munitions capability. Future improvements to the A-10 include a SATCOM radio, an updated Lightweight Airborne Recovery System for combat search and rescue missions, and improved threat detection. Recent conflicts highlighted a thrust performance deficiency making upgrading the TF-34-100A engine a priority.

Air National Guard F-16s continued to provide crucial combat capabilities during 2005 in Operation Iraqi Freedom, Operation Enduring Freedom and Operation Noble Eagle. The Block 25/30/32 F-16 continued its modernization program by fielding the Commercial Central Interface Unit, Color Multi-Function Displays and AIM-9X while pursuing future integration of the Radar Modernized Programmable Signal Processor, Advanced Identification Friend or Foe, Joint Helmet Mounted Cueing System and the smart triple ejector rack. The Block 52 F-16s are nearly finished with their Common Configuration Implementation Program that brought these systems and LINK16 capabilities to their fleet. Air Guard Block 42 F-16s will begin their common configuration upgrades later this year.

The F-15 modernization includes the continued installation of the BOL Infrared countermeasures improvements system, continued delivery of upgraded engine kits and installation of the Multifunctional Information Distribution System Fighter Data Link. The next upgrades include the retrofit of a permanent night vision cockpit lighting system, continued integration and purchase of the Joint Helmet Mounted Cueing System, and the delivery of the replacement Identify Friend or Foe system.

The HC-130 is completing installation of the Forward Looking Infrared system, an essential capability during combat rescue operations. The HC-130 starts integration and installation of the Large Aircraft Infrared Counter Measure system, increasing survivability in face of the ever-increasing threat from hand-held missiles.

The HH-60 program started installation of the new M3M .50 caliber door gun, replaced personal equipment for the pararescue jumpers with state-of-the-art weapons and technologies. The initiation of the HH-60 replacement program will begin to slow any further modernization.

C-130 enhancements included the multi-command Avionics Modernization Program which upgraded nearly 500 aircraft to a modern, more sustainable cockpit. Additionally, the Air National Guard continued acquisition of the AN/APN-241 Low Power Color Radar, continued installation of the Night Vision Imaging System, and the Air National Guard-driven development of Scathe View to include various technological spin-offs having application in a myriad of civilian and military efforts. Other Air Guard programs include the AN/AAQ-24 (V) Directional Infrared Countermeasures System, propeller upgrades like the Electronic Propeller Control System and NP2000 eight-bladed propeller, and a second generation, upgraded Modular Airborne Fire Fighting System. Additionally, the Air National Guard partnered with the Air Force for the first multiyear buy of the new C-130J aircraft to replace the aging C-130E fleet.

The KC-135 weapons system completed the installation of the cockpit upgrade and continued the engine upgrades to the R-model. The KC-135 continued to be the air bridge for the multiple combat deployments across the globe. Keeping the aging fleet modernized will continue to challenge the Air National Guard as the refueling operations evolve to meet the next mission.

The Air National Guard Modernization Program is key in continuing to field a relevant combat capability, ensuring dominance of American air power for the next 15 to 20 years. We must sustain an open and honest dialogue from the warfighter

through Congress, in order to maximize the investment of precious and limited resources.

Force Development

Our personnel are our greatest asset and force multiplier. To capitalize on their talents, the Air National Guard has implemented a new force development structure to get the right people in the right job, at the right time, with the right skills, knowledge and experience. We are taking a deliberate approach to develop officers, enlisted, and civilians by combining focused assignments with education and training opportunities to prepare our people to meet the Air National Guard needs. Through targeted education, training, and mission-related experience, we will develop professional Airmen into joint force warriors with the skills needed across all levels of conflict. This is at the “heart” of our Officer and Enlisted Force Development plans. These plans are a critical communication tool to capture the member’s “career” development ideas, desired career path choices, assignment, and developmental education preferences. The bottom-line of our Force Development efforts is to provide an effects- and competency-based development process by connecting the depth of expertise in the individual’s primary career field with the appropriate education, training, and experience. The desired effect is to produce more capable and diversified leaders.

Recruiting quality applicants and taking care of our people will be key in maintaining the end strength numbers needed to accomplish our HLD missions, our successful transformation, and our support to the war fighter. Air National Guard retention remains at an all-time high. However, recruiting is a challenge, as the parents, teachers, and counselors now play a larger role in their child’s decision to join the military. Therefore, the Air National Guard expanded funding of thirty eight storefront recruiting offices. These offices offer a less imposing sales environment than the traditional flying wing location.

As part of the Total Force, the Air National Guard realizes it is essential that we transform into an effects-based, efficient provider of human combat capability for our warfighters, partners, and our Nation. Our Vision and Strategic Plan sets the transformational flight-path for the personnel community in support of the Air Expeditionary Force, security for the homeland, our states’ missions, and roles in the community. Furthermore, we will advance our continued commitment to a diverse Air National Guard, not just in gender and ethnicity, but in thought, creativity, education, culture, and problem-solving capabilities.

Information Networking for the Total Force

The Air National Guard Enterprise Network is critical to the successful transmission of information within a unit, between units, and among the various states. We are making progress towards modernizing our nationwide information technology network that serves a vital role in homeland security and national defense. A healthy and robust network for reliable, available and secure information technology is essential to federal and state authorities in their ability to exercise command and control of information resources that potentially could impact their various constituencies.

Greater emphasis must be placed on maturing the Air National Guard Enterprise Network. The rapidly changing hardware and software requirements of our warfighting and combat support functions come with a significant cost to upgrade and maintain a fully capable Information Technology network. The Air Guard network has typically been supported at the same level it was during the 1990s. Without a significant infusion of resources to acquire new technology, our ability to accomplish other missions will suffer. Modernization of the Air National Guard Enterprise Network will enhance interoperability with other federal and state agencies.

SUMMARY

The Air National Guard will continue to defend the nation in the War on Terrorism while transforming for the future. We will do this across the full spectrum of operations in both the Expeditionary and Homeland Defense missions. The Air National Guard will also continue to draw upon our militia culture and linkage to the community as we execute our multiple missions and roles. The men and women of the Air Guard are currently serving proudly in the far corners of the globe—and here at home—and will continue to do so with distinction.

Today’s guardsmen and women are your doctors, lawyers, police officers, cooks, teachers, and factory workers, white and blue-collar workers. They are your civilians in peace; Airmen in war—we guard America’s skies.

MAJOR GENERAL TERRY L. SCHERLING, DIRECTOR OF THE JOINT STAFF NATIONAL
GUARD BUREAU

JOINT STAFF OVERVIEW

During 2005, the National Guard's pursuit of mission objectives once again proved to be a remarkable accomplishment. Support for Homeland Defense, the Warfighter, and Transformation guided our ambitious initiatives to serve our nation and our communities over the entire spectrum of domestic and overseas operations.

Although the National Guard continued to be essential to our nation's success in Operations Enduring Freedom and Iraqi Freedom, Guard support to the warfight is not limited to our role on the battlefield. We demonstrate our ability to support the warfight anytime, anywhere, through dynamic evolutions to our State Partnership Program, Family Programs, and Employer Support of the Guard and Reserve Program. Our State Partnership Program supports homeland security by helping to develop dependable collaborative partners for the United States. Since our last posture statement, we accomplished 425 events between partner states and foreign nations, and added two new partnerships: Rhode Island with the Bahamas and Ohio with Serbia and Montenegro. We expect to add another six partnerships in fiscal year 2007. Not since World War II have so many Guard members been deployed to so many places for such extended periods. Our Family and Employer Support programs continue to serve as a foundation to provide relevant and consistent support to our Soldiers, Airmen, families, employers, and communities during all phases of the deployment process.

Our progress in homeland defense may be even more remarkable. More than 2,500 National Guard members provided consistent and reliable counterdrug support to the nation's law enforcement agencies. Initiatives are underway to leverage our 16 years of counterdrug experience and apply it to overseas drug trafficking problems in the Middle East. In addition to noted successes in our counterdrug program, we have continued to enhance all of our homeland defense capabilities. The Department of Defense acknowledged our Mission Assurance Assessment as essential to protect the nation's critical infrastructure. Our Weapons of Mass Destruction Civil Support Teams, recognized for their specialized expertise and rapid response times, have been expanded to 55 full-time teams across the nation. We are now focusing on our 12 Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Packages as critical assets to the national response for the Global War on Terrorism.

These and other National Guard capabilities were brought to bear frequently in 2005 in support of civil authorities by responding to national events, floods, wildfires, hurricanes and more. During the record 2005-hurricane season, the National Guard deployed over 50,000 members in response to Hurricane Katrina alone, saving over 17,000 lives, providing millions of meals and liters of water, and ensuring safety and security to numerous communities. Some regarded our response as one of our "finest hours."

Yet, we have never rested on our laurels. We continue to transform. The Joint Combined State Strategic Plan is aiding our ability to plan for domestic operations, helping the National Guard, state governors, and U.S. Combatant Commanders assess force capabilities for HLS and HLD. The Department of Defense National Security Personnel System will apply to the 50,000-member National Guard Military Technician workforce, transforming the way our civilian personnel system works. We implemented the Joint Continental United States Communication Support Environment to address requirements for collaborative information sharing and other Command, Control, Communications, and Computer capabilities that can support HLS and HLD stakeholders. Our Joint Training Centers continue to evolve through continuous and in-depth analysis of lessons learned and homeland security training requirements.

This past year the National Guard provided a remarkable demonstration of how effectively we can and do execute our state and federal missions simultaneously. The National Guard is always ready, always there.

HOMELAND DEFENSE: HERE AND ABROAD

"In times of crisis, our nation depends on the courage and determination of the Guard." President Bush, August 2005.

National Guard Reaction Force

The National Guard has over 369 years of experience in responding to both the federal government's warfighting requirements, and the needs of the states to protect critical infrastructure and ensure the safety of our local communities. To im-

prove the capability of the states to rapidly respond to threats against the critical infrastructure within our borders, the Chief of the National Guard Bureau has asked the Adjutants General of the states, territories and Commanding General, District of Columbia to identify and develop a Rapid Reaction Force capability. The goal is a trained and ready National Guard force available to the governor on short notice, capable of responding in support of local and state governments and, when required, the Department of Defense. The National Guard Bureau is working with both Northern and Pacific commands to ensure that National Guard capabilities are understood and incorporated into their response plans.

Critical Infrastructure Program—Mission Assurance Assessment (MAA)

During the past year, the National Guard provided support to the country by responding to severe weather, wild fires, several National Special Security Events and Hurricanes Katrina and Rita. The year's events also guided the National Guard's preparations to implement MAA. This is a National Guard Homeland Defense prototype program in which teams of National Guard Soldiers or Airmen are trained to conduct vulnerability assessments of Department of Defense critical infrastructure in order to prevent or deter attacks and plan emergency response in case of a terrorist attack or natural disaster. The program is designed to educate civilian agencies in basic force protection and emergency response; develop relationships between first responders, owners of critical infrastructure, and National Guard planners in the states; and to deploy traditional National Guard forces in a timely fashion to protect the nation's critical infrastructure. In developing this concept, National Guard Bureau has worked with the Office of the Assistant Secretary of Defense for Homeland Defense and the Joint Staff to establish policies and standards. During 2005, the National Guard trained six Critical Infrastructure Program—Mission Assurance Assessment Detachments to conduct vulnerability assessments. The National Guard plans to train four additional detachments in 2006 to cover the four remaining Federal Emergency Management Agency Regions. The MAA teams' pre-crisis preparatory work facilitates the National Guard in continuing its time-honored tradition of preventing attacks, protecting and responding when necessary in defense of America at a moment's notice.

Support to Civil Authorities

In 2005, the National Guard provided unprecedented support to federal, state, and local authorities, providing assistance during natural and manmade disasters, and supporting HLS and HLD operations. National Guard forces performed HLS missions protecting airports, nuclear power plants, domestic water supplies, bridges, tunnels, military assets and more. By the end of the year, the Guard expended over one million man-days of support in assistance to civilian authorities at the local, state and federal level.

Hurricanes Katrina and Rita and, to a lesser degree, Wilma, affected states across the South. The National Guard provided assistance in the form of humanitarian relief operations that included construction, security, communications, aviation, medical, transportation, law enforcement support, lodging, search and rescue, debris removal, and relief supply distribution. Liaison officers sent to the affected areas assisted with coordination of air and ground transportation ensuring expeditious delivery of desperately needed equipment and supplies. Working closely with the governors of the affected states and the Federal Emergency Management Agency, the Guard proved instrumental in providing support to the beleaguered citizens and in reestablishing security of the affected areas.

Weapons of Mass Destruction Civil Support Teams

Eleven additional National Guard Weapons of Mass Destruction Civil Support Teams (CST) were authorized in 2005, enhancing our ability to respond to chemical, biological, radiological, nuclear, and high-yield explosive events. There are now 55 authorized teams. Since September 11, 2001 the 34 existing certified teams have been fully engaged in planning, training, and operations in support of local and state emergency responders. The remaining 21 teams are progressing rapidly toward certification. These are highly trained and skilled, full-time teams, established to provide specialized expertise and technical assistance to an incident commander.

Their role in support of the incident commander is to "assess, assist, advise, and facilitate follow-on forces." State governors, through their respective Adjutant General, have operational command and control of the teams. The National Guard Bureau provides logistical support, standardized operational procedures, and operational coordination to facilitate the employment of the teams and ensure back-up capability to states currently without a certified team.

2005 was a busy operational year for our teams. They assisted emergency responders throughout the country. 18 CSTs provided personnel and equipment that

were vital to the National Guard response to Hurricanes Katrina and Rita. These teams conducted assessments of contamination levels remaining after the floodwaters receded. They provided critical communications and consequence management support to local, state, and federal agencies. Most importantly, they provided advice and assistance to the local incident commanders that dramatically impacted the recovery effort.

Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Package

To enhance the chemical, biological, radiological, nuclear, and high-yield explosive response capability of the National Guard, 12 States were selected to establish a task force comprised of existing Army and Air National Guard units, with Congress authorizing an additional five in the fiscal year 2006 Defense Appropriation. The task force is designed to provide a regional capability to locate and extract victims from a contaminated environment, perform medical triage and treatment, and conduct personnel decontamination in response to a weapon of mass destruction event. The units that form these task forces are provided additional equipment and specialized training, which allow the Soldiers and Airmen to operate in a weapon of mass destruction environment. Known as a chemical, biological, radiological, nuclear, and high-yield explosive Enhanced Response Force Package (CERFP), each task force operates within the Incident Command System and provides support when requested through the Emergency Management System. Each task force works in coordination with U.S. Northern Command, U.S. Pacific Command and other military forces and commands as part of the overall national response of local, state, and federal assets. Each CERFP has a regional responsibility as well as the capability to respond to major chemical, biological, radiological, nuclear, and high-yield explosive incidents anywhere within the United States or worldwide as directed by national command authorities. This capability augments the CST and provides a task force-oriented structure that will respond to an incident on short notice. While the exact numbers are not known, it is estimated that the Texas National Guard CERFP medical element treated over 14,000 patients from Hurricanes Katrina and Rita through late September.

During 2005, 11 of the 12 teams completed National Fire Protection Association certified specialized training in confined space/collapsed structure operations. The twelfth is projected to complete search and extraction training during 2006.

National Special Security Events

The Department of Homeland Security designates certain high-visibility events that require an increased security presence as National Security Special Events. In 2004 and 2005, the G8 Summit, the Democratic National Convention, the Republican National Convention, President Ronald Reagan's funeral, and the Presidential Inauguration received such designation.

The National Guard Bureau Joint Intelligence Division, in coordination with the Joint Force Headquarters—State intelligence offices, provided support to each event. Support missions included traffic control-point operations, a civil disturbance reaction force, aviation and medical evacuation support, a chemical support team, and support to the District of Columbia Metropolitan Police Department and the U.S. Secret Service for crowd screening. Army and Air National Guard personnel from several surrounding States were employed for these missions.

Intelligence for Homeland Security

The National Guard Bureau has honed partnerships with U.S. Northern Command, Department of Homeland Security, Joint Force Headquarters—State, and national agencies to enhance information sharing. We are aggressively engaged in seeking creative ways for the National Guard's joint structure's capabilities to support U.S. Northern Command's requirements for situational awareness of homeland security activities within the 54 states, territories, and District of Columbia. As part of the homeland security effort, the National Guard Bureau is exploring working relationships with federal agencies such as the Defense Intelligence Agency, National Reconnaissance Office, National Security Agency, Federal Bureau of Investigation, and National Geospatial Intelligence Agency.

SUPPORT THE WARFIGHTER ANYTIME, ANYWHERE

State Partnership Program

The State Partnership Program is the National Guard's preeminent activity supporting Regional Combatant Commanders' Theater Security Cooperation. This program demonstrates the distinct role and capability a citizen-militia can provide a country's civilian leadership to transform their military and society. The program

partners U.S. states with foreign nations to promote and enhance bilateral relations. It supports Homeland Defense by nurturing dependable collaborative partners for coalition operations in support of Secretary Rumsfeld's Concepts of Global Engagement and the Global War on Terrorism.

The program reflects an evolving international affairs mission for the National Guard. It promotes regional stability and civil-military relationships in support of U.S. policy objectives. State partners actively participate in many and varied engagement activities including bilateral familiarization and training events, exercises, fellowship-style internships and civic leader visits. All activities are coordinated through the theater Combatant Commanders and the U.S. ambassadors' country teams, and other agencies as appropriate, to ensure that National Guard support meets both U.S. and country objectives. Since our last Posture Statement, there have been over 425 events involving U.S. states and their foreign partners.

Since the last Posture Statement, two new partnerships were formed—Rhode Island/Bahamas and Ohio/Serbia and Montenegro. Nigeria has formally requested a partnership. Identification of a partner state is in progress. Several countries have initiated the formal process of requesting a partnership.

This program is challenged to adapt to rapidly changing international conditions and events. Mature partnerships demand careful consideration of the appropriate partnership role and mission. The program's expansion in emerging geographic regions will require insightful selection of partner states, roles and missions and the appropriate path to promote political, military and social stability in partner countries while making the best use of National Guard resources. Expansion and integration in the Horn of Africa and the Pacific Rim are areas of challenge for our program. An ongoing challenge is to ensure states receive optimal support and the partner countries reap the greatest benefit.

NGB is working to establish and formalize Foreign Affairs and Bilateral Affairs Officer positions and training with the services and the combatant commanders, Ambassadors and partner countries. These are vital initiatives to support expansion of the roles and missions of the program.

In fiscal year 2007 and beyond, working with the geographic combatant commanders, we expect to take the program to the next level of security cooperation. We look for increased interaction at the action officer/troop level. The partner countries are looking for more hands on engagement events, unit exchanges, and exercises as well as working with their partner states during actual operations. A prime example is the liaison support given by Alaska to their partner state, Mongolia, when they deployed troops to Iraq. The National Guard seeks to satisfy this desire for deeper relationships while increasing the number of partnerships. In 2007, we can potentially add six partnerships.

National Guard Family Program

The National Guard Bureau Family Program is a Joint Force initiative that serves as the foundation for support to Army and Air National Guard family members. As the Guard faces an unprecedented increase in military activity and extended deployments, the highest priority of the National Guard Family Program is to provide families with the assistance to cope with mobilization, deployment, reunion, and reintegration.

Not since World War II have so many Guard members been deployed to so many places for such extended periods. The role and support of the family is critical to success with these missions. The National Guard Family Program developed an extensive infrastructure to support and assist families during all phases of the deployment process. There are more than 400 National Guard Family Assistance Centers located throughout the 54 states, territories and the District of Columbia. These centers provide information, referral, and assistance with anything that families need during a deployment. Most importantly, these centers and these services are also available to any military family member from any branch or component of the Armed Forces.

The State Family Program Directors and Air Guard Wing Family Program coordinators are the program's primary resources for providing on-the-ground family readiness support to commanders, Soldiers, Airmen, and their families. The National Guard Bureau Family Program office provides support to program directors and coordinators through information-sharing, training, volunteer management, workshops, newsletters, family events, and youth development programs, among other services. To enhance this support, the National Guard Family Program, through the Outreach and Partnership program, is leveraging federal, state, and local government agency resources and forming strategic partnerships with veteran, volunteer, and private organizations.

The greatest challenge lies in awareness and communication. The feedback we receive indicates that many family members are unaware of the many resources available to them during a period of active duty or deployment. Our primary goals are to increase the level of awareness and participation with existing family resources, and to improve overall mission readiness and retention by giving our warfighters the peace of mind of knowing that their families are well cared for.

Veterans' Affairs

Sustained mobilization of the National Guard since 9/11 has resulted in a larger number of Guard members eligible for entitlements available through the Department of Veterans Affairs. Last year, the Chief of the National Guard Bureau, the Department of Veterans Affairs Under Secretary for Health and Under Secretary for Benefits signed a memorandum of agreement to establish a Veterans Affairs program to improve the delivery of benefits to returning Soldiers and ensure a seamless transition to veteran status. The agreement resulted in the appointment of a permanent liaison at the National Guard Bureau and at the Department of Veterans Affairs, and assignment of a state benefits advisor in each of the 54 Joint Force Headquarters—State. The benefits advisors coordinate the entitlement needs of members at the state level with the Department of Veterans Affairs, other veterans' service organizations and community representatives. This new program builds upon the strength and success of the National Guard Family Program and capitalizes on the services already provided by the Department of Defense.

Employer Support of the Guard and Reserve

The National Guard and Reserve continue to be full partners in a fully integrated Total Force. This means our National Guard and Reserve service members will spend more time away from the workplace defending and preserving our nation. Employers have become inextricably linked to a strong national defense as they share this precious manpower resource. The basic mission of the Employer Support of the Guard and Reserve (ESGR) program is to gain and maintain support from all public and private employers for the men and women of the National Guard and Reserve.

A nationwide network of local employer support volunteers is organized into ESGR committees within each state, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. In this way, employer support programs are available to all employers, large and small, in cities and towns throughout our country. Today, nearly 3,000 volunteers serve on local ESGR committees. With resources and support provided by the national office and the National Guard Bureau, the 54 ESGR committees conduct Employer Support and Outreach programs, including information opportunities for employers, ombudsman services, and recognition of employers whose human resource policies support and encourage participation in the National Guard and Reserve. In view of the importance of employer support to the retention of quality men and women in the National Guard and Reserve, and in recognition of the critical contributions from local committees, the National Guard Bureau provides full time assistance and liaison support to the Joint Forces Headquarters—State and the 54 ESGR committees.

The National Guard Bureau remains committed to the development of strategic partnerships with government agencies, veterans service organizations and public sector employers to ensure employment opportunities for our redeploying service members with an emphasis on our disabled veterans. One of the most important tasks our country faces is ensuring that our men and women in uniform are fully integrated into the civilian workforce when they return from service to our country.

Youth ChalleNge Program

The award-winning National Guard Youth ChalleNge Program is a community-based program that leads trains and mentors at-risk youth at 30 program sites throughout the country to become productive citizens in America's future. As the second largest mentoring program in the nation, the ChalleNge program is coeducational and consists of a five-month "quasi-military" residential phase and a one-year post-residential mentoring phase. A cadet must be a volunteer, between 16 and 18 years of age, drug free, not in trouble with the law, unemployed or a high school dropout.

The program has served as a national model since 1993 and the 25 states and the Commonwealth of Puerto Rico that offer the program graduated more than 55,800 young men and women. Participants graduate from the program equipped with the values, skills, education, and self-discipline necessary to succeed as adults in society. Significantly, although many ChalleNge candidates are from at-risk populations, over 70 percent of ChalleNge graduates have attained either a General

Equivalency Diploma or a high school diploma. Furthermore, approximately 20 percent of all graduates choose to enter military service upon graduation.

The National Guard Counterdrug Program

For over 16 years, the National Guard Counterdrug program has assisted more than 5,000 law enforcement agencies in protecting the American homeland from significant national security threats. The Guard's operations assist these agencies in obstructing the importation, manufacture, and distribution of illegal drugs; and by supporting community based drug demand reduction programs. The program also supports the U.S. Northern and Southern Command combatant commanders. Given the growing link between drugs and terrorism, the National Guard's program continues to complement America's homeland security efforts. Although primarily a domestic program, initiatives are underway to leverage the National Guard's years of domestic counterdrug experience and apply it to overseas drug trafficking problems in the Middle East.

This National Guard Bureau program, as executed by the 54 states and territories, through their respective governors' Counterdrug plan, supports the Office of National Drug Control Policy strategies. Support for these strategies is embedded within six general mission categories including: program management; technical support; general support; counterdrug related training; reconnaissance and observation; and drug demand reduction support. In 2005, approximately 2,475 National Guard personnel provided counterdrug support to law enforcement agencies and continued to remain ready, reliable, and relevant for their wartime mission by actively participating in their unit of assignment through weekend drill, annual training, and individual Soldier and Airman professional development.

In fiscal year 2005, National Guard support efforts led to 61,125 arrests and assisted law enforcement agencies in seizing nearly 2.4 million pounds of illegal drugs, eradicating over two million marijuana plants, and confiscating over 4.5 million pills. Also, as a result of this joint effort, 11,490 weapons, 4,357 vehicles and more than \$213 million in cash were seized.

In addition to counterdrug support operations, Air and Army National Guard aviation assets supported HLD and HLS operations as part of a joint task force along the northern border during Operation Winter Freeze. The success of that operation was to a great degree directly related to the program personnel's long-standing experience with law enforcement agencies.

During rescue and recovery operations in support of Hurricane Katrina, our program played a major role. Thirty-five aircraft deployed to the Gulf Coast from 25 different states. These aircraft performed search and rescue operations and providing valuable photographic and infrared reconnaissance to assist officials in determining damage levels of the levees and the surrounding communities. In addition, the program organized Task Force Counterdrug Light Assault Vehicle, a task force comprised National Guard Soldiers and Airmen with Light Assault Vehicles from Nebraska, Oregon, California, Tennessee, and Michigan. These vehicles, which have an amphibious capability not commonly found in Guard units but critically needed in the flooding following Katrina, logged more than 800 hours and 6,000 miles and performed over 600 rescues.

TRANSFORMATION FOR THE 21ST CENTURY

Transformation to a Joint National Guard Bureau

The National Guard Bureau crafts the strategies that will result in the implementation of the Secretary of Defense's guidance to improve National Guard relevancy and support to the War on Terrorism, Homeland Defense and Homeland Security. The National Guard Bureau has presented an updated concept and implementation plan to achieve formal recognition as a joint activity of the Department of Defense to the services, a step that would formally establish the National Guard Bureau as the Joint National Guard Bureau.

Joint Force Headquarters—State

The Joint Force Headquarters—State were established (provisionally) in October, 2003 in each of the 50 states, the Commonwealth of Puerto Rico, two U.S. Territories and the District of Columbia, to reorganize the previously separate Army National Guard and Air National Guard headquarters into a joint activity that exercises command and control over all assigned, attached or operationally aligned forces. These were formed in compliance with guidance from the Secretary of Defense to forge new relationships that are more relevant to the current environment between National Guard Bureau, the Office of the Secretary of Defense and the Joint Staff with a primary focus on improving Department of Defense access to National Guard capabilities. The Services and the Director of the Joint Chiefs of Staff

have formerly approved the mission statement, and a Joint Operations Center is now operating 24 hours a day, 365 days a year, in each Joint Force Headquarters—State.

All Joint Force Headquarters—State were directly involved in coordinating support for various disasters and emergencies this year to include the recovery efforts following the 2005 Gulf Coast hurricanes. Progress continues toward the goal of 54 fully operational Joint Force Headquarters—State by September of 2006. “Core” Joint Mission Essential Task Lists were customized to the task conditions and standards necessary for each particular state, approved by the respective Adjutant General, and loaded into the Joint Force Headquarters—State Joint Training Plan. Draft Joint Training Plans are complete for all Joint Force Headquarters—State to plan for, and capture, joint training during exercises and real-world events. Many of these headquarters have already participated in Vigilant Shield and Vigilant Guard homeland defense exercises. The remaining states are scheduled for these exercises in 2006–2007.

Joint Combined State Strategic Plan

The Joint Combined State Strategic Plan is designed to categorize, assess, and forecast future capabilities to support Joint Domestic National Guard operations by providing the ability to track and assess ten joint core capabilities needed to support Homeland Defense and Homeland Security. They are: command and control, Civil Support Teams, maintenance, aviation/airlift, engineer, medical, communications, transportation, security, and logistics. This plan serves as both a strategic tool and as an operational planning tool for the governor and U.S. combatant commands. This program’s potential for future development coupled with its ability to track these vital competencies makes the plan a decisive tool for continuing transformation of the National Guard.

Recent Hurricane Katrina relief efforts highlight the importance of having this information readily available. The National Guard was able to identify and mobilize units based on current availability and specific functional capability. In addition, individual states have used the state based joint combined strategic plan to render support to civil authorities during life threatening snowstorms and severe flooding this past winter. As a dynamic program, the plan is undergoing initiative enhancements to enable identification of additional, individual state-specific capabilities. This will allow for tracking specific situational response capabilities to hurricanes, tornadoes, floods, mass casualties, and fires among others at the state and regional level.

Joint Continental United States (CONUS) Communications Support Environment (JCCSE)

U.S. Northern Command and the National Guard Bureau jointly developed the JCCSE construct to address requirements for collaborative information sharing and other command, control, communications, and computer (C4) systems capabilities in the post 9/11 Homeland Defense and Defense Support to Civil mission environment. The detailed, long-term vision for the JCCSE is outlined in the joint U.S. Northern Command and National Guard Bureau document, Joint CONUS Communications Support Environment (JCCSE) Concept for Joint C4, October 15, 2005, which defines JCCSE as, “. . . the vital organizations and net-centric information technology capabilities required by the National Guard to support U.S. Northern Command, U.S. Pacific Command, U.S. Strategic Command, U.S. Joint Forces Command, and other DOD and non-DOD partners by extending interagency and inter-governmental trusted information sharing and collaboration capabilities from the national level to the state and territory and local levels, and to any incident site throughout the United States and its territories.”

JCCSE is an umbrella construct that involves organizational and process development as well as requisite supporting enhancements to existing National Guard information technology capabilities. Due to the ongoing threats to the U.S. homeland in the post 9/11 environment, NGB took preemptive action to establish initial capabilities—the Interim Satellite Incident Site Communications Set (ISISCS)—that are geographically dispersed throughout the CONUS, as well as Hawaii, and have proven invaluable in real world operations in support of Department of Defense security missions and for disaster response operations related to Hurricanes Ivan, Katrina, and Rita. When fully implemented, JCCSE will provide robust state-federal net work connectivity as well as national level management and integration of long haul, tactical, and other DOD capabilities related to C4 systems. JCCSE will provide U.S. Northern and U.S. Pacific Commands, NGB, and the 54 Joint Force Headquarters—State with connectivity to any task force headquarters location, staging area, or incident site. JCCSE will be a major step forward in sharing information

among federal, state, local, tribal, private sector, and non-governmental entities for incidents occurring in the states and territories related to HLD/DSCA mission taskings, major disasters or emergencies, and catastrophic incidents.

Open Source Information System

The Open Source Information System is a Virtual Private Network used for open source research and sharing of unclassified, but sensitive, information between the National Guard Bureau and all 54 Joint Force Headquarters—State, as well as other federal and DOD agencies. This system provides sensitive community-based, law-enforcement information at the lowest possible cost. The project is demonstrating the significant value-added concept of sharing installed technology with communities.

The National Guard Bureau, in partnership with the Army's Foreign Military Studies Office at Fort Leavenworth, Kansas, has developed training on the use of the Open Source Information System as well as open source information research skills and methodologies. This effort will provide the necessary tools for research and information sharing at the unclassified level to ensure interoperability, reliability, efficiency, operations security and economies of scale.

Homeland Security Joint Interagency Training Centers

The Joint Force Headquarters of each state must possess the ability to establish one or more Joint Task Forces to support homeland defense. Additionally, as a result of legislation enacted in 2004, the legal authority exists to establish a Joint Task Force within each state composed of both National Guard members in non-federal status and active component military personnel. In order to better prepare National Guard leaders for the challenges of "dual-status" Joint Task Force command, the National Guard Bureau developed and implemented a formal training program for senior leaders from every state and territory. The dual-status Joint Task Force commander is a transformational concept that leverages the unique capabilities resident in the total force and strengthens unity of command in support of the homeland defense mission.

National Guard Joint Interagency Training Centers were established in October 2004 at Camp Dawson, West Virginia and in San Diego, California. During fiscal year 2005, over 5,000 students from the National Guard and its interagency partners attended training at the centers. These training facilities conduct individual or collective training and educate Department of Defense entities and federal, state, and local authorities. The centers teach specialized courses in Incident Management, Continuity of Government/Continuity of Operations and Vulnerability Assessment. Areas of emphasis included protecting the domestic population, U.S. territory, and critical infrastructure against threats and aggression.

These centers provide homeland security training development and delivery, and work to ensure training availability, quality, and standardization. They serve the homeland security training needs of National Guard units, specifically those with Homeland Defense, Civil Support, and Emergency Preparedness missions. The centers will continue to evolve through continuous and in-depth analysis of homeland security training requirements. The training centers continue to be a critical capability that achieves the homeland defense priorities of the National Guard Bureau.

STATE ADJUTANTS GENERAL

Alabama—Major General (Ret) Crayton M. Bowen
 Alaska—Major General Craig E. Campbell
 Arizona—Major General David P. Rataczak
 Arkansas—Major General Don C. Morrow
 California—Major General William H. Wade, II
 Colorado—Major General Mason C. Whitney
 Connecticut—Brigadier General Thaddeus J. Martin
 Delaware—Major General Francis D. Vavala
 District of Columbia—Major General David F. Wherley, Jr., Commanding General
 Florida—Major General Douglas Burnett
 Georgia—Major General David B. Poythress
 Guam—Major General Donald J. Goldhorn
 Hawaii—Major General Robert G. F. Lee
 Idaho—Major General Lawrence F. Lafrenz
 Illinois—Major General (IL) Randal E. Thomas
 Indiana—Major General R. Martin Umbarger
 Iowa—Major General G. Ron Dardis
 Kansas—Major General Tod M. Bunting
 Kentucky—Major General Donald C. Storm

Louisiana—Major General Bennett C. Landreneau
 Maine—Major General John W. Libby
 Maryland—Major General Bruce F. Tuxill
 Massachusetts—Brigadier General (MA) Oliver J. Mason, Jr.
 Michigan—Major General Thomas G. Cutler
 Minnesota—Major General Larry W. Shellito
 Mississippi—Major General Harold A. Cross
 Missouri—Major General (MO) King E. Sidwell
 Montana—Major General Randall D. Mosley
 Nebraska—Major General Roger P. Lempke
 Nevada—Brigadier General (NV) Cynthia N. Kirkland
 New Hampshire—Major General Kenneth R. Clark
 New Jersey—Major General Glenn K. Rieth
 New Mexico—Brigadier General (NM) Kenny C. Montoya
 New York—Major General Joseph J. Taluto (Acting)
 North Carolina—Major General William E. Ingram, Jr.
 North Dakota—Major General Michael J. Haugen
 Ohio—Major General Gregory L. Wayt
 Oklahoma—Major General Harry M. Wyatt, III
 Oregon—Major General Raymond F. Rees
 Pennsylvania—Major General Jessica L. Wright
 Puerto Rico—Colonel (Ret) Benjamin Guzman
 Rhode Island—Brigadier General John L. Enright, Acting
 South Carolina—Major General (Ret) Stanhope S. Spears
 South Dakota—Major General Michael A. Gorman
 Tennessee—Major General Gus L. Hargett, Jr.
 Texas—Major General Charles G. Rodriguez
 Utah—Major General Brian L. Tarbet
 Vermont—Major General Martha T. Rainville
 Virginia—Brigadier General Robert B. Newman, Jr.
 Virgin Islands—Brigadier General (VI) Eddy G. L. Charles, Sr.
 Washington—Major General Timothy J. Lowenberg
 West Virginia—Major General Allen E. Tackett
 Wisconsin—Major General Albert H. Wilkening
 Wyoming—Major General Edward L. Wright

Senator STEVENS. General Vaughn, we would be happy to have your statement.

STATEMENT OF LIEUTENANT GENERAL CLYDE A. VAUGHN, DIRECTOR, ARMY NATIONAL GUARD, DEPARTMENT OF THE ARMY

General VAUGHN. Chairman Stevens, Senator Inouye, distinguished members of the subcommittee: General Blum has adequately captured my statement. I will ask that it be read into the record and I will just hit a couple points.

The States, territories, and the District of Columbia continue to measure up and meet every mission as called by the President or the Governors. We still today have over 50,000 mobilized on duty. A success story that is brewing up—and if I could have that chart real quick so we can see this. We have got a black line, I think that is big enough for all to see. That is where our end strength is going.

We are on track to make 350,000. That end strength, as you can see on there, turned down in late 2003, in October. Where it stabilized and turned back up at the low point was June 2005, which is the point in time where we had the most people that we have ever had, the most soldiers that we have ever had, deployed. Now, that speaks to something. That speaks to a lot of appreciation when these soldiers return home to their communities. You have had a lot to do with that and we thank you very much for your great and strong support. We are going to make this end strength at the end of this year.

I look forward to your questions. Thank you very much.

Senator STEVENS. Thank you very much, General. Congratulations. That is good news.

General Ickes, we would be happy to have your comments.

STATEMENT OF MAJOR GENERAL CHARLES ICKES II, ACTING DIRECTOR, AIR NATIONAL GUARD, DEPARTMENT OF THE AIR FORCE

General ICKES. Thank you, sir. Mr. Chairman, members of the subcommittee: I really appreciate this opportunity to address you today.

By the way, with me today, one of our chiefs. Chief Arnold, if you would stand up for a minute. He works for us at the Guard Bureau. In June he will retire with nearly 41 years of dedicated service to the Nation. He runs one of our strategic initiatives divisions and he has been instrumental to me personally in helping us set a path for the Air National Guard into the future. This is typical of what the Air Guard brings every day to the fight.

Chief, thank you for being with us.

Senator STEVENS. Thank you very much.

General ICKES. I would certainly like to start by thanking the subcommittee for not only your fantastic support, but to tell you how important National Guard and Reserve equipment appropriation (NGREA) is to us as we move forward in the Air National Guard. The support that you give us in that area is vital. It is vital because it allows us to do those modernization and upgrading issues that we so vitally need. It allows us to address those, and you have been so helpful in that area and I cannot tell you how big of a positive impact that has for us.

The Air National Guard is engaged in every mission set that the United States Air Force has today. We are truly part of the total force. We are involved whether it be airlift, alert, and Hurricane Katrina-like operations, both outside the Continental United States (OCONUS) and at home. We are totally engaged, excited, and supportive of these mission areas.

During Hurricane Katrina and Rita last year, the vast majority of the aircraft you would have seen flying during those operations were Air National Guard units in support of the Governors and the emergency management assistance compact (EMAC) agreements and the compacts that are established. During Katrina operations we flew 389 separate sorties in 1 day. We flew nearly 3,000 sorties during that operation, supporting General Vaughn, General Blum, and the Governors to meet the needs of the Nation. I could not be prouder of those folks, and all they have done.

Your assistance with the Air National Guard has been able to help us with unique business practices to field precision targeting pods, data links, and upgrade our numerous engine requirements. Our currently deployed forces now possess the ability to provide the combatant commanders (COCOMs) with previously unseen and vital urban close air support (CAS), a mission that a few years ago none of us were really that prepared to do, but thanks to your support, we have been able to make great strides in those mission areas.

In the future we seek modernization of our precision strike capabilities, 24-hour combat ID, and enhanced survivability of our large

aircraft as we put large aircraft infrared countermeasures (LAIRCOM) systems on them.

Last year's achievements underscore the critical needs to maintain our ability to act as an operational force, but yet still remain and maintain a strategic capability. We provide surge for wartime needs, or for national emergencies, while being operational at the same time. We maintain capability when we are properly resourced, and we work that constantly with everybody.

We fully support the President's budget, and we understand that budgets are always tight. There are areas, though, that we continue to look to address to make sure that we adequately meet the needs of our 106,800 guardsmen. We have to be able to continue to attract, recruit, and retain these individuals. This year we will highlight recruiting and retention bonuses, and the things that go with it, to allow us to be competitive in a very competitive recruiting market.

We have already reallocated some funds this year to address those needs. We are focusing on increased advertising, storefront recruiting offices, administrative assistance to our recruiters, and to capitalize on those programs that we have already begun.

Some other things that are impacting us. In the 2005 National Defense Authorization Act, we were approved enhanced authority for bonus programs, but we did not—we were not, able to source adequately the funds. We are working to do that now.

Training is vital to both the current and future capabilities of the Air National Guard. It is what makes us special and unique. We need your help with this shortfall in our training budgets.

We need to continue to focus on, as we transform the National Guard along with the Air Force as part of the total force team, those total force initiatives (TFI) are properly funded and adequately resourced, so that we have new mission sets for those organizations, much like Senator Bond addressed.

We are bringing on new capability as we speak, such as Predator in Nevada, Arizona, California, Texas, and shortly in North Dakota.

Those of us in the Air National Guard responsible for keeping our traditional guardsmen trained and ready, our full-time technicians, are concerned that they have been under considerable strain. We are concerned about that force, but we are addressing that, and are keeping our eye on it.

Another issue that has cropped up for us is contract logistics support for some of the new weapon systems we are bringing on board. We are finding more and more that we are finding shortfalls in those areas for the C-130J, for C-17s, and for the joint surveillance and target radar system (STARS) unit down in Georgia.

Our depot maintenance program is only funded at about 75 percent, and that will continue to be a challenge because we tend to fly legacy aircraft in the Air National Guard. We need to maintain those. Older aircraft need a little bit more care and feeding.

I just want to thank you once again for all your great support. I want to thank you for all you have done in recognizing the contributions of our guardsmen, and I stand ready to answer any questions you may have. Thank you.

Senator STEVENS. Thank you very much, General.

Senator Dorgan, each of us had an opening statement. Before we start our 7 minutes each, would you like to have any opening statement?

STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, I am sorry I was delayed. I will defer. I would only say, I am sure as all of you have, how much all of us appreciate the work that the Guard has done and thank you for bringing some soldiers here to share their stories with us. They are inspiring stories and talk once again of service and commitment, duty, and honor. So thank you very much.

And I will await my chance to ask questions.

Senator STEVENS. Thank you, Senator.

NATIONAL GUARD AND RESERVES OPERATION TEMPO

General Blum, we have some statistics on the tempo of operations for the Guard and Reserve. Are you planning any special initiatives to try to deal with and manage the high operations tempo?

General BLUM. Yes, Mr. Chairman, we are. We are working very closely with the Department of the Army and the Air Force to give our citizen-soldiers and airmen a predictable model of when they, their families, and their employers can expect to be called to extended active duty. I am not talking about for local disasters. They could get called out tonight; they understand that.

For extended deployments in the air expeditionary force or in the army force generation model, we are moving every day closer to a predictable model that will allow an Army National Guardsman to know that once he has done an extended tour in Iraq, Afghanistan, somewhere else overseas, or here at home necessary and required for the defense of the Nation, he would probably be reasonably guaranteed a dwell time between 5 and 6 years before he was called again from the States to go overseas.

I think the employers will tolerate that. We think the families will tolerate that, and indications are from our service members that they find that is an acceptable model that they can live with. It also meets our regeneration model is practicable because we generally replenish our units at a rate of about 18 percent a year, which over 5 years means that you would not put an undue or unfair burden on a family, an employer, or a single guardsmen that they would not be otherwise willing, ready, and able to bear.

Senator STEVENS. I am not going to mention the individual, but I was contacted by an individual, a member of the Reserve, I think it was, who I was told the person had served in Iraq, returned home, and thought that was it, and entered a special program for advancement that was really not employment, it was more like an internship, the paid type of upgrading process, then was served another notice to go back to Iraq. If he does that he loses his promotional capability and he does not have a job now, like he did when he went over before.

Now, are you set up so these individual circumstances can be examined on request of individual members if they are called up as quickly as that?

General BLUM. Mr. Chairman, in the National Guard of the United States Army and Air Force the adjutants general in each State are empowered to make those type of decisions.

Senator STEVENS. This is Reserve now. That is you, is it not?

General BLUM. Well, sir, I only have the National Guard under me. The second panel could probably address that better, but we recognize that as an issue. None of us—I do not want to speak for any of the Reserve chiefs that come behind me, but none of us want any of our reservists, whether the Guard or Reserve, to be punished because of their service, or to be unduly called to the service of their Nation repeatedly and unnecessarily.

In the Guard we have empowered the Adjutants General to ensure that any soldier that did not want to willingly re-serve again sooner than 5 years would. In fact, soldiers have the ability to cross-level and get some other person with the same specialty or skill set to take their place, so that we do not put an unfair burden on any of our citizen-soldiers.

I think the other Reserve chiefs will tell you how they do it in theirs, but that is how we do it in the Guard. I push that down to the State and local level.

NATIONAL GUARD END STRENGTH AND FORCE STRUCTURE

Senator STEVENS. Have you had any negotiations with the service secretaries, the chiefs of staff, concerning end strengths and force structure changes that you have not discussed here now?

General BLUM. That we have not discussed here, Mr. Chairman? No. We have had very candid—what I share with this subcommittee I share with the service secretaries. I do not change my story. We have told Secretary Harvey and Secretary Wynne, the Secretary of the Army and the Air Force, that the Army and Air National Guard will meet their end strength and they will do it in the next calendar year. I am absolutely confident that the trend that General Vaughn showed you on that chart is a very healthy and real trend.

We also, I might add, have the highest percentage of deployable forces within the Army and Air National Guard we have ever had in the history of the Army and Air National Guard. These are not hollow numbers. These are real deployable citizen-soldiers. By the end of this year we will have 350,000 of those in the Army and about 106,700 of those in the Air Force, in the Air Guard.

Senator STEVENS. The President's budget said 333,000. The Army Secretary testified that he thought you would go up to 350,000. Is that the agreement now?

General BLUM. The agreement is that they will fund us to 350,000. The agreement was that they would restore all of the money that was taken out as a result of program decisions memorandum (PDM), which was—and I do not want to get this to the penny, but it is roughly \$189 million in personnel, \$219 million in operation and maintenance (O&M), and about \$63 million in the defense health program that they absolutely are committed to restore to our coffers.

Senator STEVENS. What about the Air Force? We have got an overall reduction in strength of 40,000 in the future years defense plan (FYDP), I am told.

General BLUM. That is correct, sir. That is supposed to take effect in 2008 and we are under very serious negotiations—and that is the word, negotiations, collaboration—with the Department of the Air Force, because I cannot understand, nor can they adequately describe to me how that manpower bill was determined. They realize that there is a flaw in the calculation, and they are working with us to determine exactly what that manpower build really needs to be.

It may be that the Air National Guard needs to be smaller. It may be that the Air National Guard needs to remain the same or it actually may need—we may actually need to grow. An informal manpower study that we have run—and we have asked the Air Force to validate it and run their own for us—actually shows us being a growth of 12,000 to 19,000 to do all of the missions that the Air Force wants the Air Guard to do.

We are not saying they are right, we are not saying they are wrong. We are saying we are going to work together with them. We have the time before 2008 to get the numbers right and to get the size of the Air Guard right for this Nation and for the United States Air Force. Secretary Wynne and General Mosely have pledged their commitment to work with the Air National Guard leadership on this.

Senator STEVENS. Thank you very much.

Senator Inouye.

EQUIPMENT FUNDING

Senator INOUE. General Blum, last September a report was issued indicating that there was a need for \$20 billion for the Army National Guard and \$5 billion for the Air National Guard for equipment. The Congress responded by providing \$1 billion. Can you tell us what your long-term plans are?

General BLUM. Senator Inouye, we will work with the leadership of the United States Army. The United States Army is challenged in this area as well. It is not unique to the Guard. It is worse for us in the Guard because we started at a lower level of equipping to begin with, so we are further in the hole, so to speak. They understand that.

General Schoomaker and Secretary Harvey have appeared and testified to other subcommittees of Congress and the Senate and they have repeatedly assured us that there is \$21 billion in the planning and operational maintenance (POM), in the future year defense plan (FYDP), in the budget, to address these issues for the Army National Guard. Frankly, they understate their contribution because there is about another \$2 billion in there in aviation modernization. When you put it together there is almost \$23 billion of good faith in the budget that the Army has in place to improve the equipment situation that exists in the Army National Guard.

It is right now about as dire as I have seen it here at home in modern history but the other side of the coin is that we have the best equipped, best led, best trained force overseas right now that this Nation has ever fielded. That includes Active, Guard, and Reserve. It is truly seamless when you get overseas.

The problem is that we have cross-leveled what we did not have now for 4½ years to ensure that the soldiers that go overseas have

exactly what they need to do their job and that has depleted our stocks here at home. We are seriously looking at strategies to replenish those stocks of supplies and equipment. The United States Army leadership, particularly General Schoomaker and Secretary Harvey, have expressed their absolute commitment to making that a reality.

EQUIPMENT READINESS

Senator INOUE. General Blum, there seems to be a common practice that when your troops, the Air and the Army National Guard, leave Afghanistan and Iraq they leave back their equipment. Obviously, from my standpoint it would affect readiness and I would think that it would make them unable to meet their State needs. But it is a common practice.

I am just wondering, what do you think about that?

General BLUM. Senator Inouye, you are absolutely correct. The National Guard is often asked to leave the equipment that we cross-leveled and ensured that the soldiers would have when they left the United States. We are often asked to leave that in theater, in place, in Iraq and Afghanistan. That is a good thing to do, in my judgment, because it saves lots of time and millions and millions of dollars in moving equipment back and forth.

I fully support leaving the equipment in theater. What I think needs to be addressed is the unintended consequence of leaving us uncovered with equipment back here at home to train. We have the most experienced force that we have ever had; 60 percent of our force now is combat veterans. They are used to having equipment in their hands that is modern and capable, and if they are going to stay with us, if we are going to be able to retain these skilled, experienced people, we are going to have to have equipment to train and keep them—keep the edge on their capabilities.

We are also going to need that equipment to train the new people that we are recruiting. We need the nonlethal equipment, the trucks, the medical sets, the communications, aviation, the engineer equipment, that are absolutely vital if we are going to be able to do our homeland defense and homeland support missions when we are called upon to support agencies such as the Federal Emergency Management Agency (FEMA) or the Department of Homeland Security (DHS). Whether we are called out by the Governor or we are called out by the President, we are going to need that equipment.

The problem has been we have not paid sufficient attention to re-equipping or resetting the force back here at home fast enough for that domestic mission to have equipment to train with and to have equipment to respond to natural disasters or terrorist events here in the United States.

Senator INOUE. You are not getting it?

General BLUM. Sir?

Senator INOUE. You are not getting it?

General BLUM. We are starting to get it now. I think that the senior leadership of the Army and the Air Force understand the urgency to do this now. They are, I think, genuinely committed to helping us remedy this problem. It will not get fixed overnight, however, Senator. It is going to take—it is going to take, frankly,

years. My issue is that I do not know if we have years. Sooner is better for me, because this is not equipment that it is nice to have; it is essential to have. We may need it as soon as the next 60 days in the southeastern part of our Nation for the hurricane season that is beginning.

NATIONAL GUARD ROLE IN THE QUADRENNIAL DEFENSE REVIEW

Senator INOUE. The recent Quadrennial Defense Review (QDR) came forth with a new force structure plan which drastically changes your force structure. Did you have any role to play in this or was it just imposed upon the Guard?

General BLUM. We did not play a very effective role in it, let us put it that way, Senator. General Schoomaker and Secretary Harvey have both testified that it could have been done better. They are committed to making sure that it is done better in the future and that we are not as surprised as we were last time.

Senator INOUE. Time does not permit it, but can you provide this subcommittee how you would do it better?

General BLUM. Well, sir, I will try to simplify it. If I am going to play football on a football team, it is nice to get called to the huddle if you are going to know what play you are supposed to run. They are committed to making sure that we get called to all of the huddles, not just some of them.

Senator INOUE. So you did not have a huddle?

General BLUM. I am sure there was a huddle. I am not sure that we were in the huddle.

Senator INOUE. Thank you very much, sir.

Senator STEVENS. Well put, General. I think we are going to try to deal with that.

Senator Burns.

Senator BURNS. How does it feel like to be General Carpenter and be the lonesome end, if you remember those days.

General BLUM. Yes, sir, I do.

AIR NATIONAL GUARD F-15 MODERNIZATION

Senator BURNS. We have already covered—Senator Inouye already covered some—one of my questions, and that was the equipment, and we understand that our 163d is coming back, about 35 percent of their equipment, and there being a real bind in replacing some of that equipment. I am certainly glad you are taking care of that.

General Ickes, I am kind of concerned about, you said a while ago on your budget that the President has set down—as you know, we are converting in Montana from 16's to 15's, and I did not see any real strong funding for modernizing the new F-15C's that we are getting up there. To be more specific, there is a piece of equipment called the active electronically scanned array radar (AESAR). Is that being addressed or are we going to have to—are we going to have to take care of that?

Senator BOND. Yes.

Senator BURNS. You and me are going to do that? Me and you, huh? Okay. We killed a bear; paw shot him.

But I would still like for you to address that situation.

General ICKES. Yes, sir. I believe the Air Force does believe that it is a—the AESAR radar, as it is addressed, is a major enhancement to the capability of the F-15. Our concern remains if the Air Guard, which has 100 percent of the fixed alert facilities in the United States and is given that responsibility to protect the sovereign skies of the United States, we ought to probably have the best equipment on our aircraft to meet that mission set.

As there are certain potential threats that come down the road in the future, we want to make sure that we can adequately address that. Congress did appropriate some money and we are in the process right now of addressing \$50 million some across the F-15 fleet within the Air National Guard. That certainly will not address anywhere near enough of the aircraft, the F-15's within the Air National Guard. So as we address a modernization road map, that is certainly one of the things that our F-15 community has spoken to as something they think would be vital to be relevant into the future.

So yes, sir, there is money out there now.

Senator BURNS. Well, I thank you for that response and we will be following this very closely. I would also say that the northern border unit that we have now going in up there of course we are going to be looking at. It is getting itself in place up there right now. I will not be here for the second panel, but I want the subcommittee to know that our Red Horse Brigade that operates out of Montherm is a hybrid force. It has both Reserves and regulars in it. In fact, the first commander, commanding officer of that brigade, was a Reserve officer.

This kind of a blend of people has helped us in our force and it works. There are some folks that say that they are a little skeptical about the cooperation and how each one of us is looked at. So that has worked up there, and of course I think we will see probably more of that both probably as far as the Army, the boots on the ground, and kind of people will also be a hybrid type of organization.

But I am still concerned about the equipment, the replacement of that equipment for our folks to train. We are moving into a fire season in Montana. I do not think we will have a huge fire season this year. We have got more than adequate moisture, which we thank the Lord for, and we will move on. But we will be monitoring these kind of situations. General, maybe we should sit down and talk about those kind of things as far as the Air Guard is concerned and your concerns there.

I appreciate your good leadership on this. With that, that is the only question that I have and I would yield the floor, and thank you very much for coming and your testimony.

Senator STEVENS. Thank you very much, Senator.

Senator Mikulski.

EMERGENCY PREPAREDNESS FOR NATURAL DISASTERS

Senator MIKULSKI. Many of my questions have been covered, about equipment and some other issues. I want to get to the question of, were you in the huddle, General Blum, not about the QDR, but about emergency planning in terms of our response to natural disasters.

Let me get to my point. Both panelists and you have said that hurricane season starts June 1, fire season. Each State has its own natural disaster propensities. The Guard, both Army and Air Force, were valiant during Katrina and worked at an incredible tempo. Your testimony, General Ickes, just speaks for itself. Behind every number is a person and a family.

So my question is this. I am worried that we are not prepared again. We keep moving people around. We keep moving boxes around. But the question is: Are we prepared? In getting ready for both hurricane season and natural disasters, has there been a real plan established where there would be a disaster of such horrific proportion, like Katrina was, for the way the National Guard will be organized, mobilized, the prepositioned materials, et cetera?

I am worried about hurricanes. I am worried if avian flu does come to America it will be the National Guard that will have to maintain civic order, perhaps even the quarantine of our own people. Could you tell me, are you in the huddle? Are we being prepared? Because I think you have the right stuff. I am just concerned that we do not have the right organizational mechanism to mobilize our response the way we need to be mobilized.

General BLUM. Senator Mikulski, let me assure you that our excellent response last year, which was historic in its scope and speed, unprecedented in military history of the world to a natural disaster, will be better this year if needed because, frankly, you have given us \$800 million, your subcommittee has given us \$800 million. We have spent that on equipment on exactly what we told you we needed to respond better this year.

Last year we had three deployable command and control satellite communications systems deployed. This year we will have 19—

Senator MIKULSKI. General, it is not only about equipment. You know, the response to Katrina was late, uneven, disjointed. There was a lack of a national command and control structure. When a State's own responses are so overwhelmed by the nature of the disaster, only a national response can come in. As you know as guardsmen and someone under the doctrine of mutual assistance, has that been rectified?

General BLUM. I cannot with absolute certainty say it has been rectified. I can tell you that we have had avian flu exercises this year. We have had multiple hurricane exercises this year. I am gratified by the fact that more people are coming to the huddle that you describe than we used to see coming to the huddle, including FEMA. We have a big one coming up on May 17 with all of the National Guard leadership in FEMA.

Senator MIKULSKI. Who would be in charge?

General BLUM. Well, absolutely it would be the Governor of the State where the hurricane occurs initially, and then if they request Federal assistance who will be in charge will be designated by the administration and the Department of Homeland Security. It could very well be FEMA. It would be very likely that it would be—

Senator MIKULSKI. Then how would you be mobilized for a national response? What the Air Force did is beyond a local National Guard and they themselves might have been killed. The base might have been destroyed. Their families will be in disarray or evacuating.

General BLUM. From the uniformed side, we will—I will absolutely tell you that the situational awareness or the information sharing between the United States Northern Command and the National Guard has improved and will be better this year than it was last year. You will also see an improved communication and sharing of information with the Joint Staff of the Department of Defense this year. Better than it was in the early stages last year. You will even see better communication between the adjutants general and the supporting States with one another than they did, even as compared to how extraordinarily well they did last year.

We have learned a lot of things the hard way last hurricane season. We hope to do better on many of those things this year. I will never say that we are absolutely prepared because you never know exactly what we are going to be facing, but we are better prepared than we were last year as an inter-agency coordinated effort.

I do not know if that adequately answers your question.

Senator MIKULSKI. Well, it does, but you need to know I worry about it.

General BLUM. Well, you should, you should.

Senator MIKULSKI. We can talk more about it or even privately about it, because I think both the Army and the Air Force, and then coupled with our Coast Guard, were fantastic. But you need to be able to have the response at the right time.

RETENTION IN THE ARMY NATIONAL GUARD

Army retention. One of the issues I think, is the retention of the noncommissioned officers (NCO's) or at the sergeant level a significant challenge? Because no matter how well we recruit, you need an officer corps, and it's the NCO that seems to play such a part in both training and even the social glue of individual units in our States. Am I right in that analysis, and how are we doing on retaining them?

General VAUGHN. I think you are exactly right, Senator. We are very proud of our retention inside the Army Guard. It goes back to those units that have been deployed and done very meaningful things. You know what we are faced with with our recruiting situation. We are going to have the youngest National Guard that we have ever had, but we are also going to have the most combat veterans we have ever had.

Every place we go, we see folks that would have—we see soldiers really that would have left the force except for one thing: They wanted to go with their unit on a deployment. When you were talking about folks that went back the second time a while ago, there are 1,000 soldiers out of Minnesota that went with the 1st of the 34th that did not have to go.

Now, what we are seeing is those soldiers when they come back—normally they would not have been in anyway, but they extended, and what they are telling us is they will stay with us to groom that next level of leadership in the NCO corps before they leave. That is all we are asking them to do, because we are going to have a very young force.

I think we are doing real well in retention. We thank this subcommittee for all of that help. Across the Army we are doing well. Thank you.

Senator MIKULSKI. Thank you.

Mr. Chairman, I have other questions. I know others will be asked. My time is up. I would just like to comment to the Air Force. I have a very keen interest in military medicine that the leadership of the subcommittee is aware of. I think the advances we have made in Iraq at limiting both mortality and morbidity has been fantastic. It is because of not only the new battlefield techniques, but because of what the Air Force does, from lifting the soldier from the battlefield to the hospital in Iraq or Afghanistan and to Germany.

I think it has been a story that has not been told, and every physician, including the civilian community, is amazed at the brilliance of it and the medical ingenuity. But it could not be done without the Air Force doing the heavy lifting. So a very, very, very special thanks.

Senator STEVENS. Thank you, Senator.

Let me remind Senators we have another panel and we have a vote starting at, two votes starting at 12 noon.

Senator Bond.

Senator BOND. Mr. Chairman, I have agreed to yield to Senator Domenici for one quick question.

HOLLARAN AIR FORCE BASE: F-22 CONSTRUCTION

Senator DOMENICI. One question. My question has to do with Holloman Air Force Base and the fact that the F-22's are scheduled to be assigned there. As you know, at the other assignments the Air National Guard flies the F-22's in conjunction with the regular Air Force. My question is how will the New Mexico National Guard be used for operating the F-22 squadrons at Holloman?

General ICKES. Yes, sir, Senator. As a matter of fact, 2 weeks ago I was in discussions with The Adjutant General (TAG) and his staff down in New Mexico to how we best leverage those great Air Guardsmen down there to move into the F-22 mission. Much like we are going to be and we are in Virginia and Hawaii.

We have great opportunities in the F-22. What we are looking at is how we can come up with a concept that will allow the unit to be able to recruit and retain down at Holloman and be a vital part of that mission. We have found at Langley with the folks that we have put in the F-22. The Air Force is ecstatic about the skill sets that we are bringing the experience in both our air crew and our maintainers. We are looking for the best way to do that.

I would tell you that it will be something like a detachment-type (DET) of construct probably initially. It probably will not be a full-up robust unit down there initially, just because of how we will sustain a full-up unit down there. The TAG is very eager to look at organizational constructs that would work to get the New Mexico Guard into that.

Senator BOND. Thank you very much, General Ickes.

NATIONAL GUARD SEAT ON THE JOINT CHIEFS OF STAFF

General Blum, what does the National Guard represent now in terms of percentage of the total force?

General BLUM. About 32 percent of the total capability of the United States Army and about 34 percent of the total capability of the United States Air Force.

Senator BOND. Can you tell me how many hold the rank of general and lieutenant general respectively in the active duty Army and in the Air Force?

General BLUM. No, sir, I am not prepared to give you that number right now.

Senator BOND. I think in the Army there are 12 generals and 49 lieutenant generals, the Air Force 13 generals and 37 lieutenant generals.

The National Guard has how many generals and how many lieutenant generals?

General BLUM. We do not have any generals and, as far as lieutenant generals, we have—

Senator BOND. Three.

General BLUM [continuing]. Three.

Senator BOND. So that is zero percent of the full generals, 3 percent of the lieutenant generals, although you comprise over 30 percent of the force. Should we increase the grade authorization of the Chief National Guard Bureau (CNGB) to four star in order to provide him or her a seat at the Joint Chiefs of Staff (JCS), thus giving the Guard a stronger voice?

General BLUM. Is that a direct question to me, sir?

Senator BOND. Is that a—yes. Should we?

General BLUM. It would be probably inappropriate for me to comment and my feelings on that really do not matter. Those decisions really need to be decided in other places. What I have got to do is decide how to do the job with the tools I have in front of me.

Senator BOND. I understand the Department of Defense position. Do you have a personal opinion on which you can give me some guidance?

General BLUM. Well, sir, if you are asking me would it aid a future chief in their ability to do the job, I think that is certainly worthy of very serious consideration. However, it would be inappropriate for me to discuss that because I am currently in that position.

Senator BOND. We understand that and we take that into account.

But let me just, a couple points and I want to see if I have got these correct. Since 9/11 the role of the Guard has become more important to the security of the Nation. In response to 9/11, Congress created an Assistant Secretary of Defense and the Department of Homeland Security, but did not establish any formal connection between those entities and the National Guard Bureau (NGB), and under the current law the NGB is still limited to serving as a channel of communication between the services and it has no formal connection to the Joint Chiefs of Staff, no voice of its own inside the Joint Chiefs of Staff.

Is that a correct statement of the structure?

General BLUM. Sir, if you look at—this question I am more comfortable to address, frankly, because it is not tied to an incumbent or anything like that. The U.S. Code right now establishes in law the job of the Chief of the National Guard Bureau. It is restricted

to a channel of communication between the States and the Chief of Staff of the Army and the Air Force and the Secretary of the Army and the Air Force. It does not recognize any direct connection to the Department of Defense. It does not establish any connection to the Joint Staff. It does not reflect any that Goldwater-Nichols changes.

We were completely excluded from that and obviated from those reforms. We are still left in the 1947 construct. We are a unique organization that is still viewed through policy, regulation, authorities, and resources largely as a strategic reserve. Yet we are an operational force today and will be a more and more essential operational force in the future.

So I would say the policies, the regulations, the authorities, and the resources need to seriously be looked at to bring them into line with an operational force that is unique, in all of DOD; and that has shared responsibilities with the dual mission for both the governors and the President.

Senator BOND. As we have discussed, this year the Army through the Pentagon sent Congress a budget proposal which reduced the size, proposed reducing the size of the Army Guard force structure, holding back some of the manpower funding based on recruiting downturns. I believe that senior Army leadership has acknowledged the fact in congressional testimony these decisions were made without full and complete consultation with the States or the adjutants general. Is that a fair statement?

General BLUM. Yes, sir, and that has been the testimony of the Secretary of the Army and the Chief of Staff of the Army.

Senator BOND. We have also heard from the subcommittee previously in BRAC consultations the Air Guard was left out of making what I consider, I have already stated, is a very bad decision. When hurricane—well, when you have four-star generals making decisions like this, from what little I know about military discipline, a three-star general listens to a four-star general, the four-star general gives the orders to three-star generals. Is that a fair account of the structure?

General BLUM. Yes, sir, that is the way it is set up to work and it works very well.

Senator BOND. That is why we want to change it.

When Hurricane Katrina struck, the biggest military deployment response effort was conducted, not by the Department of Defense, but States sending National Guards under the emergency management assistance compact and set up specialized informed dialogue between the States and the Federal Government.

Even though the National Guard Bureau had no formal connection to the Department of Defense or the White House, you were in fact called upon to give advice and provide coordination, were you not?

General BLUM. Absolutely, particularly after the first 24 to 36 hours.

Senator BOND. I understand the National Guard Bureau has been in the forefront of cutting edge ideas, like the joint force headquarters, State chem-bio response, National Guard quick reaction. You have pioneered these capabilities as America needs them. But I understand it has been slow to get DOD funding, at least in part

because the National Guard Bureau does not have a formal mandate to develop unique capabilities such as this. Is that correct?

General BLUM. That is fair, sir. That is a fair statement. That is accurate.

Senator BOND. I will say that I will make a statement that adding a four-star general will not endanger national security.

Thank you, General Ickes. Following up on the comment made by Senator Mikulski, our congressional delegation (CODEL) to Iraq and Afghanistan, we were flying a National Guard C-130, supposedly going directly to Kabul. We detoured to Kandahar, picked up a severely injured Afghan officer. They established a field hospital on the C-130, dropped him at Bagram Air Base, and we saw how magnificent the work of the National Guard, Wyoming Guard flying in Rhode Island aircraft.

Thank you.

Senator STEVENS. Thank you very much.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you.

TOTAL FORCE INTEGRATION AND NORTH DAKOTA

General Ickes, I wonder if you could update me on the plans for the 119th, the Happy Hooligans in Fargo?

General ICKES. Well, sir, right now what we are trying to figure out in the Air Guard, working with the Air Force, is—and General Blum has alluded to it—there is a myriad of requirements that we are looking to fill, capability that we want to bring. That drives us to somewhere to around 112,000 to 119,000 guardsmen.

But yet we understand when we start matching resources to requirements there will be some adjustments made. So now what we are trying to figure out in this total force initiative is what are we going to be able to do.

For North Dakota specifically, Predator is, the unmanned air vehicle (UAV) systems are on their way to North Dakota. We will be standing that up shortly. I was in discussion with the TAG this morning about the bridge missions for the State to make sure that we have a bridge capability. General Blum has committed to them being our first joint cargo aircraft organization. So we are working for a way that we do not lose that flying capability in the organization, and we will be discussing that more today.

But we are trying to figure out, are we going to have adequate resources to stand up this new total force integration capability as we go into the future? We have the people, we have the missions. We have just got to make sure resources match that, and training.

Senator DORGAN. Well, the administration's budget proposal to cut the Air Guard by roughly 14,000 over 5 years, how will that affect the total force integration? How might it affect the total force integration?

General ICKES. It will have a big impact, sir, if we have to meet that requirement. General Blum has been working close—we work close with General Wood, the head programmer of the Air Force. We are trying to figure out how to move into new transformational organizations so that we can find some efficiencies.

But our concern is that, as we have done some preliminary studies, the Guard—there is enough capability and requirement for

more than we have today. Now we have to prioritize and then figure out, what are we going to be able to do? It is going to be a challenge for us as we move into the future.

We understand the Air Force's needs to modernize the fleet. We want to be part of that. We will be part of that. But there are some challenges.

Senator DORGAN. The flying mission, the Happy Hooligans, the 119th, the bridge you are talking about there might be some C-130's, is that correct?

General BLUM. Yes, it might, Senator. But we may even have a better solution that we are going to discuss on that with the Governor today. Actually, later today we will meet with the Governor. We have been able to come up with another option that we would like North Dakota to consider that may be even, frankly, better than that.

But if nothing better than that develops, then we will probably do what we have discussed and that would be the C-130 bridge.

LENGTH OF DEPLOYMENT

Senator DORGAN. Let me ask, General Blum. One of the issues with respect to the National Guard in my State and others when they are deployed is that generally speaking, while they are citizen-soldiers, have jobs, homes, families they are leaving to go, in many cases now to deployment in Iraq, they are taken on their deployment and gone in many cases 14, 16, in some cases 18 months. Active duty soldiers when deployed in most cases leave their base station here in the United States and are gone 12 months and back.

So the fact is the citizen-soldiers here are gone from home the longest. Tell me, are you working through—I know that you addressed some of that earlier this morning. Are you working through ways to reduce that time away from home for the deployments for the Guard?

General BLUM. The short answer is yes, sir, we are. If you want more detail, I will tell you how we are doing it.

Senator DORGAN. If you would, yes.

General BLUM. There are several factors there that are involved. One is the mobilization piece. When they are called up they have to be given the equipment they did not have, they have to be given the training that they did not receive, they have to get processed for all of the dental and medical issues that were not resourced or covered previously because they were a strategic reserve.

As you bring them in to make them an operational force, it takes time and resources to do that. That extends the time.

All soldiers in the United States Army spend 1 year boots on the ground right now. General Schoomaker and the Army leadership is committed to shortening that as fast as they possibly can, but right now they are unable to do that. We do not want to look unaccessible or unreliable. We want to remain an essential, integral part of the United States Army and Air Force. We serve overseas the same length of time as the active duty people.

The additional time you are talking about is the time that could be shortened if equipment were in the hands and training were in the hands of the reservists or the national guardsmen before they

were called. That would dramatically shorten the time. The active duty people still do training before they deploy as well and I do not take any quarrel with that at all. There is always specialized training required. But this time could be shortened through process and resource.

EQUIPMENT, WEAR AND DEPLETION

Senator DORGAN. In my remaining minute and a half, let me ask about equipment. There has been a lot of stories and a lot of evaluation about just plain wearing out of equipment. We have a very large emergency supplemental bill on the floor of the Senate now. Much of that is to try to replace equipment that is wearing out. We are using that equipment much more heavily than was anticipated.

Tell me what you are facing with that equipment situation?

General BLUM. Exactly the same issues, except it is exacerbated because we started with less than all of the equipment we were supposed to have to begin with. As I said earlier, the entire United States Army has this problem. It is not unique to the Guard or the Reserves, but the Guard and the Reserves have a more significant problem because they were underresourced at the beginning and as the resources are depleted that pushes you further and further in the hole.

I do not know if that is adequate for your answer, but that is the overall big picture.

Senator DORGAN. It is a pretty serious problem, I think.

General BLUM. Oh, it is an incredible problem for the United States Army over the total Army, not just the Guard, but the Guard suffers disproportionately because we started lower on our inventory to begin with.

Senator DORGAN. General Vaughn, General Blum, General Ickes, thank you very much for being here.

Senator STEVENS. Thank you, Senator.

Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

NATIONAL GUARD SEAT ON THE JOINT CHIEFS OF STAFF

I am pleased all the witnesses are here. I have read the testimony. Unfortunately, we are at Judiciary at the same time. I know much of my questions have already been asked.

We look over the past year and we have seen troops from our National Guard providing upward of 50 percent of the troops in Iraq. We know the National Guard provided perhaps the best response of the Government to Hurricane Katrina, and General Blum and I have talked about these matters before.

A lot of us were very disappointed to see the Army and the Air Force attempt to cut the end strength of the National Guard on purely budget grounds without considering they have broad responsibilities. Senator Bond has already discussed this, but he and I are co-chairs of the Guard Caucus and we fought these cuts very hard. We have actually 73 members in a time when, unfortunately, the Senate has become far more partisan than what the three of us are used to as more senior members here. This was a strong showing of bipartisanship, 73 Senators joining the letter to the Secretary opposing this.

I kind of look at the National Guard as a 21st century fighting force with a kind of 19th century organizational chart or flow chart. I think the interesting thing is how well you have worked around some of those obstacles. That is why Senator Bond and I are introducing the National Defense Enhancement and Guard Empowerment Act of 2006, which has been discussed.

General Blum, you were circumspect in your answers to Senator Bond on that. I do not want to pressure, but tell me this. Would your successor be in a better position to address the needs of the Guard if the chief sat on the Joint Chiefs of Staff?

General BLUM. I would have to say that that would be a more advantageous position to have your points, your agenda, and your voice heard. I would think, I would think that it could not be anything other than an advantage for someone to be in that position. I can see no disadvantage for a future chief. You could not provide him a better platform to have his voice heard, let me at least put it to you that way.

You are asking me a very awkward question.

Senator LEAHY. I understand. I had a follow-up on that, which I will not ask because that would be even more awkward.

I have not heard anybody on this panel try to dissuade Senator Bond and me from going forward. I had an interesting discussion with the Secretary of Defense where he disagrees with us and in fact made his position very clear. I however made mine very clear. And he and I have known each other for well over 30 years and we sometimes agree and when we disagree we are never so shy that we refrain from letting each other know where we disagree.

Let me ask you this. The Army and the Air Force when they were putting forward the request for cutting the Guard's force structure by 17,000 and 14,000 respectively, were you or your two chief deputies involved in the deliberations and decisionmaking?

General BLUM. I think it has been testified before by myself, Secretary Harvey, General Schoomaker, the Chief of Staff of the Army, that that entire episode could have been done and handled much better. There is a definite commitment amongst the senior leadership of the United States Army and the Guard Bureau to make sure that we speak with one voice and that we move forward, from what has been a very ugly and consistent past history that is well known by all the members of this subcommittee. This is not a new development. This is a pattern, a historical pattern, that we are trying to get away from. We are trying to move forward in a new, more positive direction with the current leadership.

But the history is replete with examples where the Guard and Reserve leadership were informed more than they were involved.

MISSION READINESS

Senator LEAHY. Well, what bothers me is that also it comes down almost like you are doing it with a slide rule on money and ignoring mission. I am more interested in looking first at what the mission is and then determining whether we can fulfill the mission. I think it sort of goes the other way around, and I think that is unfortunate.

We have seen a broadly expanded mission in Iraq and Afghanistan. I certainly see it from my little State of Vermont, that we

have had on a per capita basis one of the highest, if not the highest, number of casualties in the country. We certainly have not found anybody who has refused to go. They are there. They salute and off they go. And I am told by those who have visited from outside our State that Vermonters have handled themselves extremely well.

General BLUM. Yes, sir, they have.

Senator LEAHY. But I think that could be said of a whole lot of States. And I also know that our regular Army and Air Force have done an extremely good job over there, but they could not do the job that they have been tasked to do, or our marines, without the backup of the Guard. Then we have, of course, the homeland things. Katrina, we saw that, when you guys responded so well. But we also saw an enormous amount of equipment used up.

My time is up. I think you know where I stand on this. We will keep trying to replace the equipment you need for Katrina, from Katrina, and Iraq and Afghanistan, because, much as we would like to say the need will never occur again, we know it will.

Thank you, Mr. Chairman.

General BLUM. Thank you, Senator.

Senator STEVENS. Thank you very much.

ROLE OF THE NATIONAL GUARD

Thank you very much, Generals. I was just sitting here talking to Senator Inouye and we are reminded about the fact that about 27, 28 years ago Senator Stennis decided on the recommendation of Senator Hollings and myself to ask the Guard to have their people who had duty time 2 weeks a year to perform that over in Europe, and that led to the whole concept of trying to think about how we could use the Guard and Reserve forces in terms of augmenting the commitments we had at that time to maintain forces in Europe.

We have come a long way now. We also were the ones that put in the first bill to make your rank four star, General. When that failed, everyone moved up to three stars, but we had two people assigned to be advisers to the Chairman of the Joint Chiefs to represent Guard and Reserve interests on the immediate staff.

Now we are going back again to the four-star level and obviously questions here from the Guard Caucus indicate that, and Senator Inouye and I will once again join them in trying to bring about a restructuring. In the final analysis, that will be a decision by the Armed Services Committee, but we think we have a role in this also, so we are going to be advisers, but certainly rely on your judgment as to how this might work out.

It is not going to be too convenient to have a fifth member of the Joint Chiefs who really has a role that intercedes with two other chiefs. We have to find some way with the Armed Services Committee to reconcile that problem. But I certainly do agree it is time now that the forces that you represent, you and the generals who follow you represent, are part of the total force and they should not—that force should be at the table. It should be in the huddle, General, and we look forward to helping to do that.

General BLUM. Mr. Chairman, if I might, for the record I would like to state my position on one thing. I do not support the National Guard being a separate service. I hope no one takes any of

the testimony or draws conclusions. First of all, I have not really seen the details of what is being proposed here today, and it is very awkward for me to comment.

Senator STEVENS. We are not asking you to and I do not think we should.

General BLUM. And I certainly want to go on record as saying that the role of the Army National Guard and the Air National Guard as Federal reserve components of the Army and the Air Force should be maintained and probably strengthened, and that the unique dual role mission of the National Guard, which is really probably the core of what is misunderstood most or not well understood or well known throughout the halls of the Pentagon, is the root of a lot of the problems.

I would say that you want to maintain that unique dual role, and I would say that you want to maintain the Army and Air National Guard of the United States as Federal Reserves of the Army and the Air Force, but clearly, clearly the legislation that exists today does not recognize the Department of Defense, it does not recognize the Joint Staff, it does not recognize Northern Command's existence, it does not recognize the Assistant Secretary of Defense for Homeland Defense. Those things are absolutely in need of serious addressing. There is no question.

The National Guard needs to be, as well as the other Reserve components need to be, brought up and caught up with the Goldwater-Nichols Act. We were left out of that.

Senator STEVENS. Well, the experience you are going through now and we have been through in terms of this involvement for Afghanistan and then Iraq certainly demonstrates the need for rethinking of the organizational structure that utilizes the Guard and Reserve. That is what we are saying. I think we are trying to bring about that really recognition of what this experience has demonstrated. I hope we are successful.

General BLUM. Senator Leahy, I will not get into your discussions with the Secretary of Defense, but I do know that he recognizes what I just described as an issue that needs to be resolved, and he has a very keen interest in resolving. There is no question about it. This is definitely on his radar screen to be addressed.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. Thank you very much.

General BLUM. Thank you, sir.

Senator STEVENS. We thank the three of 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 LIEUTENANT GENERAL H STEVEN BLUM

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. The National Guard has deployed a substantial amount of equipment overseas. How has the loss of that equipment affected readiness levels nationwide? How do you plan on replenishing that equipment?

Answer. As one would expect, the readiness levels of the Army National Guard (ARNG) units have declined substantially. The ARNG has contributed approximately 86,000 pieces of equipment valued at over \$2.8 billion as "theater provided equipment" (TPE). While the Army has the role and responsibility of equipping the

ARNG, the ARNG and Army have been working closely together to develop a strategy that will transform our formations into modular units. In the 2005–2011 Program Objective Memorandum (POM) Army has “firewalled” over \$21 billion of equipment dedicated to the ARNG. In addition, Army has requested \$2.2 billion in the fiscal year 2007 supplemental to repay the ARNG for equipment contributed to TPE. The ARNG is currently working with the Army on the 2008–2013 POM to further modernize and transform the ARNG. The ARNG also has developed an Unfinanced Request for an additional \$33 billion that, if funded, would fill the ARNG to 100 percent of Objective Table of Organization and Equipment requirements, thus fulfilling the Army’s ultimate goal.

Question. I am concerned with the President’s fiscal year 2007 budget request for National Guard Counter-Drug programs. Each year the administration does not request sufficient funds for State Plans Programs, and this year is no different. Why is it important that the National Guard continue to support our nation’s counter-drug program?

Answer. National Guard Counterdrug (NG CD) Program personnel in every state and territory work to: provide specialized military support of the drug related homeland security activities of federal, state, and local law enforcement, in the form of criminal activity analysis, law enforcement officer training, aviation support, criminal activity observation and reporting, linguist support, and engineering support; educate America’s youth about the dangers of drug abuse and addiction, to reduce the demand for drugs; and lend specialized drug fighting skills to the military Combatant Commanders abroad in their fight against terrorism and drugs.

The National Guard is an effective force multiplier for law enforcement’s drug interdiction efforts. In fiscal year 2005 National Guard Counterdrug personnel assisted law enforcement in seizing the following: cocaine (353,225 pounds); crack cocaine (11,950 pounds); marijuana plants (2,043,734 plants); marijuana, processed (1,986,178 pounds); methamphetamine (6,137 pounds); heroin (2,139 pounds); ecstasy (560,971 pills); other/designer drugs (4,621,339 pills); weapons (11,490); vehicles (4,357); and currency (\$241,988,784).

The National Guard Counterdrug program faces serious financial challenges. Approximately 90 percent of the CD Budget is used to fund personnel Pay and Allowances. Budget increases have not kept pace with the inflation in manpower costs. As the buying power of the budget shrinks, the Counterdrug program loses capability each year.

Presidential Budget Directive (PBD–95) directed a recommended minimum level of National Guard Counterdrug capability, measured in terms of end strength, to be 2,763 Guardsmen. In fiscal year 2007, the National Guard Counterdrug Program would require an additional \$61 million above the President’s budget to achieve this personnel level. The five Counterdrug schools for law enforcement officers have identified requirements for \$20 million above the President’s budget. Updating the sensors on the RC–26 surveillance aircraft to preserve viability will cost \$38 million above the President’s budget. These sensors also provide real time downlinks during crisis operations.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. General Blum, can you provide the committee your thoughts on the implications of the Guard becoming our nation’s operational force instead of the strategic force of the past, and how we balance that with their state’s missions?

Answer. The National Guard has transformed itself from the Cold War strategic reserve into an operational force with a focus on joint and expeditionary warfare that is capable of responding to a broad range of civil and humanitarian crises. Whether supporting a variety of state missions in a domestic scenario or deploying to over 40 nations on five continents in the past year alone, the Guard is more ready, reliable, essential and accessible today than at anytime in its nearly 400 years of existence. Since the terrorist attacks of September 2001, the Guard has been employed around the world and here at home as an operational force in a variety of contingencies and, with the exception of those units mobilized for war, is still under-resourced for many of the missions it now performs. Army Guard units in particular remain manned at Cold War levels, lack a robust cadre of full-time support personnel, and are equipped well-below wartime requirements. Since September 11, 2001, Guard units deploying to the warfight have been well-equipped, but the response to Hurricane Katrina revealed serious shortcomings in the equipping of Guard units for Homeland Security and Defense. Guard units returning from overseas came back with an average of only about 35 percent of the equipment with which they deployed, leaving them far less capable of meeting training require-

ments and, most importantly, fulfilling their missions here at home. To fulfill these missions, the Guard's highest priorities for re-setting and re-equipping continue to be satellite and tactical communications equipment, medical equipment, utility helicopters, military trucks and engineer equipment. We must also ensure that this equipment is identical to the equipment required for wartime use so that Guard units remain interoperable with their active component counterparts for both Homeland Defense and Homeland Security operations. Additionally, we must invest in an extensive non-lethal weapons capability for use in both domestic and overseas contingencies. By re-equipping with these priorities, the Guard will be able to effectively and ably continue its service to the American people, both at home and abroad.

Question. General Blum, as I understand it, instead of divisions being the centerpiece of the Army, modular brigade combat teams will be a strategically agile force that can "plug into" joint and coalition forces in an expeditionary manner. Could you describe what the Army National Guard will look like at the end of fiscal year 2007 and the rate at which the Army National Guard will become a modular force?

Answer. The Army is involved in the most dramatic restructuring of forces since World War II. The centerpiece is modular transformation and an increase in the Army's operational force with the building of brigade combat teams (BCTs) and associated multi-functional and functional support brigades. The Army National Guard is building toward 28 BCTs and 48 multi-functional and functional support brigades. The Army is currently conducting Force Management Review 2009–2012 to assess the optimum balance of force capabilities across all three components. A key element of this review is the collaborative effort with the Army National Guard Adjutants General to address warfighting requirements, current operational demands and potential Homeland Defense missions. The results of this effort may change the number and type of BCTs and support brigades in the Army National Guard beginning in fiscal year 2008.

QUESTION SUBMITTED BY SENATOR ARLEN SPECTER

Question. I understand that the National Guard and the Active Components (AC) are working together to ensure the Guard and the AC use as many of the same analytical and reporting systems as possible to ensure they are compatible in combat. Will this effort, however, provide all of the functionality the Guard needs for normal peacetime operations and to rapidly and effectively respond to domestic emergencies?

Answer. While DOD and the Army provide analytical and reporting tools our soldiers can use to operate as a cohesive enterprise, none have the ability to work outside of the federal force. Therefore, we are working on the requirements for a program, dubbed the "National Guard Enterprise," to encompass all the National Guard requirements for all purposes. The program will work with all the DOD systems and will have the capabilities to work with state and local systems, provide management for all the state National Guard requirements, and provide the National Guard with good incident management capability. The North Carolina National Guard has already funded interoperable communications systems for themselves, and we're going to try it in our Joint Operations Centers at the National Guard Bureau and in several of the Gulf states initially and see where we can go from there. We'll move carefully and cautiously because I want it to work correctly, and I don't want any of our airmen or soldiers using a system that doesn't work the same as the systems used in the combat theater.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

KIRTLAND NATIONAL GUARD'S ROLE WITH F-16 SQUADRONS

Question. What is the long range plan for National Guard F-16 squadrons like the New Mexico National Guard at Kirtland Air Force Base?

Answer. The F-22 mission is an ideal follow-on flying mission for the New Mexico Air National Guard. The current F-16 block 30 platform is scheduled for retirement in fiscal year 2012–2017. The Air Force needs the high experience inherent in Air National Guard units to maximize the potential of the F-22. A likely organizational structure for Holloman Air Force Base is the "Classic Associate" model.

NATIONAL GUARD'S ROLE IN BORDER SECURITY

Question. Existing Federal law allows the National Guard to work on counter drug initiatives such as building fences and barriers along the border. As a border state senator, I know first-hand the success these initiatives have had in our war on drugs.

Last year I introduced border security legislation that would expand the ability of States to use the National Guard in additional border efforts, including building roads, participating in search and rescue operations, and monitoring the international border. Under my legislation, the National Guard would not participate in any law enforcement activities and would be coordinated through the Departments of Defense and Homeland Security.

I believe such legislation could expand on current border security efforts, like an operation recently conducted in New Mexico that involved the U.S. Army assisting border patrol agents by surveying the border and notifying border patrol agents of illegal crossers. Additionally, I think such legislation could save lives, as the National Guard could participate in search and rescue operations for the many individuals who try to cross the border in the desert Southwest and suffer dehydration or worse.

Can you tell us a little bit about the National Guard's current role on the international border?

Do you believe allowing the National Guard to participate in surveillance efforts, search and rescue operations, and construction projects could be a valuable source of training for our Guardsmen?

Answer. The National Guard has for years provided support to security along the Nation's borders. Some of this has been in the form of support to law enforcement agencies performed as part of the National Guard counter-drug activities in border states. Additionally, National Guard engineer units have participated in innovative readiness training in which they hone their engineering, construction, planning and logistics skills by building fencing along the border. Our experience has been that this has indeed been good training.

EMERGENCY POWER SOURCES FOR THE NATIONAL GUARD

Question. I believe that as a key part of our nation's defense, the National Guard must have the tools it needs to protect Americans, including energy security that can be achieved through energy diversity.

Do any of our National Guard Armories currently have alternative energy sources that they can utilize in emergencies?

Have you considered what alternative energy sources might best be suited for our Armories?

Answer. Some readiness centers constructed in the past several years have included diesel-powered emergency generators. This item became an official item of construction criteria in 2003 but was permitted as an exception to criteria on a case by case basis before that year.

We have not yet been able to come up with viable alternatives to diesel-powered emergency generators. True alternative energy sources are, at this time, cost prohibitive and often technically unfeasible.

NATIONAL GUARD AND PLAYAS

Question. New Mexico Tech operates a training, research, development, test and evaluation complex in the town of Playas, New Mexico. First responders, homeland security personnel, defense personnel and others may utilize the unique training capabilities offered in the remote, desert southwest town of Playas.

I understand that you have visited Playas and seen some of its capabilities.

Does the Playas training center offer special training opportunities to the National Guard?

Answer. The Playas, New Mexico, facility offers National Guard units the opportunity to train with other government agency and Department of Defense first responders using interagency procedures, thus improving cooperation and coordination between these entities. The facility's unique capabilities—including use of explosives, sufficient airspace for unmanned aerial vehicle (UAV) and air operations, and use of urban settings for military operations—provides settings and training opportunities that are unavailable at most training facilities.

NATIONAL GUARD AND THE ARMY'S AIR DEFENSE ARTILLERY

Question. Thirty percent of the Army's Air Defense Artillery (ADA) is being assigned to the National Guard. Defense against rocket-artillery-mortar, cruise mis-

siles, and tactical ballistic missiles are now required of the ADA along with their traditional mission against manned aircraft. Additionally, these greatly expanded capabilities must be very mobile for integration into the Future Combat System.

Which ADA capabilities does the National Guard feel it can best support?

How will the National Guard ADA units be able to integrate their training into the net-centric, mobile units of the Future Combat System?

Answer. The Army National Guard (ARNG) can be successful in all mission areas of Air Defense Artillery (ADA), except for the theater missile defense mission of the Patriot system, if properly resourced. The key to success for the ARNG's integration into net-centric warfare is for proper resourcing, especially in new equipment and full-time manning.

QUESTION SUBMITTED BY SENATOR RICHARD C. SHELBY

Question. The National Guard has played a critical role in our national security over the past several years. In light of their major role in Iraq and Afghanistan, as well as their critical role domestically in the hurricane response this past year, General Blum, what role do you see the National Guard taking in order to meet the security requirements of the United States, now and in the future?

How do you see the National Guard's role and mission changing in the next several years?

Answer. The National Guard's role in meeting the security requirements of the United States will continue to evolve as the nation's requirements evolve, but the National Guard will continue to remain a hallmark of performance to the nation as it has for nearly four hundred years. As a transformed force capable of joint and expeditionary warfare, the Guard also remains capable of responding to a broad range of civil and humanitarian crises. The Guard fights narco-terrorism through our counterdrug programs. We stand guard over America's critical physical and cyber infrastructure. Our Airmen fly the vast majority of air sovereignty missions over America's cities, while our Soldiers man air and missile defense systems in the nation's capital and Alaska. We conduct peacekeeping operations in Kosovo and the Sinai, stand watch aboard military cargo ships as they transit the Persian Gulf, guard prisoners in Guantanamo Bay, and train the Iraqi and Afghan national armies. As recently as 2005, the Army National Guard contributed half of the combat brigades on the ground in Iraq. As much as the Guard does overseas, however, we must not lose sight of our responsibility at home. Our commitment to the nation's Governors is to not only provide each of them with sufficient capabilities under state control, but to also provide the appropriate mix of forces to allow them to respond to domestic emergencies. To meet this, the National Guard Bureau is committed to the fundamental principle that each and every state and territory must possess ten core capabilities for homeland readiness: a Joint Force Headquarters for command and control; a Civil Support Team for chemical, biological, and radiological detection; engineering assets; communications; ground transportation; aviation; medical capability; security forces; logistics; and maintenance capability. By focusing the Guard's priorities on recruiting and retention bonuses and initiatives, equipment reset and modernization, and obtaining critical domestic mission resources, our nation's future security will remain closely aligned with the transformation of the Guard as it continues to meet these challenges both at home and abroad.

QUESTION SUBMITTED TO LIEUTENANT GENERAL CLYDE A. VAUGHN

QUESTION SUBMITTED BY SENATOR TED STEVENS

Question. The Committee provided the Army National Guard an additional \$60 million for equipment in the National Guard and Reserve Equipment account in the fiscal year 2006 Defense Appropriations Act, and \$700 million in title IX. Can you tell us what requirements these funds will fill?

Answer. The National Guard and Equipment Account helps meet the equipment and system requirements identified by the Chief of the National Guard Bureau in the document entitled "National Guard Equipment Requirements, Protecting America at Home and Abroad," which was sent to members of the House and Senate last September. These requirements fall into ten areas: Joint Force Headquarters and Command and Control; Civil Support Teams and Force Protection; Maintenance; Aviation; Engineer; Medical; Communications; Transportation; Security; and Logistics. One major area of focus for the Guard is improving Interoperable Communications in Disaster Response.

QUESTION SUBMITTED TO MAJOR GENERAL CHARLES ICKES II

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. The Committee provided the Air National Guard an additional \$60 million for equipment in the National Guard and Reserve Equipment account in the fiscal year 2006 Defense Appropriations Act, and \$200 million in title IX. Can you tell us what requirements these funds will fill?

Answer. For fiscal year 2006 the Air National Guard was approved \$30 million in the National Guard and Reserve Equipment Account (NGREA) to fund equipment purchases versus the \$60 million addressed in your question. The \$30 million in fiscal year 2006 NGREA will fund equipment purchases to fulfill requirements in Precision Strike, Data Link/Combat Identification, 24 Hour Operations, Enhanced Survivability, Propulsion Modernization, Simulation Systems and Training. \$200 million in fiscal year 2006 Title IX NGREA will help the Air National Guard fund equipment requirements identified by the Chief of the National Guard Bureau in the September 22, 2005, document entitled "National Guard Equipment Requirements, Protecting America at Home and Abroad." These requirements include urgent needs to replace damaged and destroyed equipment used in support of hurricanes Katrina and Wilma, improve current capabilities, and modernize future capabilities. The equipment will enable the Air National Guard to better to respond to natural disasters, emerging homeland defense/homeland security needs, and leverage organic capabilities in support of the Global War on Terrorism.

RESERVES

STATEMENT OF LIEUTENANT GENERAL JAMES R. HELMLY, CHIEF, ARMY RESERVE, DEPARTMENT OF THE ARMY

Senator STEVENS. We will now hear from the leadership of the Reserve components: Lieutenant General James Helmly, Chief and Commander of the Army Reserve; Vice Admiral John Cotton, Chief of the Naval Reserve; Lieutenant General Jack Bergman, Commander of the Marine Corps Reserve; Lieutenant General John Bradley, Chief of the Air Force Reserve.

General Helmly, I understand this is your final appearance before our subcommittee. We want to thank you for your appearances in the past and your cooperation with this subcommittee and wish you well in your next assignment.

We welcome General Bergman, who is making his first appearance before us as Commander of the Marine Corps Reserve. It is a pleasure to have you before us, sir, and we look forward to working with you.

It really is a pleasure to have you all here. We are sorry that the previous round has taken a little bit longer than we thought, but we wanted to hear your statements. Your statements are printed in full in the record and we would like to hear your comments.

General Helmly.

General HELMLY. Senator Stevens, Senator Inouye, distinguished members of the subcommittee: Thank you for your time today. My name is Ron Helmly, as you noted, and I am an American soldier.

I am privileged today to be accompanied by two other soldiers of your Army Reserve: Captain—and I would ask them to stand as I call their names—Captain Matthew R. Brown and Sergeant Brianne C. Dix. Both of these distinguished members of our force have served in combat in Iraq. Their presence reminds us all of why we are here, to support the men and women who have answered our Nation's call to duty.

Captain Brown and Sergeant Dix are both representative of all of our members and I know I speak for my fellow chiefs, sailors, airmen, marines, coast guardsmen as well. They remind us of why we lead and why we are appearing before this subcommittee today.

Thank you very much, Captain Brown, Sergeant Dix.

Senator STEVENS. Captain Brown, Sergeant Dix, we thank you very much for being here. We appreciate it. Thank you.

General HELMLY. Senator, I hope to convey to you clearly today what the Army Reserve is doing to address the many issues involved in changing our force from an industrial age force in reserve to a more modern, skill-rich, complementary force that, when brought to duty, capitalizes on the intrinsic value of civilian-based skills, trains and prepares warrior-citizens who can compliment our Army and joint forces.

PREPARED STATEMENT

I ask that our prepared statement, which consists of our Army Reserve posture statement, be entered into the record as our prepared statement. I thank you the subcommittee for your time and for all you have done in the past and continue to do for our soldiers, sailors, airmen, marines, and their families, and I look forward to your questions. Thank you very much.

Senator STEVENS. Thank you very much. We appreciate that.
[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JAMES R. HELMLY

PURPOSE AND ORGANIZATION OF THE POSTURE STATEMENT

The 2006 Army Reserve Posture Statement (ARPS) provides an overview of the Army Reserve. It details accomplishments of the past year, as the Army Reserve continued to implement profound changes while simultaneously fighting the Global War on Terrorism. The Army Reserve understands its vital role in The Army Plan. This plan, endorsed by the Secretary of the Army in the 2005 and 2006 Army Posture Statements, centers around four overarching, interrelated strategies. The Army Reserve best supports The Army Plan by complementing the joint force with skill-rich capabilities. The Army Reserve programs, initiatives and requirements are designed to provide this additional support and are best described in the following strategies: (1) managing change; (2) providing trained and ready units; (3) equipping the force; and (4) manning the force. These strategies ensure that the Army Reserve, as an integral component of the Army, continues to meet its non-negotiable contract with the American public: to fight and win our Nation's wars.

TODAY'S ARMY RESERVE

America remains a nation at war, fighting a Global War on Terrorism that demands the skill, commitment, dedication and readiness of all its armed services. Our adversary is intelligent, tenacious, elusive and adaptive—a viable threat to the United States' national security and freedom.

By law, the purpose of the Army Reserve—to “provide trained units and qualified persons available for active duty in the armed forces, in time of war or national emergency, and at such other times as the national security may require”—is a reminder that while the methods, tactics and adversaries we face in the Global War on Terrorism are drastically changed from that which we prepared for in the past, our Nation's dependence on the Army Reserve has not changed.

Today's Army Reserve is no longer a strategic reserve, it is a complementary, operational force, an inactive-duty force that uses the energy and urgency of Army transformation and the operational demands of the Global War on Terrorism to change from a technically focused, force-in-reserve to a learning, adaptive organization that provides trained, ready, “inactive-duty” Soldiers poised and available for active service, as if they knew the hour and day they would be called. This fundamental shift provides significant challenges to our institution. Managing critical but limited resources to achieve higher readiness and continuing to recruit high-quality Soldiers, and sustaining a high tempo of operations are among the most essential of these challenges.

As a fully integrated member of our nation's defense establishment, the Army Reserve depends on the resources requested in the President's budget. These funds allow the Army Reserve to recruit, train, maintain and equip forces to prepare for present and future missions. As detailed later in this document, the Army Reserve is simultaneously undergoing deep and profound change in how it organizes, trains, mans, manages, and mobilizes Soldiers and maintains its forces. We are reshaping the force to provide relevant and ready assets with a streamlined command and control structure. We are committed to examining every process, policy and program, and changing them to meet the needs of the 21st century as opposed to continuing them from the past. We will remain good stewards of the trust of the American public.

The Army Reserve's future—an integral component of the world's best Army, complementing the joint force with skill-rich capabilities, skills and professional talents derived from our Soldiers' civilian employment and perfected by daily use—is truly more a current reality than a future one. Every initiative, change and request is geared to one end—to make the United States Army Reserve a value added, integral

part of the Army: the preeminent land power on earth—the ultimate instrument of national resolve—that is both ready to meet and relevant to the challenges of the dangerous and complex 21st century security environment.

The Army Reserve Soldier has always answered our country's call to duty—and we always will!

LT. GEN. JAMES R. HELMLY,
Chief, Army Reserve.

ARMY RESERVE HISTORY

HISTORICAL BACKGROUND AND TODAY

The Army Reserve is an institution with a long tradition of adapting to the changing security needs of the Nation. The profound changes currently underway today, with more than 40,000 Army Reserve Soldiers mobilized in support of the Global War on Terrorism, are an accelerated continuation of that tradition.

1908: The official predecessor of the Army Reserve was created in 1908 as the Medical Reserve Corps and subsequently titled the Organized Reserve Corps. It was a peacetime pool of trained officers and enlisted men that the Army mobilized as individual replacements for units in the world wars of the 20th century. Today, the Army Reserve makes up 67 percent of the Army's total medical force with physicians, dentists, nurses and veterinarians bringing their civilian skills and experience to Soldiers on the battlefield.

1916: Using its constitutional authority to "raise and support armies," Congress passed the National Defense Act in 1916 that created the Officers' Reserve Corps, Enlisted Reserve Corps and Reserve Officers' Training Corps. The Army mobilized 89,500 Reserve officers for World War I (1917–1919), one-third of whom were physicians. Currently, more than 25,000 students at 1,100 colleges and universities are enrolled in Army ROTC.

1920: After the war, the separate Reserve corps for officers and enlisted men were combined into the Organized Reserve Corps, a name that lasted into the 1950s. Today, the Army's Title 10 force is known as the Army Reserve.

1940: In preparation for World War II, the Army began calling Army Reserve officers to active duty in June 1940. In the year that followed, the number of Reserve officers on active duty rose from less than 3,000 to more than 57,000.

1941–1945: During World War II (1941–1945), the Army mobilized 26 Reserve (designated) infantry divisions. Approximately a quarter of all Army officers who served were from the Reserve, including more than 100,000 Reserve Officers' Training Corps graduates. More than 200,000 Reserve Soldiers served in the war.

1950–1953: The Korean War (1950–1953) saw more than 70 units and 240,000 Army Reserve Soldiers called to active duty. While the Korean conflict was still underway, Congress began making significant changes in the structure and role of the Reserve. These changes transformed the Organized Reserve into the United States Army Reserve.

1970s: By the 1970s, the Army Reserve was increasingly structured for combat support and combat service support. The end of the draft coincided with announcement of the Total Force Policy in 1973. The effect of an all-volunteer force and the Total Force Policy was a shift of some responsibilities and resources to the Army Reserve. Today, in the spirit of the Total Force policy, when America's Army goes to war, the Army Reserve goes to war.

1991: Army Reserve Soldiers were among the first reserve component personnel called to active duty for operations Desert Shield/Desert Storm and were among the last to leave the desert. More than 84,000 Army Reserve Soldiers provided combat support and combat service support to the United Nations forces fighting Iraq in the Persian Gulf and site support to United States forces elsewhere in the world.

1993: In the post-Cold War era, the Army restructured its reserve components. Reduction in active-component end strength made the Army even more reliant on the Army Reserve and the Army National Guard. A 1993 agreement among all three components called for rebalancing the preponderance of reserve component combat formations in the Army National Guard, while the Army Reserve would principally focus on combat support and combat service support. Today, the Army Reserve provides 30 percent of the Army's combat support and 45 percent of its combat service support capabilities.

1995: Since 1995, Army Reserve Soldiers have been mobilized continuously. For Bosnia and Kosovo, 20,000 Army Reserve Soldiers were mobilized.

2006: As of February 2006, more than 147,000 Army Reserve Soldiers have been mobilized in support of the Global War on Terrorism, with more than 40,000 still serving on active duty.

STRATEGIC OVERVIEW

Today's security environment is volatile, uncertain, complex and ambiguous. The elements of that environment often interact randomly and without sufficient lead time to develop a deliberate response. The need for Army Reserve Soldiers and units to be fully prepared to respond, prior to mobilization, is paramount.

World conditions reveal a variety of emerging challenges to our national security interests: Wider range of adversaries; Weapons of mass destruction; Rogue state armies; Cyber network attacks; Worldwide terrorism; and The global economy.

National conditions present additional challenges: Protracted war; Homeland defense; Budget pressures; Public focus; Global War on Terrorism (GWOT); Disaster response/relief; Declining manufacturing base; and Propensity for military service.

Within such an environment, the Army Reserve is changing from a strategic reserve to an inactive-duty force of skill-rich capabilities with enhanced responsiveness to complement the Army's transformation to a more lethal, agile and capabilities-based modular force. The Army Reserve's force structure is no longer planned as a force in reserve—a "supplementary force;" rather, it is a force that complements the Army and joint forces. Today's units are to be prepared and available to deploy with their full complement of trained Soldiers and equipment when the Nation calls.

This transformation will progress as the Army Reserve continues to meet the ongoing operational challenges of the Global War on Terrorism, while simultaneously supporting other missions around the globe.

MANAGING CHANGE

Accomplishments

Since the beginning of 2005, the Army Reserve has:

- Developed and applied a cyclic readiness and force management model, currently called Army Force Generation (ARFORGEN). Applied the ARFORGEN logic to how Army Reserve units are scheduled and resourced for deployment. In 2005, about 75 percent of the Army Reserve mobilized units were from the Army Reserve Expeditionary Force packages using the ARFORGEN model.
- Programmed inactivation of 18 general officer non-war-fighting headquarters.
- Awarded 11 military construction contracts in 2005 to construct nine new Army Reserve training centers that will support more than 3,500 Army Reserve Soldiers in Kansas, Florida, Utah, Pennsylvania, Maryland, New Jersey and Colorado.
- Awarded two major range improvement project contracts for Fort McCoy, WI.
- Activated two functional commands, the Military Intelligence Readiness Command and Army Reserve Medical Command, providing focused training and force management for medical and military intelligence Army Reserve forces.
- Began realignment of command and control of U.S. Army Civil Affairs and Psychological Operations forces from Special Operations Command to the U.S. Army Reserve Command to improve training and force management.
- Initiated action to close or realign 176 Army Reserve facilities under BRAC, a higher percentage than any other component of any service, moving Army Reserve Soldiers into 125 more modern facilities.
- Began applying Lean Six Sigma business management techniques to improve supporting business processes and methods.

Transforming to meet today's demand for Army Reserve forces has led to the development of a host of initiatives. When implemented, these initiatives will accomplish the following:

- Ensure more focused and efficient management, increasing units' and Soldiers' readiness.
- Increase the number of Army Reserve Soldiers in deployable units.
- Provide improved facilities and more effective training to Army Reserve Soldiers.
- Streamline the command and control of Army Reserve forces.
- Increase the number of Soldiers in specialties needed to support the GWOT.
- Improve Army Reserve business, resourcing and acquisition processes.

Focused, Efficient Management: Army Reserve Expeditionary Force

The foundation for Army Reserve support to future contingencies is the Army Reserve Expeditionary Force (AREF). Incorporating a strategy for cyclically managing Army Reserve force readiness, AREF directly supports the Army's Force Generation model. AREF applies Army rotational force doctrine to decisions regarding training, equipping and leader deployment. The management system applies packaged and cyclic resourcing of capabilities instead of the outmoded, tiered resourcing model, which supported a now obsolete, time-phased force deployment list against prescrip-

tive operational plans. AREF provides more focused, efficient support to units about to deploy by developing packages that can be called to duty as needed. The system also capitalizes on constrained resources to best utilize equipping and readiness dollars.

Under AREF, most Army Reserve units are assigned to one of the expeditionary force packages. The packages move through a rotational cycle of readiness levels, ranging from reconstitution to validation and employment. The units in each package will have a one-year “availability” period during which they will be “on call” or deployed. AREF enables the Army Reserve to achieve a high level of readiness in planned, deliberate time periods and provides a means to program and manage resources in advance. This resourcing strategy also ensures that deploying units be trained individually and collectively on the most modern equipment and have that equipment available when needed.

When fully implemented, the AREF strategy will add rotational depth to the force, spread the operational tempo more evenly throughout the Army Reserve, and add predictability to the processes that support combatant commanders, Soldiers, families and employers.

Increasing the Operational Force

In 2005, the Army Reserve began divesting itself of force structure that exceeded its congressionally authorized end strength of 205,000. The Army Reserve also began reducing the number of spaces in non-deploying units. These actions allow more Soldiers to be assigned to deployable units and to be fully prepared for mobilization. This process requires a substantial “leaning out” of our training base and support headquarters, while carefully maintaining high quality training and support services. As an example of training base efficiencies, in fiscal year 2005, the Army Reserve continued to develop the new 84th U.S. Army Reserve Readiness Training Command that resulted from the merger of the Army Reserve Readiness Training Center and the Headquarters of the 84th Division (Institutional Training). This consolidation improved the Army Reserve’s individual training and leader education capabilities while creating leaner training support command and control structures. Reducing the number of units and focusing efforts to get more Soldiers into deployable units will allow more effective and cost-efficient management.

Improved Facilities and Training Support: Realignment and Closure

Base Realignment and Closure (BRAC) 2005 enables the Army Reserve to reshape its force and command, control and management headquarters, improving readiness while realizing significant cost reductions.

The BRAC 2005 recommendations became law in November 2005. BRAC provides the Army Reserve the opportunity to station forces in the most modern, up-to-date facilities possible and to redesign a Cold-War structure that no longer reflects current requirements. Under BRAC, the Army Reserve will close or realign 176 of its current facilities. This is a higher percentage than any other military component. Army Reserve units from these older centers and facilities will move into 125 new Armed Forces Reserve centers (AFRCs) that are shared with at least one other reserve component, helping support “jointness” and efficiency. This construction will eliminate duplication of facilities within the same geographical areas serviced by different components of our Armed Forces. Some of these moves have already begun. The new AFRCs will have high-tech, distance learning, and video teleconferencing capabilities, fitness centers, family readiness centers, and enhanced maintenance and equipment storage facilities. These dramatic changes, closely coordinated among Army Reserve planners and the BRAC agencies, were synchronized with the Army Reserve’s overall effort to reduce its organizational structure and allow more deployable forces.

Streamline Command and Control

Assisted by BRAC, the executive restructuring of Army Reserve forces creates a more streamlined command, control, and support structure, develops future force units and reinvests non-deploying force structure into deploying units. The Army Reserve will disestablish the current 10 regional readiness commands (RRCs) that provide command and control, training, and readiness oversight to most of the Army Reserve units in the continental United States, and will reduce the number of general-officer commands.

Simultaneously, four regional readiness sustainment commands (RRSCs) will be established. These RRSCs, which will be fully operational by the end of fiscal year 2009, will provide base operations and administrative support to units and Army Reserve Soldiers within geographic regions. For the first time, all of the Army Reserve operational, deployable forces will be commanded by operational, deployable command headquarters.

Some of the future force brigade-level units will include support brigades (e.g., maneuver enhancement brigades, sustainment brigades, engineer, combat support, chemical and military police brigades).

Two functional, deployable commands were converted in 2005. The Army Reserve activated the Military Intelligence Readiness Command (MIRC) at Fort Belvoir, VA, and the Army Reserve Medical Command (AR-MEDCOM) at Pinellas Park, FL. The MIRC is integrated with the Army Intelligence and Security Command, and the AR-MEDCOM is integrated with the Army Medical Command. The AR-MEDCOM will eventually be further converted to a medical deployment support command and will be deployable. Aviation and military police commands are two additional functional commands being activated.

The result of the reshaping of the Army Reserve forces will be a more streamlined command and control structure and an increase in ready, deployable assets to support the Global War on Terrorism.

Increasing Civil Affairs and Psychological Operations Assets

The skills required today to assist civil governments gain their footing are not inherently military. It is in the ranks of the Army Reserve where city managers, bankers, public health directors and other such specialists vital to stability and support operations are found. For example, 96 percent of the Army's current civil affairs Soldiers are Army Reserve Soldiers; two of the three psychological operations groups—with their valued skills—are in the Army Reserve.

Over the next five years, the Army Reserve will add 904 Civil Affairs Soldiers and 1,228 Psychological Operations Soldiers to its inventory. The addition of these critical skills to the Army Reserve comes without additional Congressional funding; the positions will be transferred from the existing force.

Additionally, the Chief of Staff of the Army has approved the transfer of Army Reserve Civil Affairs and Psychological Operations forces from the U.S. Special Operations Command to the U.S. Army Reserve Command. This will fully integrate Army Reserve Civil Affairs and Psychological Operations elements into the conventional force, providing dedicated support to conventional operations.

Improving Business Practices

The Army Reserve is aggressively incorporating Lean Six Sigma concepts and practices into its business processes. Six Sigma is a problem-solving methodology that uses data and statistical analysis to create break-through performance within organizations.

The Army Reserve is embracing this program not only as an efficiency tool, but also as the very foundation for change. To demonstrate this commitment, the Army Reserve has stepped forward as a front-runner in Lean Six Sigma implementation within the Army. The Chief, Army Reserve has mandated Army Reserve leaders to constantly question and review current business processes within the Army Reserve to assess their value to readiness and to seek ways to improve responsiveness.

In conjunction with the Secretary of the Army's business transformation order, the Army Reserve began development of its deployment plan and completed classroom training of five Six Sigma "green belts" (coach-facilitators), who are currently working their first projects. In addition, 40 senior leaders received two-day executive level business transformation training.

The continuation of training is planned with a goal of institutionalizing the Army Reserve program fully by achieving the highest level Six Sigma certification within the Army staff. The organizational structure to support the program is being defined and established to ensure top-level support.

Compelling Needs

Continued support of Army Reserve Expeditionary Force and other programs associated with Army Force Generation.

Steady funding line for BRAC-generated changes to Army Reserve facilities.

PROVIDING TRAINED AND READY UNITS

Accomplishments

Since 9/11:

As of February 2006, the Army Reserve has mobilized more than 147,000 Soldiers' more than 25,000 of those Soldiers served on multiple deployments.

98 percent of Army Reserve units have provided support to current operations.

Fiscal Year 2005 and beyond:

Performed over 1,900 unit mobilizations in fiscal year 2005.

Provided a CH-47 Chinook aviation company to support Pakistan earthquake relief efforts, transporting victims, relocating refugees and delivering supplies.

Provided relief support in response to Indiana tornado damage, locating victims, draining lakes and retaining pond areas.

Supported Gulf Coast hurricane relief efforts by flying CH-47 Chinook helicopters and providing two truck companies to transport supplies, Soldiers and flood victims.

Scheduled Army Reserve units in 2006 and 2007 to align with the Army Reserve Training Strategy (ARTS) to produce a trained and ready force using a cyclic force readiness model.

Developed and implemented the Exercise WARRIOR to challenge units' collective responsiveness under stressful, contemporary operating environment conditions.

Refined existing functional exercises (targeted to a specific branch) to LEGACY exercises to train technical skills in a tactical environment.

Operations

In December of 2005, more than 40,000 Army Reserve Soldiers were serving on active duty in 18 countries around the world. This is a much changed world from the one the Army Reserve operated in less than a decade ago.

The Army Reserve is on the leading edge in training Iraqi forces. More than 750 Soldiers from the Army Reserve's 98th Division (Institutional Training), Rochester, NY, and other Army Reserve units returned from Iraq after spending a year training Iraqi military and security forces. Soldiers from the 80th Division (Institutional Training), Richmond, VA, replaced the 98th and continue this critical mission today. Their continuing efforts, in conjunction with other coalition forces, will enable the Iraqis to increasingly provide their own security, thus hastening the eventual maturing of Iraq's fledgling democracy. From supporting all military branches, running truck convoys of food, ammunition, fuel and various other items, to responding to ambushes and directly engaging the enemy, the Army Reserve has been an integral element of the U.S. military and coalition efforts in Iraq, Afghanistan and elsewhere throughout the CENTCOM area of responsibility.

Civil Support

In September 2005, the Army Reserve deployed emergency preparedness liaison officers, CH-47 heavy-lift helicopters, military history detachments and truck companies to assist in the federal disaster response to hurricanes Katrina and Rita.

During the mission, the Army Reserve made available three Army Reserve centers to house National Guard Soldiers responding from other states. Additionally, the centers provided operating space for the Federal Emergency Management Agency and first responder representatives.

The Army Reserve also provided desperately needed fuel for the American Red Cross in order to sustain refrigeration of perishable food for the evacuees.

As recent missions make clear, the Army Reserve has significant numbers of potentially critical capabilities that may be needed in future homeland defense and security missions. These capabilities include skilled medical professionals who can practice anywhere in the United States, hazardous materials reconnaissance, casualty extraction from inside a combat zone, mass casualty decontamination, critical medical care, engineering support and water purification.

As of September 2005, the Army Reserve, in conjunction with the Pennsylvania State Fire Academy, had trained and certified more than 350 Army Reserve chemical Soldiers to the federal standard, and trained more than 2,400 chemical and medical Soldiers to perform mass casualty decontamination.

Twenty-five Army Reserve chemical defense units are fielded with specialized weapons of mass destruction-response equipment for hazardous material and mass casualty decontamination operations. However, sustaining and upgrading these robust capabilities is not achievable under current funding levels.

Army Reserve Training Strategy

As the world and its threats have changed, so have the ways the Army Reserve approaches preparing and training its members to fight the nation's battles and protect its vital interests. The Army Reserve Training Strategy (ARTS) is the strategic training vision, establishing the fundamental concepts to implement the train-alert-deploy model for Army Reserve Soldiers. ARTS creates progressive training and readiness cycles, which provides priorities for resources, managed readiness levels and predictable training. Today's environment does not accommodate yesterday's "mobilize-train-deploy" model. Today's Army Reserve Soldiers must be trained and ready prior to mobilization as if they knew the day and hour they would be called. ARTS is a critical element of the Army Reserve Expeditionary Force, which supports the Army Force Generation (ARFORGEN) model. As units advance through a series

of cumulative and progressively complex training events, each training phase improves the level of unit readiness.

- During the reset/train phase of ARFORGEN, Army Reserve units begin reconstitution as Soldiers complete needed professional education and other skill-related training. The focus and priority is on individual training. The culminating event for the reset/train phase of ARFORGEN is the WARRIOR exercise; a multi-functional, multi-echelon, multi-component, joint and coalition event that improves unit proficiency at the company/platoon level.
- Units in the second year of the Reset/Train force pool will concentrate on perfecting their collective mission tasks by participating in functional exercises at the squad/crew level. The Army Reserve conducts a wide range of functional exercises throughout the United States providing skill specific training for Soldiers and units under field conditions. For example, the Quartermaster Liquid Logistics Exercise provides a challenging collective training venue for water purification, water production, and petroleum, oil and lubricants (POL) units. Other functional exercises are conducted for military police, transportation, maintenance and medical units.

The readiness and training goals for Army Reserve forces are the same as those for the Active component and in every instance the Army Reserve has provided trained and ready Soldiers. While the standards are the same, the conditions under which the Army Reserve prepares for its missions are significantly different. The limited training time for Army Reserve Soldiers competes with numerous civilian career priorities and must be used effectively and efficiently.

Premier Training: Warrior Exercise (WAREX)

Warrior exercises are combined arms “combat training center-like” exercises. These exercises include opposing forces, observer-controllers and structured after-action reviews. They provide branch/functional training for combat support/combat service support units in a field environment. Future warrior exercises will also serve as the capstone, externally evaluated, collective training event to move Army Reserve units from the Reset/Train Pool of AREF into the Ready Pool. The 90th Regional Readiness Command conducted the first Warrior Exercise in June 2005 at Fort Bliss, Texas, training more than 3,500 Soldiers.

Experience-Based Training

Capitalizing on recent experiences in the Global War on Terrorism and lessons learned, Army Reserve training continues to adapt to meet changing battlefield conditions and an agile, thinking enemy.

Counter Improvised Explosive Device Train-the-Trainer (T3) Course

Initially unsophisticated and relatively easy to detect as a roadside bomb, improvised explosive devices (IEDs) have become more complex in design and increasingly lethal over time. The purpose of the Counter Improvised Explosive Device (CIED) Train-the-Trainer (T3) Course is to train trainers in countering IED threats, with the first priority being those troops mobilizing and deploying to Iraq and Afghanistan. The goal is to close the tactical performance gap between unit pre-mobilization training tasks, conditions, standards, and the actual tactical environment and mission expectations in theater.

The 84th U.S. Army Reserve Readiness Training Command at Fort McCoy, WI, trained 360 Soldiers during several five-day CIED T3 courses in fiscal year 2005. These trainers have returned to their home stations to integrate CIED training into their training programs. CIED training provides graduates the knowledge, skills and ability to provide expert advice to their unit commanders as they develop a training strategy that incorporates CIED tactics into multi-echelon, pre-mobilization training.

Convoy Training

Convoys are now combat patrols. Recognizing the dangers of convoy operations, the Army Reserve has developed and implemented a convoy training program. In addition to counter attack methods, the training familiarizes Soldiers with the driving characteristics of armored vehicles. The program focuses on three specific areas:

- Counter Improvised Explosive Device train-the-trainer skills
- Integration of live fire into convoy operations training
- Development of a combat driver training program that will progressively develop individual driver skills and unit convoy capabilities as units migrate through the ARFORGEN/AREF cycle. An initial, individual skills development program employing High Mobility Multi-purpose Wheeled Vehicles (HMMWVs) with kits installed to replicate the driving characteristics of up-armored HMMWVs was initiated in 2005.

The priority of training is to units that are scheduled for deployment.

Combat Support Training Centers

The Army Reserve plans, after BRAC implementation, to establish two combat support training centers (CSTCs)—the CSTC at Fort Hunter Liggett, CA, and the Joint Mobilization Training Center at Fort Dix, NJ. These will provide much-needed training and maneuver space for technical and field training in austere environments, more rigorous and realistic weapons qualification, classroom training, and capability to conduct Army Reserve unit collective training as well as support the Warrior Exercise program described earlier. Both training centers will also support joint, multi-component, interagency, and convoy training; up to brigade level at Fort Hunter-Liggett, and up to battalion level at Fort Dix.

Units in the Army Reserve must experience a combat training center (CTC) or combat training center-like event to validate training and readiness levels prior to mobilization. The Army Reserve continues to partner with Forces Command to incorporate its combat support and combat service support in the combat training center rotations. Additionally, the Army Reserve will assist in the development of the concept for exportable CTC capability for reserve component units unable to access training at the National Training Center or Joint Readiness Training Center. CTC and/or exportable training are essential, not only for unit preparation for mobilization and deployment, but also for the longer term leader development impacts such training experiences provide.

Center for Lessons Learned Mobile Training Team Seminar

The Army Reserve collaborated with the Army's Center for Lessons Learned (CALL) in 2005, dispatching mobile training teams (MTTs) which conducted four regional seminars to unit leadership teams, with a specific focus on those units identified for mobilization in 2006. These CALL MTTs provided orientations on the Islamic and Iraqi culture, the most recent lessons-learned emerging from theater, highlights of unit after action reports, and the most effective combat tactics, techniques and procedures. The MTT discussion topics also include a current Operation Iraqi Freedom/Operation Enduring Freedom operations overview highlighting challenges units can expect during the mobilization and deployment process.

The Army Reserve Leadership Development Campaign Plan

The Army Reserve Leadership Development Campaign Plan, updated and operationalized in 2005, establishes requirements and integrates programs unique to the Army Reserve. Two of the more significant components are:

The Senior Leader Training Program focuses on general officer and colonel-level leaders with seminars focused on organizational change, Army transformation and ethics-based leadership. All major subordinate commands of the Army Reserve Command as well as the 7th Army Reserve Command (Europe), 9th Regional Readiness Command (Hawaii), and the Army Reserve Staff have undergone this training.

The Army Reserve Brigade and Battalion Pre-Command Course has been upgraded to better prepare field grade commanders and command sergeants major to lead Army Reserve Soldiers. In addition to a company pre-command course for commanders, Army Reserve company command teams (commanders, first sergeants and unit administrators) participate in a new company team leader development course to better prepare unit command teams for the challenges of leadership at the crucial company level.

Enhancing Mobilization

In order to enhance the readiness of mobilizing units, the Army Reserve is successfully using a process called phased mobilization. The goal of phased mobilization is to minimize unit personnel reassignments, enhance Soldier medical and dental readiness and skill training, improve unit leadership, and enhance individual skill and unit collective training prior to unit deployments.

Under the phased mobilization concept, selected unit personnel mobilize in intervals prior to the entire unit's mobilization so that they may perform Soldier leader training, Soldier skill training and unit collective training. Phased mobilization allows selected Soldiers to receive individual training according to a planned and phased schedule that ensures they are fully trained and mission ready for timely mission execution. Additional funding will be required to support this crucial program.

Compelling Needs

Increase fiscal year 2007 Reserve Personnel, Army Reserve funding levels.

- To resource Army Force Generation-phased training requirements including new equipment training, improved collective training, Warrior Exercises, leader education and mission environment familiarization training.
- Increase fiscal year 2007 Operations and Maintenance, Army Reserve funding levels.
- For increased emphasis and additional operating tempo for warrior task and drill training; skill reclassification training, convoy live fire training and additional support.
- Training equipment sets to support Army Reserve Training Centers.
- For dedicated equipment training sets at centralized locations and training equipment sets for schools and deployable units.
- To replace Army Reserve-owned Stay-Behind-Equipment left in Southwest Asia.
- For Modular Force equipment needed for unit level collective training in a field environment and to support designated individual and collective training locations.
- Establishment of Combat Support Training Centers.
- To establish and resource combat support training centers at a minimum of two of the Army Reserve's four primary installations.

EQUIPPING THE FORCE

Accomplishments

Since 9/11:

Mobilized virtually entire Army Reserve deployable strength without a single unit being rejected for logistics readiness—more than 250,000 items (50,000 transactions) cross-leveled among Army Reserve units.

Developed and fielded a variety of logistics information management programs to improve situational awareness and support decision making.

Developed and implemented innovative, effective, and economical methods to improve logistics readiness—500 medium tactical trucks were withdrawn from prepositioned stocks; used depot maintenance to upgrade older medium tractors; rebuilt HMMWVs withdrawn from direct reporting maintenance organizations.

Fiscal Year 2005:

All Army Reserve units in Operation Iraqi Freedom rotation in fiscal year 2005 mobilized at deployment criteria.

Developed Army Reserve equipping strategy to make most effective and efficient use of available equipment.

Delivered more than 3,000 M4s and 1,000 Squad Automatic Weapons Replacing M16A1 rifles and M60 machine guns.

Reduced Army Reserve logistics reconstitution backlog from a daily average of nearly 15,000 items in fiscal year 2004 to just over 7,500 in fiscal year 2005.

New Equipment Strategy—How it Works

The Army Reserve has developed a new strategy to make the most effective and efficient use of its equipment. The strategy includes maintaining equipment at four main areas: home station, strategic deployment sites, individual training sites and collective training sites. The new strategy supports the Army Force Generation and the Army Reserve Expeditionary Force (AREF) management systems. It ensures the best available equipment is provided to Army Reserve Soldiers where and when they need it, as they move through the pre-mobilization training phase of the AREF cycle to mobilization and deployment.

While individual equipment, such as weapons and masks, will continue to be maintained at unit home stations, only enough of a unit's major items—trucks, forklifts, etc.—to allow for effective training and to support homeland defense requirements will also be there. The system allows remaining major items to be positioned at various other key training and positioning sites.

In the new model, units will be moved to the equipment located at the training sites, rather than moving equipment to the units. Creating centrally located equipment pools to support directed and focused training will enable the Army Reserve to harvest efficiencies in resourcing and maintaining its equipment.

Individual Training Sites

Some of the equipment will be consolidated in individual training sites. In a site established for individual training, Soldiers qualify on their individual skills—specified, job-related skills (e.g., nurses are tested in medication procedures; lawyers, in international law). This is the first phase of the training cycle, followed by training at unit home stations.

Collective Training Sites

Another pool of consolidated equipment will be kept at collective training sites. Following home station unit training, units progress to collective training. Successful participation in exercises at these sites validates units as ready to conduct their wartime mission.

Strategic Deployment Sites

Some of the major end items are consolidated at Strategic Deployment Sites (SDSs). After inspection and assembly into unit sets, major equipment items are placed in controlled humidity storage at the SDSs. After units are validated through individual and collective training cycles and called to deploy, equipment at these sites will be shipped directly to theater.

Progressing through individual training, home station training and then participating in larger exercise-driven collective training is the normal training cycle to prepare for a deployment. Pre-positioning equipment at these sites is a cost-efficient system of support.

Compelling Needs

Procurement of equipment to support modularity

Night vision systems.
Chemical/biological/radiological detection/alarm systems.
Medical equipment.
Light-medium trucks (75 percent do not support single-fleet policy, integral to training and operational efficiency).
Medium tractors (50 percent do not support single-fleet policy, integral to training and operational efficiency).

Sustainment

Sustainment of depot maintenance levels.
Recapitalization of tactical truck inventory.
Army Reserve tactical maintenance contract labor to reduce mobilization and training equipment backlogs.

MANNING THE FORCE

The Soldier has always been and remains the centerpiece of the Army. The Army Reserve is committed to making the best use of our most precious resource and is intent that those programs that affect Soldiers and families will be our top priority. First, Soldiers and their families need to know what to expect up front. The expectation of service in the Reserve is much changed from a decade ago. Army Reserve Soldiers and incoming recruits need to know that. Today's advertising and communications reflect the reality of the contemporary operating environment and the culture that surrounds this proud institution. The Army Reserve will not lower its standards, but will instead use a host of incentives and changed policies to access the best candidates for Army Reserve service.

Additionally, the Army Reserve will strive to ensure that the best quality of care for our Soldiers and their families is provided while constantly working to improve the quality of life for Soldiers, civilians and their families. Future personnel plans will assure we can maintain both personnel strength and readiness. The Army Reserve leadership will manage personnel through accession and assignment, reassignment, training and retraining or reclassification. Additionally, leadership will manage relocation in adherence to the AREF and its integration into the ARFORGEN model.

Accomplishments

Since 9/11:

As of February, 2006, 147,000 Army Reserve Soldiers had mobilized in support of GWOT, some more than once.

Developed and refined several information technology/management systems streamlining accountability and business processes.

Reduced attrition from 24.7 percent in 2001 to 22.5 percent in fiscal year 2005.
Established an Army Reserve casualty affairs program and office to care for Soldiers and their grieving families

Fiscal Year 2005:

Fully implemented the Trainees, Transients, Holdees and Students (TTHS) Account—a personnel accounting practice that enhances the readiness of Army Reserve units.

Initiated a family programs Web portal to provide information: www.arfp.org/cys. Created and fully staffed 63 mobilization/deployment assistant positions in communities throughout the country.

Recognized Soldiers' sacrifices by presenting nearly 26,000 awards in the Welcome Home Warrior-Citizen Program.

Realigned and enhanced incentives and benefits for Army Reserve Soldiers and families.

Established an employer relations program that is building positive and enduring relationships with employers.

Revised several personnel policies under the Chief, Army Reserve, to better lead and manage Army Reserve assets.

Culture Change

A critical element to support profound change in the Army Reserve is the cultural shift now occurring. Continuous reinforcement of Army Values, the expectation of deployment, the ability to think innovatively and leader development are all part of that cultural shift. While past Army Reserve advertising messages focused on benefits, downplaying the effort required for service, "Honor is never off duty" is now our touchstone. The Soldiers Creed and the Warrior Ethos are the bedrock of our force.

ARMY RESERVE ACCESSIONS—FISCAL YEAR 2005

	Amount
Mission	28,485
Actual	23,859
Delta	(4,626)
Mission percent	83.8

Recruiting

While accessioning fell short by 16.2 percent of its goal in 2005, a variety of initiatives and improvements, such as those listed below, are underway to achieve our recruiting goals in 2006 to meet the needs of both personnel strength and readiness. Leaders can now access, assign or reassign, train, re-train or reclassify Soldiers into the Army Reserve more efficiently, responsively and effectively.

Selected Reserve Incentive Program

The Selected Reserve Incentive Program (SRIP) was crucial in 2005. It enhanced the recruiting of Soldiers in critical specialties to meet the Army Reserve readiness needs. Continued Congressional support listed below will be just as crucial in the upcoming years:

- Increased bonus incentives to Soldiers reenlisting and joining the Army Reserve.
- Expanding eligibility years for Reenlistment Bonuses.
- Officer Accession, Affiliation, and the Specialty Conversion bonuses added to the SRIP.
- Lump sum payment options for reenlistment bonuses with tax-free payments to Soldiers in the combat zone.

Other initiatives

Increased Enlisted Affiliation Bonuses.

Addition of the "High Grad" Bonus, used to attract those candidates with at least 30 or more semester hours of college credit.

Establishment of the Active Guard and Reserve Selective Reenlistment Bonus.

Retention

By taking care of Soldiers during the current pace of operations and war, retention goals in the Army Reserve were met. In fiscal year 2005, the Army Reserve achieved 101.5 percent of its annual reenlistment goal.

Full Time Support

The Army Reserve's highest priority continues to be dedicated support to our war-fighting Soldiers. The Global War on Terrorism continues to place a high demand on the Army Reserve's war fighting formations and their ability to mobilize in a highly trained state. Among the most important resources that we have in ensuring mobilization readiness of the 21st Century Army Reserve are our Full Time Support (FTS) personnel: Active Guard and Reserve Soldiers (AGR), Department of the Army civilians and our military technicians (MilTechs). Congress has historically

recognized the paramount importance of adequate FTS levels for unit mobilization readiness.

The Army Reserve continues to maintain the maximum effective use of our FTS personnel to meet unit readiness requirements prior to arrival at the mobilization station.

Historically, the Army Reserve has had the lowest FTS percentage of any DOD Reserve component.

- In fiscal year 2005, DOD average FTS manning level was 21 percent of end strength, while the fiscal year 2005 total for the Army Reserve was 11.3 percent.

- The projected increase for Army Reserve FTS in fiscal year 2006 takes the level only to 11.6 percent.

- Congress and the Army continue to support the goal of 12 percent FTS by fiscal year 2010 in order for the Army Reserve to meet minimum essential readiness levels as proposed by Headquarters, Department of the Army, in fiscal year 2000.

In fiscal year 2005, the Army Reserve was tasked with FTS mission requirements above and beyond programmed requirements, including:

- Replacing 78 Active component training advisers to the Reserve components who will be reassigned to support Active component missions.

- Providing U.S. Army Recruiting Command 734 additional recruiters for fiscal years 2005 and 2006.

These un-programmed requirements placed an additional demand on our already burdened FTS resources.

Quality of Life and Well Being of Soldiers and Family Members

Quality of life issues continue to be high on the list of things that directly affect retention of Soldiers in the Army Reserve. The Secretary of the Army has stated:

“My top priority will be the well-being of Soldiers and their families. There is no more important aspect of our effort to win the Global War on Terrorism than taking care of our people.”

The Army Reserve continues to improve its well-being efforts in the myriad of programs, policies and initiatives in its purview. Family programs remain a top priority.

Welcome Home Warrior Citizen Award Program

With congressional support, the Army Reserve was able to recognize nearly 26,000 Army Reserve Soldiers with the Army Reserve Welcome Home Warrior-Citizen Award in fiscal year 2005. The program ensures that returning Warrior-Citizens understand that their contributions to the mission and making our homeland more secure for all our citizens are recognized and appreciated by the Nation and the Army. The response to the program has been overwhelmingly positive in supporting efforts to retain Soldiers, thus increasing unit readiness. With continued congressional support, the Army Reserve will continue this program into the ongoing fiscal year and beyond.

Well-Being Advisory Council

This new and very dynamic structure supports all five Army Reserve constituent groups: Soldiers, families, civilians, retirees and veterans. The needs of each of these constituencies are growing; our programs continue to expand to meet these needs. The membership of the council will include a variety of individuals from the commands and organizations throughout the Army Reserve, including family member volunteers. The council will meet twice each year to consider and recommend disposition of well-being issues to the Chief, Army Reserve. The council is our integral link to the Army Family Action Plan.

Army Reserve Child and Youth Services Program

The Army Reserve now has a Child and Youth Services (CYS) Directorate staff to provide services that support the readiness and well being of families, including those families that are geographically dispersed. CYS programs and initiatives are designed to reduce the conflict between parental responsibilities and Soldier mission requirements. The Army Reserve CYS homepage is at www.arfp.org/cys.

Educational Benefits

The Army Reserve Voluntary Education Services Program is a priority of the Chief, Army Reserve. Continuation of these services is necessary as an essential incentive we provide the Soldiers of the Army Reserve. Army Reserve Voluntary Education Services is a DOD-mandated commanders program that promotes lifelong op-

portunities for Selected Reserve Soldiers through voluntary education services that enhance recruiting, retention and readiness of Army Reserve Soldiers.

The Army Reserve Voluntary Education Services have continuously provided an array of education programs since their inception. Recent changes have decentralized the execution of the tuition assistance program to allow for management decisions to be made closer to where the Soldiers live and work. This also allows for tighter fiscal controls and better coordination between Soldiers and colleges.

Other educational programs are listed below:

- Montgomery GI Bill;
- Defense Activity for Non-Traditional Education Support Testing Program (DANTES);
- Student Guide to Success;
- Credit for Military Experience;
- Army/American Council on Education Registry Transcript System (AARTS);
- Troops to Teachers Program; and
- Spouse to Teachers Program.

Support to Wounded Soldiers

The Army Reserve is dedicated to treating its Soldiers with the care and respect they have earned. Supporting Soldiers wounded in service to the country is one example of that commitment. The Disabled Soldier Support System was renamed the U.S. Army Wounded Warrior Program (Army W2) in November 2005. It continues to provide personal support, advocacy and follow-up for these heroes. The Army W2 facilitates assistance from initial casualty notification through the Soldier's assimilation into civilian communities' services (for up to five years after medical retirement). Assistance includes:

- Information about family travel to the Soldiers' bedsides;
- Invitational travel orders for family members of seriously ill patients;
- Pay issues;
- Options for continuing on active duty; and
- Assistance with Medical Evaluation and Physical Evaluation Board processes.

Soldiers with 30 percent or greater disability ratings and in a special category of injuries or illness—amputees, severe burns, head injuries or loss of eyesight—are assessed for enrollment in the program. Army W2 brings the wounded Soldiers and the organizations that stand ready to assist these Soldiers and families together. The Veterans' Administration and other similar veterans' service organizations participate in the program.

Some of these Soldiers may be in the process of medical retirements, pending other dispositions, such as being extended on active duty, or enrollment in the Community Based Healthcare Initiative, which allows selected reserve component Soldiers to return to their homes and receive medical care in their community.

Base Operations Support

The Army Reserve is committed to providing better quality of life services and critical support to Soldiers, their families and the civilian work force. The increase in base operations support for fiscal years 2006 and 2007 will greatly assist this effort, allowing for better engineering support, safety programs, law enforcement, and force protection, to name only a few areas.

More Efficient Management of Officer Promotions

Specific policy changes that were effected by the Chief, Army Reserve, improved our personnel management capability. By creating three separate reserve component competitive promotion categories, the Army Reserve can retain and better manage its officers. Another change enabled the Army Reserve to select officers based upon unique force structure requirements. That change will provide business efficiencies to better meet the manning requirements in all categories of the Selected Reserve, producing greater predictability and equity among all considered officers. The revised competitive categories meet the intent of Congress to match the number of officers selected for promotion by a mandatory promotion board to officers needed in the related categories.

Enhanced Care for Professional Development

Regional Personnel Service Centers (RPSCs), the Army Reserve military personnel management offices, will provide active personnel management for all Army Reserve Soldiers. Implementation of four RPSCs, in support of the Army Reserve Expeditionary Forces model, will provide standardized life-cycle management support to Army Reserve Soldiers regardless of where they may be in the command. This initiative relies on increased communication, interaction and involvement by commanders and their Soldiers to assure trained and ready Soldiers.

Compelling Needs

Continued funding for enlistment, accession, affiliation, conversion, and retention incentives and bonuses to meet readiness requirements.

Attain minimum essential full time support level of 12 percent of end strength by fiscal year 2010.

Strengthened medical and health services for Army Reserve Soldiers.

Continued funding for Army Reserve Soldier educational services and opportunities (e.g., tuition assistance and scholarships).

Continuance of the Army Reserve Welcome Home Warrior-Citizen Award Program.

THE WAY AHEAD

The changed conditions of warfare have greatly affected our armed services, including and especially, the reserve components. We are now engaged in a global war that will last a long time. We are on an asymmetrical rather than a linear battlefield. We are in a protracted war, not one with a defined beginning and end. The constant threat of attacks on our homeland, including the use of weapons of mass destruction, places a premium on readiness and responsiveness. Because of these changing conditions, the Army Reserve has implemented a host of initiatives that are creating deep, lasting and profound change.

Today, the deployment of our Army and Army Reserve, is no longer the exception, rather it is the rule. The Army Reserve is using the energy and urgency of Army transformation and the demands of the Global War on Terrorism to change. We are changing our organization in deep and profound ways, from a technically focused force-in-reserve to a learning organization that provides trained, ready "inactive duty" Citizen-Soldiers, poised and available for active service, now as ready as if they knew the hour and day they would be called.

To that end, the Army Reserve will require:

- Continued funding to support changes in personnel incentives;
- Adequate funding to support Army Reserve Expeditionary Force training, equipping and maintenance strategies; and
- Support for legislative and policy changes to support recruiting efforts, personnel management and mobilization.

Senator STEVENS. Admiral Cotton.

STATEMENT OF VICE ADMIRAL JOHN G. COTTON, CHIEF, NAVAL RESERVE, DEPARTMENT OF THE NAVY

Admiral COTTON. Good morning, Mr. Chairman, Senator Inouye. Thank you very much for listening here today.

The Navy Reserve continues its full integration with the Navy. In terms we have used this morning, we are in the huddle. We are full participants on every play. Over 23,000 Navy reservists are on orders at this moment, providing integrated support to the fleet and combatant commanders in the away game; 2,100 Navy reservists are ashore in central command, providing integrated combat service support.

PREPARED STATEMENT

I request that the statement is put in the record and, in the interest of time, like to move on. We are standing by to answer any questions you have, sir.

Senator STEVENS. Thank you for your courtesies.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL JOHN G. COTTON

INTRODUCTION

Chairman Stevens, Senator Inouye, distinguished members of the subcommittee, thank you for the opportunity to speak today about the Navy and its Navy Reserve.

Our Navy Reserve continues its transformation to better support combat and combat service support missions throughout the world. Navy Reservists are no longer

solely a strategic force waiting for the call to mobilize in a war between nation-states. They are operational and forward, fighting the Global War on Terror (GWOT) as Seabees in Iraq, civil affairs Sailors in Afghanistan, customs inspectors in Kuwait, logistical aircrew and Joint Task Force staff in the Horn of Africa, and as relief workers in disaster recovery operations in the United States and around the world.

Your support in this transformation from a strategic reserve to an operational reserve is greatly appreciated. Congress passed legislation in the 2006 National Defense Authorization Act that provided force-shaping tools allowing the Navy to best distribute Sailors within the Total Force. You authorized the flexibility to transfer funds from Reserve Annual Training (AT) accounts to Reserve Active Duty (AD) accounts. You supported adding an additional \$10 million for the Non-Prior Service Boot Camp program (Full Accession Program). This additional funding allowed us to kick-start the program in fiscal year 2006. Navy is increasing funding for this program in fiscal year 2007.

Reserve Component (RC) Sailors are serving selflessly and are fully integrated throughout the Department of Defense, with our coalition partners and with every civil support agency. Our Sailors and their families continue to earn our respect and gratitude for their service and their many sacrifices. As part of the All Volunteer Force, they REserve again and again, freely giving of their skills and capabilities to enhance the Total Force team. On behalf of these brave men and women and their families, thank you for your continued support through legislation that improves benefits for their health and welfare.

Single Manpower Resource Sponsor.—Navy is taking a Total Force approach to delivering the workforce of the 21st century. The Total Navy consists of active and reserve military, civil service, and contractors. The Total Navy will deliver a more responsive workforce with new skills, improved integrated training and will be better prepared to meet the challenges of the Long War. As the Chief of Naval Personnel testified, the Navy is concentrating this effort in a single resource sponsor: the Manpower, Personnel, Training and Education (MPT&E) enterprise. Our Navy Reserve is an integral part of the MPT&E and is working closely with the Chief of Naval Personnel to best leverage all Navy resources to produce the greatest warfighting capabilities possible.

Our “One Navy” goal is to be better aligned to determine the future force (capabilities, number, size and mix) based on Department of Defense and Department of Navy strategic guidance and operational needs. Specifically, the new MPT&E domain will deliver:

- A Workforce Responsive to The Joint Mission: Derived from the needs of Joint Warfighters.
- A Total Force: Providing a flexible mix of manpower options to meet warfighting needs while managing risk.
- Cost Effectiveness: Delivering the best Navy workforce value within fiscal constraints and realities.

Strategy for Our People.—To accomplish the optimal distribution of trained Sailors throughout the Total Force, the MPT&E is developing a “Strategy for Our People.” This strategy will provide the guidance to assess, train, distribute and develop our manpower to become a mission-focused Total Force that meets the warfighting requirements of the Navy.

Each Navy Reservist fills a crucial role in the Total Navy, providing skill sets and capabilities gained in both military service and civilian life. For example, a Sailor who learned to operate heavy equipment on active duty, and who is currently employed as a foreman in the construction industry, brings both military and civilian skill sets to his unit or individual augmentee assignment.

Additionally, RC Sailors can perform the same mission while training at home as they do when deployed. For instance, harbor patrol Sailors use the same core skill sets training in Portland, Boston, Charleston and Jacksonville harbors as they use in Ash Shuaybah, Kuwait. Sailors also use these skill sets when acting as first responders within the United States. While Hurricane Katrina was still crossing Louisiana and Mississippi, Navy Reserve Seabees were driving their personal vehicles in the eye of the hurricane to provide search and rescue capabilities followed by their traditional “can do” reconstruction efforts. After a tornado hit Evansville, Indiana, at night, the local Navy Operational Support Center served as a communications and emergency triage headquarters, and Sailors immediately responded with search and rescue teams, saving lives.

Continuum of Service.—Our Active Component (AC) and RC Sailors receive valuable experience and training throughout their careers, and our vision for the future is to create a “Continuum of Service” system that enables an easy transition between statuses. We are building a personnel system in which Sailors can move be-

tween AC and RC based on the needs of the service and availability of the member to support existing requirements. To make these transitions seamless, the Navy will develop smooth “on ramp” and “off ramp” opportunities. Sailors will serve on active duty for a period of time, then train and work in the Reserve Force and, with minimal administrative effort, return to active duty. The Navy will offer experienced Sailors the ability to transition between statuses when convenient, while incentivizing rate changes and service assignments at the right time and place, all in a “Continuum of Service” throughout their careers. All Reservists, Full Time Support (FTS), Selected Reserve (SELRES) and even our important Individual Ready Reserve (IRR) members, will benefit from increased opportunities to serve and Reserve.

CHANGING DEMAND SIGNALS—NEW AND NON-TRADITIONAL MISSIONS

Navy Sailors continue to support the GWOT in Southwest Asia, around the world and at home. Over 5,000 RC Sailors are currently mobilized and serving in various capability areas such as Navy Coastal Warfare, Seabees, Intelligence, cargo airlift, cargo handlers, customs inspectors, civil affairs, port security, medical (including doctors, nurses and hospital corpsmen), and on the staff of every Combatant Commander (COCOM).

Operational Support.—Mobilization alone does not reflect the total contribution of the Navy’s Reserve. On any given day, an additional 15,000 RC Sailors are providing support to the Fleet, serving in a variety of capabilities, from flight instructor duties to counter narcotics operations, from standing watch with the Chief of Naval Operations staff to relief support for Hurricane’s Katrina, Rita and Wilma. Sailors have provided over 15,000 man-years of support to the Fleet during the past year. This operational support is the equivalent of 18 Naval Construction Battalions or two Carrier Strike Groups.

To define the Total Force requirements and maximize operational support, Commander, Fleet Forces Command (CFFC) commenced a continuous Reserve Zero-Based Review (RZBR) process in 2004. Navy and joint mission requirements were prioritized, followed by a thorough analysis of RC manpower available to meet those requirements. The ZBR continues to facilitate Active Reserve Integration (ARI), placing RC billets in various AC units where the requirement for surge capabilities and operational support is predictable and periodic. This capabilities-based review also enabled the Fleet to develop mission requirements that were inclusive and dependent upon skill sets and capabilities resident within its aligned RC.

The Navy supports 21 joint capability areas, built on the foundations of Sea Strike, Sea Shield, Sea Basing and FORCEnet, and the Navy RC is fully integrated in all enterprises. Excellent examples of ARI are highlighted in CENTCOM, where 50 percent of the Navy individual augmentee (IA) requirement is being met by RC Sailors. Operational Health Support Unit (OHSU) Dallas deployed with 460 medical and dental specialists for 11 months, during which the unit maintained health clinics in Iraq and hospitals in Kuwait. These Sailors relieved an Army unit, set up their medical capabilities in the Army Camp, and provided integrated joint health care to all services.

Navy’s newly established Navy Expeditionary Combat Command (NECC) integrates the RC expeditionary and combat service support capabilities into one Total Force command. The Naval Construction Force has 139 units comprised of AC and RC Sailors, and Naval Coastal Warfare continues to rebalance active and reserve personnel to meet COCOM requirements.

Fleet Response Units (FRU) are directly integrated with AC aviation units. FRU Sailors maintain and operate the same equipment as Fleet personnel, supporting the Fleet Response Plan (FRP) by providing experienced personnel who are qualified and ready to rapidly surge to deployed Fleet units. This ARI initiative reduces training costs by having all Sailors maintain and operate the same equipment. No longer are the Active and Reserve Components using different configurations for different missions.

Another ARI initiative is the Squadron Augmentation Unit (SAU), which provides experienced maintenance personnel and qualified flight instructors to Fleet Replacement Squadrons (FRS) and Training Commands. Experienced RC technicians and aviators instruct both AC and RC Sailors to maintain and fly current Fleet aircraft at every FRS.

The Reserve Order Process.—One constraint to these initiatives is the reserve order processes. The current system has multiple types of Reserve orders: Inactive Duty for Training (IDT), Inactive Duty for Training-Travel (IDTT), Annual Training (AT), Active Duty for Training (ADT), and Active Duty for Special Work (ADSW).

In addition to multiple types of orders, the funding process for these various types of orders can be equally complex. Navy is currently evaluating process options that will streamline the system and make support to the fleet more seamless. In fact, efforts such as the August 2005 conversion of Navy Reserve Order Writing System to ADSW order writing have already improved the situation for Sailors and the fleet by allowing the same order writing system to be used for both ADT/AT and ADSW. Additionally, the Navy Reserve is also addressing these issues by emphasizing and increasing ADSW usage, which is simply “work” funding for operational support to the Fleet, rather than the previous way of doing business with training orders for work. The baseline data call of required work was initiated in 2005 with an implementation goal of accurately funded ADSW accounting lines in fiscal year 2008. COCOMs continue to review operational support requirements and the appropriate level of funding for the GWOT and surge operations. Emphasizing ADSW will be a significant evolution in the Navy’s effort to integrate its Reserve Force capabilities by aligning funding sources and accurately resourcing the accounts responsible for Navy Reserve operational support.

SIZE AND SHAPE OF THE FORCE

The total number of Navy Reservists, both SELRES and FTS, is requested to be 71,300 for fiscal year 2007. The ongoing ZBR and effective ARI continue to optimally integrate the capabilities of the Total Force, which optimizes the force mix of AC and RC Sailors needed to support the Fleet while still providing effective surge operational support.

Common AC/RC Pay System.—A common pay and personnel system that provides for a seamless transition from AC to RC is essential to the success of our “Continuum of Service” and “Sailor for Life” programs. Ideally, manpower transactions will someday be accomplished on a laptop with a mouse click, and data will be shared through a common data repository with all DOD enterprises. Navy fully supports the vision of an integrated set of processes and tools to manage all pay and personnel needs for the individual, and provide necessary levels of personnel visibility to support joint warfighter requirements. The processes and tools should provide the ability for a clean financial audit of personnel costs and support accurate, agile decision making at all levels of the Department of Defense through a common system and standardized data structure.

The Defense Integrated Manpower and Human Resource System (DIMHRS) is expected to be that system. A Deputy Secretary of Defense assessment is currently underway to determine the best course of action for the Department. The assessment will conclude in early summer.

RECRUITING

Accessions.—Navy Reserve accessions are drawn from multiple sources, but we are increasingly focused on the trained and experienced Navy veteran. Our leadership is constantly emphasizing a “Continuum of Service” and “Sailor for Life” themes that enable Sailors to more easily transition between components. The entire Total Force chain of command is committed to changing the culture of service and REservice by continually educating AC Sailors about the benefits of continued service as members of any of the Reserve Components.

National Call to Service.—A relatively new accession source is the National Call to Service (NCS), with contracts that include both AC and RC service as part of a recruit’s initial military obligation. Congress first authorized this program in the NDAA 2003. The NCS program is enjoying considerable success, and is helping to mitigate some of the prior-service shortages in ratings that are critical to the prosecution of the GWOT. Under this program, a recruit enlists for an active duty commitment of 15 months after training. At the end of the commitment, the individual can either extend on active duty or commit to two years of drilling in the Selected Reserve. Navy has been particularly aggressive in recruiting Masters at Arms and Hospital Corpsmen for this program, and the first recruits are completing their AC service and will begin drilling in the Navy Reserve this year. Navy’s success in attracting recruits for this program is steadily growing. We assessed 998 recruits in 13 ratings in fiscal year 2004, and 1,866 recruits in 23 ratings in fiscal year 2005. Navy has a goal of 2,340 NCS recruits in 44 different ratings this year, and will continue this successful program in fiscal year 2007.

Attrition.—Attrition and recruiting are a crucial part of maintaining the Total Force. Fortunately, the GWOT is not having an appreciable affect on attrition. Yearly Navy Reserve attrition is currently 27 percent and has remained at approximately the same level for the past five years.

Enlisted Recruiting.—Fiscal year 2006 Navy Reserve enlisted recruiting continues to be challenging, with 4,172 recruits attained out of a year-to-date goal of 4,891 as of March 31, 2006. In fiscal year 2005, although by the end of the year the Navy Recruiting Command focused on the RC mission, it only accessed 85 percent of the fiscal year 2005 RC enlisted goal, recruiting 9,788 against a target of 11,491. Navy attributes the recruiting shortfalls to several causes, including the continued strong retention of AC Sailors. The GWOT has caused an increase in the number of recruits needed by the Army and Marine Corps, with competitive bonuses offered by all services.

To address Navy Reserve recruiting challenges and to promote continued success in recruiting the active force, Navy is increasing the amount of enlistment bonuses for both prior service and non-prior service Reserve accessions. Congress combined the non-prior service enlistment and prior service affiliation bonus into a single accession authority payable as a lump sum with a maximum cap of \$20,000. The Reserve re-enlistment of \$15,000 has also been authorized as a lump sum payment. These programs will enhance the attractiveness of service in the Reserve for those currently in our targeted ratings.

—*Officer Recruiting.*—Reserve Officer recruiting continues to fall short. The primary market for RC officers is Navy veterans and, as in enlisted recruiting, high retention of AC officers reduces the pool of available candidates.

Other measures being taken to address the Reserve recruiting shortfall include implementation of expanded authorities provided by Congress in the fiscal year 2006 NDAA. These include: authority to pay Reserve Affiliation Bonuses in lump sum, enhanced high-priority unit assignment pay, and increases in the amount of the Reserve Montgomery G.I. Bill. Navy is also applying force-shaping tools to attract non-rated Reserve Sailors to undermanned ratings.

READINESS

In addition to having the right Sailor assigned to the right billet, all Sailors must be ready to answer the call to serve. They must be medically, physically, and administratively ready to deploy.

Medical Readiness.—Navy Reserve is a leader in medical readiness. In 2002, the Navy Reserve developed the Medical Readiness Reporting System (MRRS) as a comprehensive tracking system for Individual Medical Readiness (IMR). MRRS, a web-based application with a central aggregating database, links with existing authoritative data systems to reduce data input requirements and improve data accuracy. MRRS gives headquarters staffs and leadership a real-time view of force medical readiness, and received the 2005 DON CIO IM/IT Excellence Award for Innovation. It is being adopted throughout the Department of the Navy to give Commanders the web-based tool they need to more effectively and efficiently measure and predict IMR.

Navy Reserve continues to be a DOD leader in percent of personnel who are Fully Medically Ready (FMR). In October 2004, Navy Reserve reported 44 percent FMR personnel and, with an ongoing emphasis on MRRS utilization by all commands, showed a dramatic improvement in January 2006 to 73 percent FMR per DOD IMR standards.

Physical Readiness.—Navy Reserve is actively participating in Total Force solutions to address physical readiness. The CNO's "Fitness Board of Advisors" is exploring methodologies for changing the culture of fitness in the Navy to ensure a ready, fighting force. The Secretary of the Navy's "Health and Productivity Management" group is addressing the impact of a fit force on work productivity. Many participants are members of both groups in order to facilitate the exchange of good ideas. Further, Navy Reserve is working with BUPERS to revise the Physical Readiness Information Management System (PRIMS) to more accurately capture fitness testing data.

Administrative Readiness.—Navy Reserve tracks administrative readiness with the "Type Commander (TYCOM) Readiness Management System—Navy Reserve Readiness Module" (TRMS-NRRM), which provides a scalable view of readiness for the entire Force. This Navy Reserve developed system has served as the prototype for the "Defense Readiness Reporting System" (DRRS), and links to many DOD systems. Navy Reserve leaders have utilized accurate data for all categories and elements since the first data call in 2003, and can quickly determine readiness information for individuals, units, activities, regions, and any other desired capability breakouts.

TRANSFORMATION

Navy Reserve continues to lead DOD RC transformation. Through the Base Realignment and Closure (BRAC) process, Navy Reserve Centers (NRC) are consolidating into larger, more centralized Navy Operational Support Centers (NOSC) on military bases, while maintaining presence in all 50 states and reducing excess capacity by 99 percent. Consolidation of smaller facilities provides a better return on investment (ROI) of precious RPN and OM&NR funding, with better utilization of administration and staff support for SELRES, while aligning with Navy Regional Commanders instead of separate RC Regions. Whenever possible, our RC Sailors have indicated a strong desire to “flex drill” at their AC supported commands, which achieves a greater level of readiness and operational support, as well as Total Force integration.

SUMMARY

Navy Reserve is evolving from a dispersed strategic force of the Cold War to an adaptive and responsive operational force that will be required to meet the surge requirements for future asymmetric threats. Change of this magnitude is not easy and challenges both AC and RC leadership to rapidly become more integrated while thoroughly communicating the vision to the Total Force. We greatly appreciate the full support of Congress as we implement initiatives that will better align AC and RC personnel and equipment, providing additional resources to recapitalize the Navy of the future.

Our dedicated RC Sailors continue to volunteer to serve and REserve, and we are developing a “Continuum of Service” program to ensure that they can quickly support operational missions, with easy transitions on and off active duty. We are simplifying the order writing and funding processes, while allowing the customers, the Fleet and COCOMs, to control the resources through their Operational Support Officers. These initiatives will greatly reduce the administrative burden on both the ready Sailor and the chain of command, ensuring the right Sailor is in the right place at the right time with the right skill sets. Navy will continue to improve readiness tracking and reporting systems so that the Sailor will be ready to deploy when called, physically, medically and administratively.

The future success of our Navy and the Nation requires dominance of the maritime domain, and will be dependent upon a Reserve Force that is ready, relevant and fully integrated. Our Navy Reserve is busy transforming its processes, becoming more integrated with both Navy and joint forces, and is more ready than ever for any tasking. We are providing global operational support, and our RC Sailors have and will continue to answer the call to “be ready” to support the Combatant Commanders and prevail in the Long War.

Senator STEVENS. General Bergman.

STATEMENT OF LIEUTENANT GENERAL JACK W. BERGMAN, COMMANDER, MARINE CORPS RESERVE, UNITED STATES MARINE CORPS, DEPARTMENT OF THE NAVY

General BERGMAN. Good morning, sir, Mr. Chairman, Senator Inouye.

As a first-timer here, brevity I guess is very good on all of our parts because time is of the essence. As the Marine Corps, the Marine Corps Reserve, we are still focused on getting that individual marine ready to go, after that to fight the fight, focus on the family, and focus on the funding for allowing our participation in the long war.

Thank you for the opportunity to be here. I look forward to your questions.

Senator STEVENS. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JACK W. BERGMAN

INTRODUCTION

Chairman Stevens, Senator Inouye and distinguished Members of the subcommittee, it is my honor to report to you on the state of your Marine Corps Re-

serve as a partner in the Navy-Marine Corps team. Your Marine Corps Reserve remains firmly committed to warfighting excellence. The support of Congress and the American people has been indispensable in attaining that level of excellence and our success in the Global War on Terror. Your sustained commitment to care for and improve our Nation's armed forces in order to meet today's challenges, as well as those of tomorrow, is vital to our continued battlefield success. On behalf of all marines and their families, I would like to take this opportunity to thank Congress and this committee for your ongoing support.

YOUR MARINE CORPS RESERVE TODAY

The last 5 years have demonstrated the Marine Corps Reserve is truly a full partner in the Total Force Marine Corps. I assumed the responsibility as the commander of Marine Forces Reserve on the 10th of June 2005, and I can assure you the Marine Corps Reserve remains totally committed to continuing the rapid and efficient activation of combat-ready ground, air and logistics units, and individuals to augment and reinforce the active component in the Global War on Terror (GWOT). Marine Corps Reserve units, Individual Ready Reserve (IRR) Marines, Individual Mobilization Augmentees (IMAs), and retired marines fill critical requirements in our Nation's defense and are deployed worldwide in Iraq, Afghanistan, Georgian Republic, Djibouti, Kuwait, and the United States, supporting all aspects of the Global War on Terror. At home, our Reserve Marines are pre-positioned throughout the country, ready to defend the homeland or assist with civil-military missions such as the type of disaster relief conducted recently in the wake of Hurricanes Katrina and Rita.

Reserve Marines understand the price of protecting our constitutional rights to freedom, and even though some have paid the ultimate price in Operations Enduring Freedom and Iraqi Freedom, they continue to step forward and volunteer to serve their fellow Americans. The Marine Reserve Force remains strong and constant due to the committed marines in our ranks, our high retention and recruiting rates, and the ever-increasing benefits that Reserve Marines and their families enjoy.

As tactics and warfighting equipment continues to change and evolve, our level of readiness for future challenges must be maintained. Reserve ground combat units, aviation squadrons and combat service support elements are able to seamlessly integrate with their active component comrades in any Marine Air Ground Task Force (MAGTF) environment because they are held to identical training standards. A strong Inspector-Instructor (I&I) system and a demanding Mobilization and Operational Readiness Deployment Test (MORDT) program ensure Marine Corps Reserve units achieve a high level of pre-mobilization readiness. Marine Reserve units continue to train to challenging, improved readiness standards, reducing the need for post-mobilization certification. This ensures that these combat capable units undergo a seamless transition to the Gaining Force Commander.

As we progress into the 21st century, we have seen historic and tragic events that have impacted our country and Marine Forces Reserve in ways that will reverberate for years to come. When Hurricanes Katrina and Rita battered the Gulf Coast, Marine Forces Reserve was part of both the evacuation and the relief efforts in the area. Due to the storms, Marine Forces Reserve Headquarters, along with our subordinate headquarters, were forced to evacuate the New Orleans area and set up temporary commands in Texas and Georgia. It was from these locations that we managed the mobilization and deployment of units to the affected areas to support relief efforts. In some cases marines were serving in their own communities that were devastated by the storms.

As of this month, over 5,300 Reserve Marines are activated in support of Operation Enduring Freedom, Operation Iraqi Freedom, and Horn of Africa operations. Of these marines, approximately 4,000 are serving in combat-proven ground, aviation and service support units led by Reserve Marine officers and non-commissioned officers. The remaining 1,300+ Reserve Marines are serving as individual augmentments in support of Combatant Commanders, the Joint Staff and the Marine Corps. Since September 11, 2001, the Marine Corps has activated over 39,000 Reserve Marines, and more than 97 percent of all Marine Forces Reserve units.

Since the beginning of the Global War on Terror, it has become necessary for the Marine Corps Reserve to increase support required for operations against the backdrop of a rapidly changing world environment accentuated by asymmetrical warfare and continuing hostilities. As new warfighting requirements have emerged, we have adapted our capabilities by creating anti-terrorism battalions from existing units, as well as provisional civil affairs groups in support of our efforts in Iraq. We continue to refine our reserve capabilities. Through assessment, projection and careful plan-

ning, we shift valuable resources to enhance our ability to provide required war fighting, intelligence gathering, Homeland security, and civil affairs capabilities.

RETURN ON INVESTMENT

The Marine Corps is committed to the Total Force Concept as evidenced by the overwhelming success of Marine Reserve units serving in support of the Global War on Terror. Activated Marine Reserve units and individuals are seamlessly integrating into forward deployed Marine Expeditionary Forces and regularly demonstrate their combat effectiveness. Since March 2005, approximately 8,500 Reserve Marines have deployed in support of two troop rotations to Iraq. The combat effectiveness of all Reserve Marines deployed in support of Operation Iraqi Freedom is best illustrated by the following examples.

Force Units

Marine Forces Reserve has provided provisional civil affairs groups, air-naval gunfire liaison detachments and counter intelligence teams in support of Operation Iraqi Freedom.

The Marine Corps has two permanent civil affairs groups and, in 2005, formed two additional provisional civil affairs groups. The decision was made to expand the Corps' civil affairs capability for the Iraqi conflict by creating a provisional 5th and 6th Civil Affairs Group (CAG) of nearly 200 marines each. The 5th and 6th CAGs were created to ease the deployment cycles of the 3rd and 4th CAGs and to create additional civil affairs assets. Fourth Combat Engineer Battalion from Baltimore provided the nucleus for the 5th CAG, which was established in late 2004. The unit was rounded out by marines from across the country, to include two previously retired marines.

The 5th CAG began its tour of duty in Iraq at a transfer of authority ceremony with the 4th CAG at Camp Fallujah on March 10, 2005. Led by Col. Steve McKinley and Sgt. Maj. John Ellis, the 5th CAG assumed 4th CAG's area of responsibility and operated throughout Al-Anbar Province coordinating civil affairs projects with the goal of restoring critical infrastructure and facilitating the transition into a self-governing people. The 6th CAG, led by Col. Paul Brier and SgtMaj Ronnie McClung, relieved 5th CAG in September 2005. After a successful 7 month tour, they are redeploying to the United States this month.

In addition to the contribution of the civil affairs groups, Marine Forces Reserve has provided detachments from both 3d and 4th Air Naval Gunfire Liaison Company (ANGLICO)—based in Long Beach, California and West Palm Beach, Florida respectively—in support of Operation Iraqi Freedom. The last detachment returned mid-December 2005. During its tour, the unit supported the multinational division headed by the Polish Army and consisting of troops from 14 countries. The unit was involved in various missions in the three provinces south of Baghdad. Duties ranged from calling in fire support for the coalition partners to providing protection for convoys. The marines were credited with rounding up 390 insurgents and criminals, in addition to recovering 50,000 pounds of ordnance.

Fourth Marine Division

The 3rd Battalion, 25th Marines, led by LtCol Lionel B. Urquhart, a manager for Roadway Transportation Services, and his senior enlisted advisor SgtMaj Edward C. Wagner, supported Regimental Combat Team 2 (RCT-2) during Operation Iraqi Freedom 04-06.1. During this time, the battalion cleared the city of Hit, establishing two permanent firm bases there and introduced Iraqi armed forces into the city to begin the process of independent Iraqi control. Hit was the only city to be liberated from anti-Iraqi forces control by the 2d Marine Division. In all, the battalion acted as the regimental main effort in 15 named combat operations and provided support to five more named operations in an area covering 4,200 square kilometers. The scheme of maneuver for entry into the town of Kubaysah employed the first heliborne and mechanized combined assault in Area of Operation "Denver." The battalion's efforts resulted in 46 detainees being convicted to confinement at Abu Grahb Prison, 160 confirmed enemy killed in action, and 25 confirmed enemy wounded in action. This battalion, which coalesced from Reserve Marines spread across more than seven States, acted as a center of gravity for RCT-2 during Operation Iraqi Freedom 04-06.1, enabling the regiment to achieve its greatest successes.

Fifth Battalion, 14th Marines (-) Reinforced, commanded by John C. Hemmerling, an attorney for the City of San Diego, with Sergeant Major Jose Freire, a U.S. postal carrier, as his senior enlisted advisor, was assigned the mission as a provisional military police battalion in the Al Anbar Province of Iraq. The marines of 5/14 exemplified the total force concept as they transitioned from a reserve artillery battalion

into a composite battalion. The 1,000-strong battalion was comprised of 15 active and reserve units and detachments, and integrated active and Reserve Marines down to the fire team level. Furthermore, drawing from its ranks of reservists in civilian law enforcement and active duty military policemen at its core, the battalion was task organized to conduct military police missions including convoy security operations; law and order at forward operating bases; operate five regional detention facilities; provide force protection of Camp Fallujah; conduct criminal investigations; recruit Iraqi Security Forces through the Police Partnership Program; and control 57 military working dog teams. The battalion is credited with processing over 6,000 detainees consisting of suspected insurgents, terrorists and criminals—without incident; safely escorted over 300 convoys throughout the Multinational Force West area of operations; occupying and defending Camp Fallujah and approximately 100 square kilometers of battle space surrounding it; and recruiting over 1,000 Iraqi police candidates.

The 4th Marine Division also provided a significant presence during Hurricane Katrina relief efforts on the Gulf Coast. From the Commanding General, MajGen Douglas O'Dell—who was appointed to lead the entire Marine Corps relief effort—to a multitude of units from Alabama, Texas, Florida, Oklahoma, Tennessee, Virginia, Missouri and other States, elements of the 4th Marine Division converged on the beleaguered area to form the marine nucleus of support. Worthy of particular note are the marines of the 4th Assault Amphibian Battalion in Gulfport, Mississippi. Immediately after the storm passed, these intrepid marines began combing their community in their amtracs in search of victims, as well as rendering assistance to local authorities. The last of these Marine Reserve units returned to their home stations on October 1.

Fourth Marine Logistics Group

Fourth Marine Logistics Group (MLG) continued to provide the active duty component and combatant commanders tactical logistics support throughout the six functional areas of Combat Service Support (CSS) and the personnel necessary to sustain all elements of the operating force in multiple theaters and at various levels of war. Fourth MLG has a well-established reputation for providing professional, dedicated and highly skilled marines and sailors to augment and reinforce the active components in support of Operations Iraqi Freedom (OIF) and Enduring Freedom (OEF). During the past year's semi-annual relief of forces, 4th MLG deployed approximately 1,000 Reserve Marines and sailors to conduct tactical level logistics missions.

Additionally, 4th MLG provided the following support to the operating forces as requested by combatant commanders:

- During January of 2005, 4th MLG deployed approximately 130 marines and sailors to support Marine Forces Central Command's Logistics Command Element (LCE) located aboard Camp Lemonier, Djibouti. These marines and sailors from various 4th MLG battalions provided vital logistical and operational support to a mission focused on detecting, disrupting, and ultimately defeating transnational terrorist groups operating in the Horn of Africa region.
- In April 2005, on short notice, 4th MLG deployed 13 maintenance personnel in support of Marine Corps Systems Command (MARCORSYSCOM) to a forward operating base in Iraq to assist with the installation of armor kits on tactical vehicles. Their mission proved invaluable in mitigating the personnel and equipment loss attributed to an emergent IED threat.
- During May of 2005, 4th MLG provided health services support consisting of 20 sailors from 4th Medical Battalion to II Marine Expeditionary Force (II MEF) for detainee operations in Iraq that included medical services for personnel in temporary detainee facilities; maintenance of medical supplies and equipment; health and sanitation inspections, pre and post interrogation health assessments; and coordination of medical evacuations in accordance with the Geneva Convention.
- June 2005 saw 4th MLG provide the nucleus staff for the provisional 6th Civil Affairs Group.

Fourth Marine Aircraft Wing

Fourth Marine Aircraft Wing (MAW) units participated in a wide variety of operations in locations across the country and around the world in support of the Global War on Terror.

Operation Iraqi Freedom activations consisted of units in their entirety, detachments, as well as individual augments providing invaluable support to the active component in the conduct of these operations. Marine Fighter/Attack Squadron 142 deployed 12 F/A-18 A+ Hornet aircraft in support of OIF, where they accomplished

100 percent of their tasked sortie requirements. These assets were the first 4th MAF F/A-18s to deploy in support of OIF and the first Marine F/A-18 A+ to deploy the Advanced Targeting Pod (LITENING) in a combat environment. Marine Medium Helicopter Squadron (HMM) 764 and HMM 774 deployed to Iraq in support of OIF for their second tour. The deployment of these units required the transfer of 19 aircraft from east to west coast to facilitate training of the unit that was CONUS based while the other deployed. This monumental task was accomplished safely and efficiently. Marine Light Attack Squadron (HMLA) 775 returned from Iraq and immediately went to work accepting 16 AH-1W and 9 UH-1N aircraft from 3rd MAF. Immediately upon acceptance, they transferred six of the AH-1Ws and four of the UH-1Ns to HMLA-775 Detachment A, which then repositioned all aircraft to Johnstown, Pennsylvania. Additionally, Heavy Marine Helicopter Squadron (HMH) 772 was chosen to conduct the initial Night Vision Goggle (NVG) flight training evolution designed for Navy MH-53E aircrew, in preparation for their deployment in support of Operation Iraqi Freedom. This marked the first time Navy MH-53 pilots were trained on NVGs in a desert environment. Marine Air Control Group (MACG) 48 provided numerous detachments, including air traffic controllers, to support the OIF. Marine Wing Support Group (MWSG) 47 provided continual ground refueling support to OEF, and ongoing detachments of engineers, refuelers, and firefighters to OIF.

Hurricane Katrina made landfall on August 29, 2005 east of New Orleans. As a result of the ensuing devastation to the gulf coast region, HMH-772 was the first marine squadron to participate in rescue efforts in New Orleans on August 31, 2005. The unit deployed four aircraft, which transported 348,000 lbs of cargo, 1,053 passengers, and 720 evacuees. Marine Aerial Refueler Transport Squadrons (VMGR) 234 and 452 and their KC-130 aircraft provided direct support to Special Purpose Marine Air/Ground Task Force (SPMAGTF) Katrina in the form of troop, cargo lift and humanitarian assistance to the gulf coast region: 1,562 passengers and 1.5 million pounds of cargo were transported during 263 sorties totaling 535 hours. They also performed the same mission during the aftermath of Hurricanes Rita and Wilma. In addition to HMH-772, HMLA-773 provided direct support to SMAGTF Katrina in the form of civilian evacuation and humanitarian relief, operating out of Eglin AFB and NAS JRB New Orleans. MACG-48 and MWSG-47 brought their own specialized assistance in the form of aircraft controllers and logistical support. Fourth MAF continued to support Katrina relief efforts until October 2005.

ACTIVATION PHILOSOPHY

Reserve forces have been sustained consistent with Total Force Marine Corps planning guidance. This guidance continues to be based on a 12-month involuntary activation with a 7 month deployment, followed by a period of dwell time and, if required and approved, a second 12-month involuntary reactivation and subsequent 7 month deployment. This force management practice has provided well balanced and cohesive units within Marine Forces Reserve, ready for sustained employment and warfighting. This activation philosophy has proved to be an efficient and effective use of our Reserve Marines' 24-month cumulative activation time limit.

ACTIVATION IMPACT

As of December 2005, the Marine Corps Reserve began activating approximately 2,200 Selected Marine Corps Reserve (SMCR) Marines in support of the next Operation Iraqi Freedom rotation and 290 SMCR Marines in support of Operation Enduring Freedom. Even with judicious use of our assets and coordinated planning, the personnel tempo has increased. As the Members of this committee know, Reserve Marines are students or have civilian occupations that are also very demanding, and are their primary careers. In total, approximately 5,464 Reserve Marines have been activated more than once; about 1,875 of whom are currently activated. As of April 2006, approximately 61 percent of the current SMCR unit population and 72 percent of the current Individual Mobilization Augmentee (IMA) population have been activated at least once. About 2.8 percent of our current Individual Ready Reserve (IRR) population is deployed in support of OIF/OEF. If you include the number of marines who previously deployed in an active status who have since transferred to the IRR, the number reaches 57 percent. This is worth particular note as the IRR provides needed depth and capability. Volunteers from the IRR and from other Military Occupational Specialties, such as artillery, have been cross-trained to reinforce identified critical specialties such as civil affairs and linguists.

Although supporting the GWOT is the primary focus of the Marine Corps Reserve, other functions, such as pre-deployment preparation and maintenance, recruiting, training, facilities management and long term planning continue. The wise use of

the Active Duty Special Work (ADSW) program allows the Marine Corps to fill these short-term requirements with Reserve Marines. For example, as of this month almost 4,600 marines are on active duty under this program. Continued support and funding for this critical program will enhance flexibility, thereby ensuring our total force requirements are met.

MARINE CORPS RESERVE CAPABILITIES

The Marine Corps Reserve recognizes the fiscal and security environment of today and the future demands required to remain effective, relevant and capable in support of the Total Force and Combatant Commanders. To this end, we have been active participants in the 2004 Force Structure Review Group and presently, the Capabilities Assessment Group. Both initiatives, discussed in the ensuing paragraphs, will better posture Marine Forces Reserve with a lethal spectrum of capabilities to support irregular and traditional warfare.

Force Structure Review Group 2004 (FSRG 04)

FSRG 04 convened in April-May 2004 to rebalance Marine Corps total force capabilities for sustained support to OIF and OEF. The effort was end-strength and structure neutral—with proposed new capabilities offset by reductions in lower priority, underused capabilities. A key rationale for the effort included the necessity to build more sustainable capabilities in job skill areas experiencing high demand and high personnel tempo rates. In last year's testimony we reported the results of FSRG 04, which called for decreasing Reserve Component anti-aircraft, artillery, tank, and tactical aviation capability while increasing anti-terrorism, civil affairs, intelligence, light armored reconnaissance, and mortuary affairs capabilities within the reserve component over a 3 year period (fiscal year 2005–07). Executing these actions while simultaneously supporting OEF and OIF commitments is challenging, and involves close collaboration among force structure, manpower, training, operations, logistics, facility, and fiscal planners. fiscal year 2006 contains the preponderance of actions which are well underway and by the end of fiscal year 2007, will better posture the reserve component to sustain the Long War.

Base Realignment And Closure 2005 (BRAC 05)

BRAC 05 moves us toward our long-range strategic infrastructure goals through efficient joint ventures and increased training center utilization without jeopardizing our community presence. In cooperation with other reserve components, notably the Army Reserve and the Army National Guard, we developed Reserve basing solutions that further reduce restoration and modernization backlogs and AT/FP vulnerability. Twenty-three of the 25 BRAC recommendations affecting the Marine Corps Reserve result in joint basing of our units. Implementation of these recommendations will be a challenge across the Future Years Defense Program. Of the other two, the Federal City in New Orleans appears both promising and challenging and we look forward to working with the State and local governments in this unique venture. The final BRAC-recommended move is from a Navy-hosted facility in Encino, California, to a Marine Corps Reserve-owned facility in Pasadena, California.

EQUIPMENT

The Marine Corps Reserve, like the active component, faces two primary equipping challenges: supporting and sustaining our forward deployed forces in the GWOT while simultaneously resetting and modernizing the Force to prepare for future challenges. Our priorities in support of the first challenge are to provide every deploying Reserve Marine with the latest generation individual combat and protective equipment; second, to procure essential communications equipment; third, to procure simulation devices that provide our marines with essential training and enhance survivability in hostile environments; and fourth, to provide adequate funding to O&M accounts. Our priorities in support of resetting and modernizing the Force include the procurement and fielding of light armored vehicles to outfit two new Light Armored Reconnaissance Companies, filling our remaining communications equipment shortfalls, and adequately funding upgrades to our legacy aircraft.

Training Allowance

The total wartime equipment requirement for Marine Corps units is called the Table of Equipment (T/E). For Marine Forces Reserve, the T/E consists of two parts: a Training Allowance (T/A) and In-Stores assets. The T/A is the equipment our units maintain at their training sites. Our units have established training allowances that is, on average, approximately 80 percent of the established T/E. This equipment represents the minimum needed by the unit to maintain the training readiness nec-

essary to deploy, while at the same time is within their ability to maintain under routine conditions. The establishment of training allowances allows Marine Forces Reserve to better cross-level equipment to support CONUS training requirements of all units of the Force with a minimal overall equipment requirement. The amount of T/A each unit has is determined by training requirements, space limitations, and staffing levels at the unit training sites. This construct requires the support of the Service to ensure that the “delta” between a unit’s T/A and T/E is available in the event of mobilization and deployment. The current Headquarters Marine Corps policy of retaining needed equipment in theater for use by deploying forces ensures that mobilized Marine Forces Reserve units will have the primary end items necessary to conduct their mission.

The types of equipment held by Reserve Training Centers are the same as those held within the active component. However, as a result of the aforementioned movement of equipment into theater as well as the Marine Corps’ efforts to cross-level equipment inventories to support home station shortfalls (both active and reserve), Marine Forces Reserve will experience selected equipment shortfalls, particularly communications and electronic equipment. This shortfall will be approximately 10 percent across the Force in most areas, and somewhat greater for certain low density “big-box” type equipment sets. The shortfall will not preclude essential sustainment training within the Force. Shortfalls are being mitigated over time by equipment procured through the fiscal year 2005 Emergency Supplemental as well as fiscal year 2005 and fiscal year 2006 National Guard and Reserve Equipment Appropriations.

Individual Marine Equipment

As with all we do, our top focus is the individual marine and sailor. Our efforts to equip and train this most valued resource have resulted in obtaining the latest generation individual combat and protective equipment: M4 rifles, Advanced Combat Optic Gunsight (ACOG) rifle scopes, lower body armor, and night vision goggles, to name a few. I am pleased to report that every member of Marine Forces Reserve deployed over the past year in support of the Global War on Terror, as well as those currently deployed in harm’s way, were fully equipped with the most current individual combat clothing and equipment and individual protective equipment. Your continued support of current budget initiatives will ensure we are able to properly equip our most precious assets—our individual marines.

Ground Equipment

The ground equipment readiness (mission capable) rates of our deployed forces average above 95 percent. This has been accomplished by tapping into pre-positioned stocks in Norway and Maritime Prepositioned Shipping, through organic maintenance capabilities, contractor support, leveraging the Army ground depot capability, an established principal end item rotation plan, and the established pool of ground equipment (Forward In-Stores) which expedites the replacement of damaged major end items. The corresponding ground equipment readiness (mission capable) rates for non-deployed units average 85 percent, although we do have shortages in home station equipment available for training due to “cross-leveling” equipment in support of GWOT. Equipment that has been cross-leveled to OIF includes communications equipment, crew-served weapons, optics, and a reserve infantry battalion’s equipment set.

The harsh operating environments found in Afghanistan and Iraq, coupled with the weight of added armor and unavoidable delays of scheduled maintenance due to combat, is degrading the Corps’ equipment at an accelerated rate. With GWOT equipment usage rates ranging from four to nine times normal peacetime usage depending on the end item, hours/miles, and operational conditions, maintaining current readiness levels will require extensive maintenance efforts, particularly for any major end items returned to CONUS.

Aviation Equipment

The Marine Corps Reserve operates and maintains a diverse but aging inventory of aircraft including: AH-1W Cobras, CH-46E Sea Nights, CH-53E Super Stallions, F-5 Tiger Sharks, KC-130T Hercules, F/A-18A Hornets, UH-1N Hueys, and Operational Support Airlift aircraft consisting of UC-12 King Airls and UC-35 Citations. The average age of our tactical aircraft is: CH-46E: 38 years; UH-1N: 34 years; F-5: 29 years; F/A-18A: 21 years; KC-130T: 19 years; CH-53E: 17 years; AH-1W: 12 years.

The harsh operating environments in Afghanistan and Iraq—extreme temperatures, high altitudes, corrosive desert environment—have created maintenance challenges, negatively affected the normal expected service life of our rotary wing fleet, and accelerated the aging of the inventory. The CH-46, for example, has been uti-

lized in support of OIF at 200 percent of its peacetime usage rate. With no active production lines for our rotary wing aircraft, maintaining our inventory in a mission capable status has been accomplished through an ever increasing workload on our enlisted maintainers, yet despite difficult circumstances they continue to excel. The aviation equipment readiness (mission capable) rates of our deployed forces averaged 82 percent over the past 12 months. The corresponding rate of units remaining in garrison averaged 74 percent over the same period.

The President's budget request provides limited modernization dollars for Marine Corps Reserve (and Navy Reserve) aircraft: \$2.6 million for Adversary Aircraft (F-5 & USN F-16), \$7.1 million for H-53 series aircraft, and \$30.3 million for cargo/transport aircraft (e.g., KC-130T, UC-12, UC-35). Selective aircraft modernization needs identified in the fiscal year 2007 National Guard and Reserve Equipment Report and elsewhere include: AH-1W critical cockpit upgrade, CH-46 crashworthy crew chief seats, KC-130T Defensive Electronic Countermeasures (DECM) and Night Vision Lighting (NVL) upgrade. With no new aircraft slated for delivery to the Marine Corps Reserve, it is essential that procurement funding continue for selective upgrade and modernization of legacy aircraft, as well as adequately funding the O&M account.

We have mitigated aircraft reset requirements as much as possible through specific aircraft modifications, proactive inspections and corrective maintenance; however, significant reset efforts exist. Additional requirements for depot level maintenance on airframes, engines, weapons, and support equipment will continue well after hostilities end and our aircraft have returned to their home stations. Assuming no top-line increase, the magnitude of the aviation reset requirement cannot be accomplished within the procurement account of the President's budget without having detrimental impacts elsewhere within the Marine Corps. We greatly appreciate the support of Congress in providing past supplemental appropriations.

Marine aviation is poised to undergo significant transformation over the next 10 years. The initial impact to the Marine Corps Reserve is slated to occur during fiscal year 2007 when one Reserve F/A-18A squadron is programmed to deactivate. Coupled with the fiscal year 2005 deactivation of another Reserve F/A-18A squadron stemming from the Department of the Navy's Tactical Aviation (TACAIR) integration initiative, two Reserve F/A-18A squadrons will remain after fiscal year 2007.

National Guard And Reserve Equipment Appropriation (NGREA)

NGREA continues to provide invaluable support in providing interoperable, state-of-the-art equipment to our Reserve Marines, the Total Force and the ultimate customer—the Combatant Commanders. In fiscal year 2005, NGREA provided \$50 million (\$40 million for Title III and \$10 million under Title IX) which is presently being obligated to procure high priority aviation and ground needs such as: Aviation Survivability Equipment (ASE) for AH-1W aircraft, Helicopter Night Vision Systems (HNVS) for CH-53E aircraft, light weight troop seats for CH-46 aircraft, SATCOM radios for KC-130T aircraft; significant quantities of communication equipment including: Integrated Intra-Squad Radios (IISR); PRC-117s, PRC-148s, PRC-150s; simulation devices including: Indoor Simulated Marksmanship Trainer-Enhanced, Virtual Combat Convoy Trainer, MTRV Training Simulator; and other miscellaneous equipment including: Night Vision Systems, Laser Target Designators; Counterintelligence HUMINT Equipment Suite (CIHEP) and power distribution systems.

Fiscal year 2006 NGREA provided \$30 million, which was released to the Marine Corps for obligation in March 2006. Again focused on supporting current warfighter needs, this funding will procure communications equipment including PRC-148s and Improved Intra-Squad Radios, multiple simulation devices including: Virtual Combat Convoy Trainers, LAV Combat Vehicle Training Simulators, a Medium Tactical Vehicle Replacement—Training System (MTRV-TS), and other miscellaneous equipment including: Ground Laser Target Designators, In-Transit Visibility Management Package/RFID Tags, Defense Advanced GPS Receivers, Marine Expeditious Power Distribution Systems, CIHEP and alternate power supplies.

Given the urgency of fielding this equipment to our mobilizing and deploying marines, we coordinate with Marine Corps Systems Command and other executing agencies to ensure NGREA is placed on contract and delivered as soon as possible.

RECRUITING AND RETENTION

Like the active component, Marine Corps Reserve units primarily rely upon a first term enlisted force. Currently, the Marine Corps Reserve continues to recruit and retain quality men and women willing to manage commitments to their families, their communities, their civilian careers, and the Corps. Recruiting and retention goals were met in fiscal year 2005, but the long-term impact of recent activations

is not yet known. Despite the high operational tempo, the morale and patriotic spirit of Reserve Marines, their families and employers remains extraordinarily high.

At the end of fiscal year 2005, the Marine Corps' Selected Reserve was over 39,600 strong. Part of this population is comprised of Active Reserve Marines, Individual Mobilization Augmentees, and Reserve Marines in the training pipeline. Additionally, nearly 60,000 marines serve as part of the Individual Ready Reserve, representing a significant pool of trained and experienced prior service manpower. Reserve Marines bring to the table not only their Marine Corps skills but also their civilian training and experience as well. The presence of police officers, engineers, lawyers, skilled craftsmen, business executives, and the college students who fill our Reserve ranks serves to enrich the Total Force. The Marine Corps appreciates the recognition given by Congress to employer relations, insurance benefits, and family support. Such programs should not be seen as "rewards" or "bonuses," but as investment tools that will sustain the Force in the years ahead.

Support to the GWOT has reached the point where 70 percent of the current Marine Corps Reserve officer leadership has deployed at least once. Nevertheless, the Marine Corps Reserve is currently achieving higher retention rates than the benchmark average from the prior 3 fiscal years. As of January 2006 the OSD attrition statistic for Marine Corps Selected Reserve officers is 8.4 percent compared to the current benchmark average of 11.7 percent. For the same time period, Reserve unit enlisted attrition is 6.2 percent compared to an 8.5 percent benchmark average.

In fiscal year 2005, the Marine Corps Reserve achieved 100 percent of its recruiting goal for non-prior service recruiting (5,921) and exceeded its goal for prior service recruiting (3,132). For our Reserve component, junior officer recruiting remains the most challenging area. We are expanding Reserve commissioning opportunities for our prior-enlisted marines in order to grow some of our own officers from Marine Forces Reserve units and are exploring other methods to increase the participation of company grade officers in the Selective Marine Corps Reserve. We are also developing some bold new changes in our junior officer accession programs and expect to incorporate some of the changes during fiscal year 2007 and plan to fill 90 percent of our company grade officer billets by fiscal year 2011. We thank Congress for the continued support of legislation to allow bonuses for officers in the Selective Marine Corps Reserve who fill a critical skill or shortage. We are aggressively implementing the Selected Reserve Officer Affiliation Bonus program and expect it to fill fifty vacant billets this year, with plans to expand the program in the coming years.

QUALITY OF LIFE

Our future success will rely on the Marine Corps' most valuable asset—our marines and their families. We believe it is our obligation to arm our marines and their families with as much information as possible on the programs and resources available to them. Providing information on education benefits, available childcare programs, family readiness resources and health care benefits enhances their quality of life and readiness.

Education

Last year, you heard testimony from my predecessor that there were no laws offering academic and financial protections for Reserve military members who are college students. I am glad to see that there is movement in Congress to protect our college students and offer greater incentives for all service members to attend colleges. I appreciate Congress's efforts in protecting a military member's college education investments and status when called to duty.

More than 1,300 Marine Forces Reserve Marines and sailors chose to use tuition assistance in fiscal year 2005 in order to help finance their education. This tuition assistance came to more than \$3 million in fiscal year 2005 for more than 4,200 courses. Many of these marines were deployed to Afghanistan and Iraq and participated in their courses via distance learning. In this way, tuition assistance helped to mitigate the financial burden of education and facilitated progress in the marine's planned education goals. We support continued funding of tuition assistance as currently authorized for activated Reserves. I fully support initiatives that will increase G.I. Bill benefits for Reserve and National Guard service members, as they are key retention and recruiting tools and an important part of our commandant's guidance to enhance the education of all marines. The 2005 National Defense Authorization Act included a new education assistance program for certain Reserve and National Guard Service members. I heartily thank you for this initiative and its implementation by the Department of Veterans Affairs, as it has positively impacted the quality of life for Marine Reservists and other service members.

Child Care Programs

Marines and their families are often forced to make difficult choices in selecting childcare before, during and after a marine's deployment in support of the Global War on Terror. We are deeply grateful for "Operation Military Child Care," a joint initiative funded by the Department of Defense and operated through cooperative agreements with the Boys and Girls Clubs of America, and the National Association of Child Care Resource and Referral Agencies. Without the fiscal authorization provided by the Senate and House, these programs could not have been initiated or funded. These combined resources have immeasurably contributed to the quality of life of our marines' and their families. I thank you all for your support in the past and the future in providing sufficient funds for these key initiatives.

Family Readiness

Everyone in Marine Forces Reserve recognizes the strategic role our families have in our mission readiness, particularly in our mobilization preparedness. We help our families to prepare for day-to-day military life and the deployment cycle (Pre-Deployment, Deployment, Post-Deployment, and Follow-On) by providing educational opportunities at unit Family Days, Pre-Deployment Briefs, Return and Reunions, Post-Deployment Briefs and through programs such as the Key Volunteer Network (KVN) and Lifestyle Insights, Networking, Knowledge and Skills (L.I.N.K.S.). We also envision the creation of Regional Quality of Life Coordinators, similar to the Marine Corps Recruiting Command program, for our Reserve Marines and their families.

At each of our Reserve Training Centers, the KVN program serves as the link between the command and the family members, providing them with official communication, information and referrals. The key volunteers, many of whom are parents of young, un-married marines, provide a means of proactively educating families on the military lifestyle and benefits, provide answers for individual questions and areas of concerns and, perhaps most importantly, enhance the sense of community within the unit. The L.I.N.K.S. program is a spouse-to-spouse orientation service offered to family members to acquaint them with the military lifestyle and the Marine Corps, including the challenges brought about by deployments. Online and CD-ROM versions of L.I.N.K.S makes this valuable tool more readily accessible to families of Reserve Marines not located near Marine Corps installations.

Military One Source is another important tool that provides marines and their families with around-the-clock information and referral service for subjects such as parenting, childcare, education, finances, elder care, health, wellness, deployment, crisis support and relocation via toll-free telephone and Internet access.

The Peacetime/Wartime Support Team and the support structure within the Inspector and Instructor staff use all these tools to provide families of activated or deployed marines with assistance in developing proactive, prevention-oriented steps such as family care plans, powers of attorney, family financial planning, and enrollment in the Dependent Eligibility and Enrollment Reporting System. All of these programs depend on adequate funding of our manpower and O&M accounts.

Managed Health Network

Managed Health Network, through a contract with the Department of Defense, is providing specialized mental health support services to military personnel and their families. This unique program is designed to bring counselors on-site at Reserve Training Centers to support all phases of the deployment cycle. Marine Forces Reserve is incorporating this resource into Family Days, Pre-Deployment Briefs and Return & Reunion Briefs and further incorporating them in the unfortunate event of significant casualty situations. Follow-up services are further scheduled after marines return from combat at various intervals to facilitate on-site individual and group counseling.

Tricare

Since 9/11, Congress has gone to great lengths to improve TRICARE benefits available to the Guard and Reserve and we are very appreciative to Congress for all the recent changes to the program. Since April 2005, TRICARE Reserve Select has been providing eligible Guard and Reserve veterans with comprehensive health care. This new option, similar to TRICARE Standard, is designed specifically for Reserve members activated on or after September 11, 2001 who enter into an agreement to serve continuously in the Selected Reserve for a period of 1 or more years. Participation in the program has greatly benefited those Reserve Marines who have served and who continue to serve. This provides optional coverage for Selected Reserves after activation, at the rate of 1 year of coverage while in non-active duty status for every 90 days of consecutive active duty. The member must agree to re-

main in the Selected Reserve for 1 or more whole years. Also, a permanent earlier eligibility date for coverage due to activation has been established at up to 90 days before an active duty reporting date for members and their families.

The new legislation also waives certain deductibles for activated members' families. This reduces the potential double payment of health care deductibles by members' civilian coverage. Another provision allows the DOD to protect the beneficiary by paying providers for charges above the maximum allowable charge. Transitional health care benefits have been established, regulating the requirements and benefits for members separating. We are thankful for these permanent changes that extend healthcare benefits to family members and extend benefits up to 90 days prior to their activation date and up to 180 days after de-activation.

Reserve members are also eligible for dental care under the Tri-Service Dental Plan for a moderate monthly fee. In an effort to increase awareness of the new benefits, Reserve members are now receiving more information regarding the changes through an aggressive education and marketing plan. These initiatives will further improve the healthcare benefits for our Reserves and National Guard members and families.

Casualty Assistance

One of the most significant responsibilities of the site support staff is that of casualty assistance. Currently, Marine Forces Reserve conducts approximately 93 percent of all notifications and follow-on assistance for the families of our fallen Marine Corps brethren. In recognition of this greatest of sacrifices, there is no duty that we treat with more importance. However, the duties of our casualty assistance officers go well beyond notification. We ensure they are adequately trained, equipped, and supported by all levels of command. Once an officer or staff noncommissioned officer is designated as a casualty assistance officer, he or she assists the family members in every possible way, from planning the return and final rest of their marine, counseling them on benefits and entitlements, to providing a strong shoulder when needed. The casualty officer is the family's central point of contact, serving as a representative or liaison with the media, funeral home, government agencies or any other agency that may be involved. Every available asset is directed to our marine families to ensure they receive the utmost support. This support remains in place as long after the funeral and is maintained regardless of personnel turnover. The Marine Corps Reserve also provides support for military funerals for veterans of all services. The marines at our reserve sites performed more than 7,500 funerals in calendar year 2005.

Marine For Life

Our commitment to take care of our own includes a marine's transition from honorable military service back to civilian life. Initiated in fiscal year 2002, the Marine For Life program is available to provide support for the approximately 27,000 marines transitioning from active service back to civilian life each year. Built on the philosophy, "Once a Marine, Always a Marine," Reserve Marines in over 80 cities help transitioning marines and their families to get settled in their new communities. Sponsorship includes assistance with employment, education, housing, childcare, veterans' benefits and other support services needed to make a smooth transition. To provide this support, the Marine For Life program taps into a network of former marines and marine-friendly businesses, organizations, and individuals willing to lend a hand to a marine who has served honorably. Approximately 2,000 marines are logging onto the web-based electronic network for assistance each month, and more than 30,000 marines have been assisted since January 2004. Assistance from career retention specialists and transitional recruiters helps transitioning marines by getting the word out about the program.

Employer Support

Members of the Guard and Reserve who choose to make a career must expect to be subject to multiple activations. Employer support of this fact is essential to a successful activation and directly effects retention and recruiting. With continuous rotation of Reserve Marines, we recognize that the rapid deactivation process is a high priority to reintegrate marines back into their civilian lives quickly and properly in order to preserve the Reserve force for the future. To that end we enthusiastically support the efforts of the National Committee of the Employer Support of the Guard and Reserve (ESGR) and have joined with them in Operation Pinnacle Advance, which seeks to further develop personal relationships with our marines' employers.

CONCLUSION

As I have stated in the beginning of my testimony, your consistent and steadfast support of our marines and their families has directly contributed to our successes, both past and present, and I thank you for that support. As we push on into the future, your continued concern and efforts will play a vital role in the success of Marine Forces Reserve. Due to the dynamics of the era we live in, there is still much to be done.

The Marine Corps Reserve continues to be a vital part of the Marine Corps Total Force Concept. Supporting your Reserve Marines at the 185 sites throughout the United States, by ensuring they have the proper facilities, equipment and training areas, enables their selfless dedication to our country. Since 9/11, your Marine Corps Reserve has met every challenge and has fought side by side with our active counterparts. No one can tell the difference between the active and reserve—we are all marines.

The consistent support from Congress for upgrades to our warfighting equipment has directly affected the American lives saved on the battlefield. However, as I stated earlier, much of the same equipment throughout the force has deteriorated rapidly due to our current operational tempo.

As I have stated earlier, NGREA continues to be extremely vital to the health of the Marine Corps Reserve, assisting us in staying on par with our active component. We have seen how the NGREA directly improved our readiness in recent operations, and we look forward to your continued support of this key program.

My final concerns are for Reserve and Guard members, their families and employers who are sacrificing so much in support of our Nation. Despite strong morale and good planning, we understand that activations and deployments place great stress on these praiseworthy Americans. Your continued backing of “quality of life” initiatives will help sustain Reserve Marines in areas such as education benefits, medical care and family care.

My time thus far leading Marine Forces Reserve has been tremendously rewarding. Testifying before congressional committees and subcommittees is a great pleasure, as it allows me the opportunity to let the American people know what an outstanding patriotic group of citizens we have in the Marine Corps Reserve. Thank you for your continued support.

 BIOGRAPHICAL SKETCH OF LIEUTENANT GENERAL JACK W. BERGMAN

Lieutenant General Bergman was commissioned a second lieutenant in the Marine Corps Reserve under the Platoon Leader School program after graduation from Gustavus Adolphus College in 1969. In addition to attaining an M.B.A. degree from the University of West Florida, his formal military education includes Naval Aviation Flight Training, Amphibious Warfare, Command and Staff, Landing Force Staff Planning (MEB & ACE), Reserve Component National Security, Naval War College Strategy & Policy, Syracuse University National Security Seminar, Combined Forces Air Component Command, LOGTECH, and CAPSTONE.

He flew CH-46 helicopters with HMM-261 at Marine Corps Air Station, New River, North Carolina, and with HMM-164 in Okinawa/Republic of Vietnam. Assigned as a flight instructor, he flew the T-28 with VT-6, NAS Whiting Field, Florida. He left active duty in 1975 and flew UH-1 helicopters with the Rhode Island National Guard, Quonset Point, Rhode Island. Following a 1978 civilian employment transfer to Chicago, Illinois, he served in several 4th Marine Aircraft Wing units at NAS Glenview, Illinois (HML-776, flying the UH-1; VMGR-234, flying the KC-130; and Mobilization Training Unit IL-1). He was selected to stand up the second KC-130 squadron in 4th MAW and, in 1988, became the first Commanding Officer, VMGR-452, Stewart ANGB, Newburgh, New York. 1992–1994 he commanded Mobilization Station, Chicago, Illinois, the largest of the 47 Marine Corps Mobilization Stations.

During 1995 he served as a Special Staff Officer at Marine Corps Reserve Support Command, Overland Park, Kansas. In 1996, he became Chief of Staff/Deputy Commander, I Marine Expeditionary Force Augmentation Command Element, Camp Pendleton, California. Late 1997, he transferred to 4th Marine Aircraft Wing Headquarters, New Orleans, Louisiana to serve as Assistant Chief of Staff/G-1. Promoted to Brigadier General, he became Deputy Commander, 4th Marine Aircraft Wing.

Transferred in June 1998 to Headquarters, Marine Forces Europe, Stuttgart, Germany he served as Deputy Commander. Recalled to active duty from April to July 1999, he was dual-hatted as EUCOM, Deputy J-3A. He then commanded II Marine Expeditionary Force Augmentation Command Element, Camp Lejeune, North Carolina until assuming command of 4th Marine Aircraft Wing, New Orleans, Louisiana

in August 2000. In September 2002 he assumed command of the 4th Force Service Support Group, New Orleans, Louisiana. He, also, served as Chairman, Secretary of the Navy Marine Corps Reserve Policy Board, 2001–2003.

Returning to active duty in October 2003, he served as Director, Reserve Affairs, Quantico, Virginia. He assumed command of Marine Forces Reserve/Marine Forces North on June 10, 2005.

Lieutenant General Bergman's personal decorations include the Defense Meritorious Service Medal, Single Mission Air Medal with Combat "V" and Air Medal with numeral "1".

Senator STEVENS. General Bradley.

STATEMENT OF LIEUTENANT GENERAL JOHN A. BRADLEY, CHIEF, AIR FORCE RESERVE, DEPARTMENT OF THE AIR FORCE

General BRADLEY. Senator Stevens, it is a pleasure to be here with you today, sir. I am very proud of our Air Force Reserve airmen who are serving this Nation. Many have served, thousands have served in Iraq and Afghanistan. Hundreds of them helped with Hurricane Katrina relief saving over 1,000 lives.

Many have been responsible for what Senator Mikulski mentioned earlier about evacuating severely wounded soldiers and marines. In fact, most of the aeromedical evacuation capability of the United States Air Force is in the Air Force Reserve, and it was only in the last month that we lost the first soldier in flight. So for over 4 years we have kept all of those soldiers alive in flight, and that is a challenge, but the great medical progress we have made has allowed that, and it is the dedication of our wonderful aeromedical crews that has helped bring that about.

I want to thank you and Senator Inouye and the other members of the subcommittee for the great support that we get for our Air Force Reserve. The National Guard and Reserve equipment account has allowed us to bring great combat capability to the skies of Iraq and Afghanistan to support soldiers and marines on the ground with great systems that provide for close air support. I want to thank you for that great support. It has been key, as General Ickes said earlier, to modernizing and enhancing our aircraft to keep us relevant and useful to our Nation.

Thank you, sir.

Senator STEVENS. Thank you. I see you were deputy chief at Bergstrom. That is the last place I served in the continental limits before I went to China.

General BRADLEY. Yes, sir.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JOHN A. BRADLEY

Mr. Chairman, and distinguished Members of the committee, I appreciate the opportunity to appear before you today. I want to thank you for the support you have continued to show us these past few years and I am happy to report it's making a difference for our forces and our Nation. Recently, at a Reserve Chiefs' hearing, we were asked how Guard and Reserve members compare to active duty when they are mobilized. Because of your committee's continued legislative support, we unanimously replied that when a Guard or Reserve member is activated they are indistinguishable from the Regular Air Force.

We anticipate last year's provision to expand Selected Reserve member eligibility under TRICARE standard will increase medical readiness for mobilization. With so much attention on mobilization we appreciate the committee's interest in initiatives that encourage volunteerism because the Air Force Reserve relies heavily upon this means of support to meet contingency and operational requirements. In particular, eliminating Basic Allowance for Housing (BAH) rate difference for orders greater than 30 days addresses a long standing issue that Reserve members have identified

as a deterrent to volunteerism. Another barrier was eliminated with support of authorized absences of members for which lodging expenses at temporary duty location must be paid. This change applied the active duty standard to Guard and Reserve members when they are on active duty orders. In the coming year we will continue to seek ways to facilitate volunteerism as the primary means of providing the unrivaled support on which the Air Force has come to rely.

MISSION CONTRIBUTIONS 2005

Air Force Reserve accomplishments since September 11, 2001, and more specifically in the last fiscal year, clearly demonstrate that the Air Force Reserve is a critical component in the security of our Nation. The Air Force Reserve has made major contributions to the Global War on Terror (GWOT) with more than 80,000 sorties (360,000 flying hours) flown in support of Operations Noble Eagle, Enduring Freedom and Iraqi Freedom. The Air Force Reserve has flown almost 52,000 sorties in support of Operation Iraqi Freedom since 2003, with 14,658 of those (55,781 flying hours) in fiscal year 2005. Our Air Force Reserve members have flown more than 28,000 sorties in support of Operation Enduring Freedom since 2002, contributing 5,328 sorties (25,409 flying hours) in fiscal year 2005. Here at home, the Air Force Reserve has flown more than 10,000 sorties supporting the vital Noble Eagle mission since 2002; 150 sorties (906 flying hours) in fiscal year 2005. These contingency support missions include fighter support, Combat Search and Rescue, Special Operations, Aerial Refueling and Tactical and Strategic Airlift—mirroring and in conjunction with Total Force operations. This past year, C-130 and C-17 aircraft flew the majority of Air Force Reserve missions in the AOR. As you may know, 61 percent of the Air Force's C-130 aircraft are assigned to the Air Reserve Components. On a recent trip, Senator Lindsey Graham witnessed the preponderance of Reserve Component airlift first hand and mentioned it at the Guard and Reserve Commission hearing on March 8, 2006. Senator Graham stated of the 20 sorties he flew in the OEF and OIF area of responsibility, only one sortie was flown by an active duty crew!

HOMELAND CONTINGENCY SUPPORT

Our humanitarian efforts are equally as impressive as our wartime operations. The onslaught of hurricane strikes to the coastal United States in 2005 required a response unlike anything seen in our modern history. The Air Force Reserve was fully engaged in emergency efforts; from collecting weather intelligence on the storms, to search and rescue, and aeromedical and evacuation airlift. Hurricanes Katrina, Ophelia, Rita and Wilma drew heavily on the expert resources of our component to assist in relief efforts. Almost 1,500 Air Force Reserve personnel responded to these efforts within 24 hours, including members from the 926th Fighter Wing at NAS New Orleans, Louisiana and the 403rd Wing at Keesler Air Force Base, Mississippi who were struggling to protect their own unit's resources from storm damage.

Two units that stood especially tall amongst our Reservists were the 53rd Weather Reconnaissance Squadron, also known as the Hurricane Hunters, based at Keesler Air Force Base and the 920th Rescue Wing based at Patrick Air Force Base in Florida. The Hurricane Hunters flew 59 sorties with their new WC-130J aircraft into the eye of hurricanes and tropical storms to determine the strength and path of the weather systems even while their homes were being destroyed. Even after they had lost everything, they continued to perform their mission flawlessly from Dobbins Air Reserve Base, Georgia. The 920th Rescue Wing, the first unit on the scene, flew more than 100 sorties in their HH-60G helicopters, recovering 1,044 people who were threatened by the rising water.

At the same time, other Reserve airlift units from around the country were responding with medical and evacuation teams that assisted in the transfer of more than 5,414 passengers and patients within and from affected areas. In fact, the Air Force Reserve accounted for more than 80 percent of aeromedical evacuations. Combined rescue and airlift missions over the 60-day period of these storms surpassed 500 sorties and transported 3,321 tons of relief cargo. Additionally, to combat insect-borne illnesses such as malaria, West Nile virus and encephalitis that often gain footholds during natural disasters, our 910th Airlift Wing from Youngstown ARS, Ohio utilized their C-130's to spray 10,746 gallons of insecticide across 2.9 million acres. This equates to an area roughly the size of Connecticut and spanned locations from Texas to Florida. Interagency coordination with State and Federal organizations also resulted in the Air Force Reserve assisting in the areas of communications, civil engineering, security forces, food services, public affairs and chaplaincy support to aid in overall relief efforts.

OUR PEOPLE: MOBILIZATION VS. VOLUNTEERISM

As these tremendous efforts clearly demonstrate, the backbone of the Air Force Reserve is our people because they enable our mission accomplishment. These patriots, comprised of traditional unit reservists, Individual Mobilization Augmentees (IMAs), Air Reserve Technicians (ARTs), Active Guard and Reserve (AGRs), and civilians, continue to dedicate themselves to protecting the freedoms and security of the American people. The operations tempo to meet the combatant commanders' requirements since September 11, 2001 remains high, and is not expected to decline significantly in the near future. A key metric that reflects this reality is the number of days our Reserve aircrew members are performing military duty. In calendar year 2005, each of our aircrew members served an average of 91 days of military duty. This is a significant increase compared to an average 43 days of military duty per aircrew member in calendar year 2000, the last full calendar year before the start of the GWOT, and more than double the minimum number of participation days required.

Having maximized the use of the President's Partial Mobilization Authority, the Air Force Reserve has begun to rely more heavily on volunteerism versus significant additional mobilization to meet the continuing Air Force requirements since September 11, 2001. There are several critical operational units and military functional areas that must have volunteers to meet ongoing mission requirements because they are near the 24-month mobilization authority. These include C-130, MC-130, B-52, HH-60, HC-130, E-3 AWACS, and Security Forces. During CY2005, the Air Force Reserve had 6,453 members mobilized and another 3,296 volunteers who served in lieu of mobilization to support GWOT. As the 2005 calendar year closed, the Air Force Reserve had 2,770 volunteers serving full-time to meet GWOT requirements and 2,553 Reservists mobilized for contingency operations. We expect this mix to become increasingly volunteer-based as this "Long War" continues.

The key to increasing volunteerism, and enabling us to bring more to the fight, is flexibility. To eliminate barriers to volunteerism, the Air Force Reserve has several on-going initiatives to better match volunteers' desires and skill sets to the combatant commanders' mission requirements. For example, the Integrated Process Team we chartered to improve our volunteer process recently developed a prototype web-based tool. It gives the reservist the ability to see all the positions validated for combatant commanders and allows the Air Force Reserve to see all qualified volunteers for placement. We must have the core capability to always match the right person to the right job at the right time. We also expect volunteerism will be positively affected as a result of the National Defense Authorization Act of 2005. This act fosters more continuity in volunteerism because it adds flexibility to end-strength accounting rules and provides equal benefits for activated personnel. Facilitating the reservists' ability to volunteer provides more control for the military member, their family, employer and commander. In turn, this predictability allows more advanced planning, lessens disruptions, and ultimately, enables more volunteer opportunities.

SHAPING THE RESERVE FORCE

As an equal partner in the Air Force Transformation Flight Plan (PBD720), the Air Force Reserve plans to realign resources to transform to a more lethal, more agile, streamlined force with an increased emphasis on the warfighter. In this process, we plan to eliminate redundancies and streamline organizations, which will create a more capable force of military, civilians, and contractors while freeing up resources for Total Force recapitalization. No personnel reductions exist as a result of the Air Force Transformation Flight Plan in fiscal year 2007. Our reductions begin in fiscal year 2008. Over the FYDP the Air Force Reserve is planning for a reduction from 74,900 authorized personnel in fiscal year 2006 to an end strength of 67,800 personnel at the end of fiscal year 2011.

RECRUITING AND RETENTION

The Air Force Reserve has experienced satisfactory retention, while simultaneously meeting our recruiting goals for a fifth consecutive year. I am proud of the fact that our Reservists contribute directly to the warfighting effort every day. When our Reserve Airmen are engaged in operations that employ their skills and training, there is a sense of reward and satisfaction that is not quantifiable. I attribute much of the success of our recruiting and retention to the meaningful participation of our airmen.

That being said, the 10 percent reduction in personnel planned over the FYDP, coupled with the impact of BRAC initiatives, presents significant future recruiting

and retention challenges for the Air Force Reserve. With the personnel reductions beginning in fiscal year 2008 and the realignment and closure of Reserve installations due to BRAC, approximately 20 percent of our force will be directly impacted by the planned changes through new and emerging missions, and mission adjustments to satisfy Air Force requirements. In light of all these changes, we expect the recruiting and retention environment will be turbulent, dynamic and challenging.

Unlike the Regular Air Force, the Air Force Reserve does not have an assignment capability with command-leveling mechanisms that assist in the smooth transition of forces from drawdown organizations into expanding organizations. In drawdown organizations, the focus will be on maintaining mission capability until the last day of operations, while also trying to retain as much of the force as possible and placing them in other Air Force Reserve organizations. To accomplish this, we need to employ force management initiatives that will provide our affected units with options to retain our highly trained personnel.

This contrasts greatly with the organizations gaining new missions and/or authorizations. It's important to remember that the Air Force Reserve is a local force and that growing units will face significant recruiting challenges when considering the availability of adequately qualified and trained personnel. As has always been the case, we will focus on maximizing prior service accessions. Regular Air Force reductions over the FYDP may prove beneficial to our recruiting efforts but will not be the complete answer since the Regular Air Force critical skills closely match those in the Reserve. "Other prior service" individuals accessed by the Reserve will inevitably require extensive retraining which is costly. The bottom line is that retaining highly trained individuals is paramount. Retention must be considered from a total force perspective, and any force drawdown incentives should include Selected Reserve participation as a viable option. It is imperative legislation does not include any language that would provide a disincentive to Reserve Component affiliation. Recruiting and retaining our experienced members is the best investment the country can make because it ensures a force that is ready, and able to go to war at any time.

BASE REALIGNMENT AND CLOSURE

Recruiting and retention are particularly important when considering the significant impact of the 2005 BRAC recommendations. The Air Force Reserve had seven bases realigned and one, General Billy Mitchell Field in Milwaukee, Wisconsin closed. To our Reserve Airmen, a base realignment, in many cases, is essentially a closure. When BRAC recommended the realignment of our wing at Naval Air Station New Orleans, our airplanes were distributed to Barksdale AFB, Louisiana and Whiteman AFB, Missouri, while the remaining Expeditionary Combat Support was sent to Buckley AFB, Colorado. In another example, BRAC recommended the realignment of our wing at Selfridge ANGB, Michigan and directed the manpower be moved to MacDill AFB, Florida to associate with the Regular Air Force. New Orleans, Louisiana to Denver, Colorado and Selfridge, Michigan to Tampa, Florida are challenging commutes for even the most dedicated reservist. These are just a few examples of the impact base realignments have on our reservists. In the majority of realignments, ability to serve is hindered due to the distances they must travel to participate. In the post-BRAC environment, we continue to strive to retain the experience of our highly trained personnel. We are working closely with the Air Force and the Office of the Secretary of Defense, on initiatives that will encourage those who were impacted by BRAC decisions to continue to serve.

FAMILY SUPPORT

The military commitment that reservists make has a profound effect on their families. The stresses of the military lifestyle; the possibility of unexpected deployments, often into areas of unrest, can play havoc on a family unit. Family Readiness offers a variety of services to support military families during these stressful times. Family Readiness offices provide the following services for the families of deployed Reservists:

- Family readiness data card completed by member at deployment for special needs
- Video telephones available at deployed site and unit site
- FAMNET (Family Support Global Communication Network) available at 63 countries (Internet access not required)
- Joint inter-service family assistance services
- Crisis intervention assistance
- Volunteer opportunities
- Reunion activities

- Information and referral services to appropriate support agencies
- Assistance with financial questions and concerns
- Telephone tree roster for communication to the families from the unit
- Family support groups
- Morale calls
- Letter writing kits for children
- E-mail

Amazingly, there are only 21 full-time positions throughout the Air Force Reserve to handle all these responsibilities. Family Readiness offices support Reserve Component members during times of mobilization and also with operational missions. In May 2005, Dobbins Air Reserve Base, Georgia held a recognition event for family members and brought agencies from across the spectrum to answer questions. A few months later they found themselves playing host to displaced Reserve Component members and their families from Hurricane Katrina.

According to the Family Readiness Office at Headquarters Air Force Reserve Command (AFRC), family members are displaying the effects of mobilization and seeking assistance from readiness offices and organizations like One Source. In 2005 there was a 12 percent increase in usage of Air Force Reserve Family Readiness support. The top issues follow:

AFRC Top Issues

- Emotional well-being
- Stress from repeated deployments and length.

One Source Top Issues

- Emotional well-being
- Financial
- Personal and family readiness issues
- Parenting and everyday issues
- Education (suddenly being military).

The command has seen a 38 percent usage of face-to-face counseling service through free developmental counseling of 6 sessions offered per issue at no cost. A provider is found within 30 miles of residence rather than just at the closest military installation. In these sessions there is a focus on grief and loss, reintegrating couples in their relationship and achieving work/life balance.

Improving family readiness programs by strengthening connections with the family, helping them be better prepared, and having a proactive outreach program to ensure unit, individual and family readiness are a few of the necessary developments.

Just as Reserve Component members are participating at far greater rates, our Family Readiness is a 365-day a year program. Although we now have demobilization training, it is more difficult to institutionalize because members want to get home. When they finally recognize they need help, we are left scrambling to provide assistance. This is even more difficult at units like Peterson Air Force Base, Colorado and Maxwell Air Force Base, Alabama where Family Readiness is an additional duty. The command is working on how to best meet these growing requirements. One thing that hasn't changed is that families are proud of the military member's role in fighting the war on terror.

ONE TIER OF READINESS

We in the Air Force Reserve pride ourselves on our ability to respond to any global crisis within 72 hours. In many cases, including our response to the devastation during the hurricane season, we are able to respond within 24 hours. We train to the same standards as the active duty for a reason. We are one Air Force in the same fight. With a single level of readiness, we are able to seamlessly operate side-by-side with the Regular Air Force and Air National Guard in the full spectrum of combat operations. As an equal partner in day-to-day combat operations, it is critical we remain ready, resourced and relevant.

New Mission Areas

The Air Force Reserve will continue to transform into a full spectrum force for the 21st Century by integrating across all roles and missions throughout the Air, Space and Cyberspace domains. Our roles and missions are mirror images of the Regular Component. Bringing Air Force front line weapon systems to the Reserve allows force unification at both the strategic and tactical levels. Indeed, we are a unified, total force.

Sharing the tip of the spear, our focus is on maximizing warfighter effects by taking on new and emerging missions that are consistent with Reserve participation.

Reachback capabilities enable Reserve forces to train for and execute operational missions supporting the Combatant Commander from home station. In many cases, this eliminates the need for deployments. The Associate Unit construct will see growth in emerging operational missions such as: Unmanned Aerial Systems, Space and Information Operations, Air Operations Centers, Battlefield Airmen and Contingency Response Groups. The Active/Air Reserve Components mix must keep pace with emerging missions to allow the Air Force to continue operating seamlessly as a Total Force. This concurrent development will provide greater efficiency in peacetime and increased capability in wartime.

Transforming and Modernizing the AFR

Equipment modernization is our lifeline to readiness. As the Air Force transitions to a capabilities-based force structure, the combination of aging and heavily used equipment requires across-the-board recapitalization. The United States military has become increasingly dependent on the Reserve to conduct operational and support missions around the globe. Effective modernization of Reserve assets is vital to remaining a relevant and capable combat ready force. While the Air Force recognizes this fact and has made significant improvement in modernizing and equipping the Reserve, the reality of fiscal constraints still results in shortfalls in our modernization and equipage. Funding our modernization enhances availability, reliability, maintainability, and sustainability of aircraft weapon systems; strengthening our ability to ensure the success of our warfighting commanders and laying the foundation for tomorrow's readiness.

FISCAL YEAR 2006 NGREA

The National Guard and Reserve Equipment Account (NGREA) resolves some of these AFR equipment deficiencies. We appreciate the support provided in the 2006 NGREA. The money you provide is making a difference; increasing the capability and safety of our airmen, and the security of our Nation. The fact is AFR NGREA procurement strategy fulfills shortfall equipment requirements. The items we purchase with NGREA are prioritized from the airmen in the field up to the Air Force Reserve Command Headquarters and vetted through the Air Staff. The cornerstone is innovation and the foundation is capabilities-based and has been for many years. In fiscal year 2006 the Air Force Reserve is spending \$30 million on critical aircraft modernization and miscellaneous equipment to help fulfill our Nation's air, space, and cyberspace peacetime and wartime requirements. These items run the gamut from multi-function aircraft displays, security forces night vision devices, defensive systems, aircraft radar upgrades and enhanced strike capabilities.

The Air Force Reserve is spending \$3.21 million on modernizing the A-10 aircraft Litening AT POD interface. Use of a Multi-Function Color Display (MFC) provides additional capability, including data link integration, machine-to-machine image transfer, moving map, cursor-on-target and ARC-210 integration. We are also completing our buy of 23 additional Situational Awareness Data Link radios for the A-10 at a cost of \$920,000. We are continuing our support for the radar test stand modification and the Joint Helmet Mounted Cueing System (JHMCS) with \$1.3 million. We continue to purchase Litening AT Pods; this year we have added \$9.688 million of NGREA to the conference line item appropriation of \$12.4 million for a total of \$22.088 million. This 15-pod procurement completes the current total validated command pod requirement. Additionally this procures spares, support equipment and required warranties.

Upgrading the C-130 fleet with all-weather color radar has been an Air Force Reserve priority for the last several years. This year we continue our dedication to the program by adding \$4.75 million to the conference appropriated \$7.5 million for a total of \$12.25 million to purchase 14 radars. This means 60 percent of the Air Force Reserve C-130 fleet will have the APN-241 radar. We are also spending \$1.8 million to begin installing the capability for both C-130 pilots to dispense chaff and flares to enhance survivability in a combat environment. Previously, aircrews had to rely on crew positions other than the pilots to react to threats. Adding this capability doubles the number of crewmembers who can effectively counter threats in a timely manner.

The Air Force Reserve also has a need for Defensive Systems testers, specifically, an end-to-end ground-based tester for the AAR-47 missile detection system and an ALE-47 IR countermeasures dispensing system. The desired capability will allow testing of the complete system while it is in normal operation mode by transmitting independent, external signals to the AAR-47, rather than using built in testing routines that are not comprehensive.

On our B-52's we are installing Smart Multi-Function Color Display and Digital/Analog Integrated Track Handle which will provide the most cost effective solution

to resolve a critical shortage with B-52 Targeting Pod controllers. Along those same lines we are also installing a Multi-Function Color Display to enhance our search and rescue capabilities on the HH-60 helicopter. The combat rescue mission requires increased computer processing capability and color displays to enhance target identification and moving map capability.

Night vision operations continue to be at the forefront in the Air Force Reserve. We rely on our Security Forces in all aspects of the battle and depend on our Pararescue personnel, PJs, for personnel recovery. To that end we are spending \$330,000 to outfit our Security Forces personnel with night vision devices and laser sights. Since our PJs have long operated with outdated night vision goggles, \$2.1 million is being spent this year to upgrade the PJs capabilities, both in the air and on the ground via acquisition of advanced night vision devices.

FISCAL YEAR 2007 FUNDING

The President's Budget as forwarded to Congress is vital to our relevance and participation in the long war. It is balanced and what we need to remain relevant in the future and fulfill the immediate needs of the Combatant Commander.

We support the President's Budget decision to retire our aging equipment. Divesting force structure is an essential piece in enabling the Air Force Reserve to recapitalize our fleet, modernize our force and increase associations. Depot maintenance costs affect us across the board—training, readiness and operations, sapping resources and preventing us from transforming to the force we need. We simply can't afford to defer these retirements any longer. In an age of competing priorities and scarce resources, accepting retirement of our oldest legacy aircraft will reduce depot maintenance costs and free resources to properly shape the force and increase combat capability to the warfighter.

RECONSTITUTION

With a much higher operations tempo over the past 4 years, our equipment is aging and wearing out at much higher than projected rates. Reconstitution is a planning process with the purpose of restoring "units back to their full combat capability in a short period of time." The Long War is having a significant and long-term impact on the readiness of our Air Force Reserve units to train personnel and conduct missions. The goal must be to bring our people and equipment back up to full warfighting capability.

The rotational nature of our units precludes shipping equipment and vehicles back and forth due to cost and time constraints, therefore, equipment is left in the AOR to allow quick transition of personnel and mission effectiveness. However, the additional impacts are potential AFR equipment disconnects and decreased readiness. The number one contributing factor to poor readiness is equipment shortfalls. After September 11, 2001 and during Operations Iraqi Freedom and Enduring Freedom, units returning back to CONUS returned without the same level of equipment as when they deployed. While leaving equipment and vehicles in the AOR supports rotations and mission requirements, it has a negative impact on readiness for the Total Force.

To preclude mission degradation, reconstitution plays a vitally important role for the returning unit. Air Force Reserve Command, working with the Air Staff, has put together a Memorandum of Agreement to replace approximately \$2.2 million of the \$5.4 million in GWOT equipment that is unavailable due to being transferred, withdrawn, or diverted in support of OIF/OEF. Equipment left behind includes generators, test sets, fork lifts, cargo trucks, HMMWVs, M-16 rifles, 9MM pistols, night vision scopes, laptops, body armor, etc. Reconstituting our equipment is critical for our airmen to train, perform their mission and maintain readiness.

CLOSING

I would like to close by offering my sincere thanks to each Member of this committee for their continued support and interest in the men and women of your Air Force Reserve. Thank you for keeping the National Guard and Reserve Equipment Account (NGREA) alive and vibrant. Money contributed by your committee through NGREA, has been essential to keeping the Reserve relevant to the fight and at the leading edge of employed technology in the field. While we maintain our heritage of providing a strategic reserve capability, today and into the future, we are your operational warfighting Reserve, bringing a lethal, agile, combat hardened and ready force to the Combatant Commander in the daily execution of the long war. Our vision is to provide the world's best mutual support to the Air Force and our joint partners. We gratefully appreciate your continued support in helping us defend this Nation in our role as an Unrivaled Wingman.

Senator STEVENS. Let me do this, and we do appreciate the brevity that you have all expressed. The time is a problem this morning because of the votes that are coming. But we do have real concerns about the Reserve. We have currently, as I understand it, 109,000 of the Guard and Reserve are on active duty now, I am informed. And the Guard and Reserve comprise more than 81 percent of the total of the mobilized Guard and reservists. There are more than 40,000 of your people on active duty now in the Army and 5,300 marines and the Navy has more than 500 soldiers as I understand, plus 1,500 Reserve sailors that provide support for the fleet, and the Air Force Reserve flew 20,000 sorties in the last fiscal year alone.

Now, that is an increasing tempo that we really have got to learn more about and what it means in terms of costs and the impact on your structure. This operational tempo really brings about the question of readiness. We would like to have you each describe what you are doing to change your processes so that it takes into account this readiness requirement now that is involved in the Reserve.

Ms. Ashworth tells me that we have people in uniform now in 146 different countries of the world. As you listen to the daily news, we all know this is a continuing struggle now against terrorism that is going to go on. Are we going to see any reformation in the Reserve structures in each one of your services now to take into account this? How are you going to prepare people for the fact that they are going to be the next to be called up in the Reserve, and how are we going to deal with them when they come out of the Reserve and go back into their daily lives?

Will there be a guarantee, as mentioned here by Senator Leahy, of how long before you can be recalled up, except for a real world calamity? I think we would like to have you tell us if there is anything we can do to help you in terms of these changes, or at least reviews that have to be made to see what changes should be made.

General HELMLY.

General HELMLY. Senator, I will lead off and I will be brief to leave adequate time for my peers. First of all, I would point to this chart which you see in front of you, which is called and addresses the issue of readiness. Regardless of the size of the force, in the past, on the left—and I will point to it here—we have had a force structure—

Senator STEVENS. This is the Army alone, right?

General HELMLY. This is the Army Reserve, yes, sir.

We have had a force structure allowance above our end strength. That force structure allowance is the cumulative number of people that it would take to fill if we filled all of our units, regardless of where they are, to 100 percent. So we overstructured the force. That was an industrial age model for a strategic reserve that we planned to fill over time from the Individual Ready Reserve (IRR) or from new recruits.

What we are doing to address that, frankly, is very painful and what it in some people's minds is counterintuitive, because we are inactivating units in the midst of a war. But the units that we are inactivating are nondeploying formations, first. They are head-

quarters formations, they are garrison support units, they are units that were not structured or built to deploy.

So our intent, on the right, is to over the program objective management (POM) years lower our structure allowance to about 180,000 soldiers, using about 10 percent of our end strength to man a trainees, transient, holdies and student (TTHS) account. That is where we account for soldiers who are in the training base or who are otherwise unready for temporary periods of time, profiles, going through board actions, et cetera. Then we have already implemented a delayed entry program, a 21st century modern manpower tool used by the regular Army, that accounts for recruits who have not yet shipped to basic training.

So that is how we are addressing the readiness issue. The second point I will address is the rotational. I would avoid the word "certainty." Certainly I know you will agree there is no certainty in a very dangerous, uncertain world today. That is why this readiness challenge is so important, because none of us can predict when our forces will be required with certainty.

But we are now implementing in the Army, and I am proud to say we in the Army Reserve pioneered, an Army Reserve expeditionary force, which has now morphed into the Army force generation model. Frankly, we went to school on how Navy and marine forces, both Reserve and Active, had operated in the past and the Air Force, Air Reserve air expeditionary force model. In fact, we visited Air Force Reserve Command headquarters, General Bradley's headquarters, and asked their staff—they were very cooperative—to explain to us how they managed that in the Air Force Reserve.

So we are implementing that in rotational force pools, not to provide certainty, but to provide greater predictability over a 5-year pool period when my force is more apt to be called, when I am expected to be in a higher state of readiness, if you will.

I would add one last thing. These measures are in my professional judgment very necessary. We must change ourselves from within to meet the demands of this century. But similarly, it is my judgment that the policies, practices, and procedures by which we are governed, that relate to personnel management, recruiting, retention, training, mobilization, and in fact funding, are in similar need of deep change.

Thank you very much for your time.

Senator STEVENS. Senator Inouye, do you have any comments along that line?

Senator INOUE. According to the most recent QDR, a policy decision was made that the Pacific area may be the area of concern, much greater than the Atlantic area. As such, for example, they are going to have five carriers in the Pacific and five in the Atlantic. It used to be six in the Atlantic and four in the Pacific.

With that in mind, why did the Quadrennial Defense Review come out and transform your Army Reserve 9th Regional Readiness Command to the 9th Regional Support Group, downgraded it, reduced the strength? Do you not think it would have an impact upon command and control in the Pacific area?

General HELMLY. Senator, we do not intend to reduce our Army Reserve strength numbers in the Pacific region. We will change the

headquarters of the 9th Regional Readiness Command, that is accurate, to a Regional Support Group. We will retain there a brigadier general. We are moving the 311th Signal Command, Network Operations Command, a two-star command, over time from CONUS to Hawaii. It will be the daily, 24/7/365 network operations for Army and joint forces in the Pacific, the combatant commander.

In addition, as the Army establishes a regular Army-commanded 8th Theater Sustainment Command headquartered in Hawaii to provide logistics support throughout the region, the deputy commander of that organization will be an Army Reserve brigadier general.

Our forces in the Pacific have sustained us very well, valiantly. The most recent example is the 1442d "Go for Broke" Battalion, but throughout that region from Hawaii and the territories in the Pacific we have recruited very well. The soldiers and their families are courageous, strong. We have no intention of reducing whatsoever our strength. We are simply restructuring to make the headquarters of the 9th Reserve Readiness Command (RRC) a deployable formation.

Senator INOUE. Thank you very much. It is reassuring.

EQUIPMENT

General Bergman, there is a tremendous amount of wear and tear, we have been told, on Army equipment, and I presume it must be the same with yours. How do you feel that this will impact upon readiness of your units?

General BERGMAN. Well, sir, the increased use of the equipment is by no means a secret to anyone. The cyclic rate is in some cases 5 to 10 times what it was programmed for original usage. Across the total force Marine Corps, we have cross-leveled through a strategic ground equipment working group all of those equipment pieces that are in, whether they be in the prepositioned force, the caves, Albany storage, wherever it happens to be, and actually over the last year increased the supply readiness by about 5 percent.

However, at the same time, because of that increased cyclic rate usage, we see that we will continue to need more equipment just in the Reserve component to maintain the 80 percent training allowance that we use.

RECRUITING AND RETENTION

Senator INOUE. I have been told that the Marine Reserves have longer deployment to the Middle East than other units. If that is so, how does it affect recruiting and retention?

General BERGMAN. Well, sir, if you will, the Marine Corps business model for rotations, whether it is Active or Reserve, is basically a 6- to 7-month rotation, whether it be deployed as part of a marine expeditionary unit or deployed to Iraq or Afghanistan. With that model applied across the total force, it has allowed us to plan for activation, let us say, of battalions, reserve battalions, that within a 1-year business activation, 1-year business model activation, ample predeployment training, 7-month deployment, and ample time for demobilization.

Retention is above normal about 3 percent. So I guess what that says in the long term is that the people are voting with their feet

and they are staying. So it is a good news story. Recruiting, we are right on track to make our 39,600 for this year, sir.

Senator INOUE. General Bradley, many of your units were realigned by BRAC and as a result many of your personnel would have to make up their minds, do they travel long distances or quit. How are you addressing this problem?

General BRADLEY. Sir, what we are doing is we are working very hard to try to place every single person who wants to stay with us in a new unit. That will not work for everyone. Not everyone can pick up and move their families. As you know, we are not allowed to pay for moves of reservists or guardsmen when their base or unit is closed.

There is a huge amount of realignment going on. We are affecting about 13,000 people. We have a lot of innovative programs that we are using to assist them in finding jobs. We want to keep them in the Air Force Reserve if we can. If we can assist them in getting in the Air National Guard or the Marine Corps Reserve or the Army Reserve, we will do that as well, because we want them to continue serving our Nation if possible.

We also, though, would ask for and have been working on Capitol Hill to try to get authorities that we had in the 1990s during the base closure rounds for Reserve transition assistance programs for those people who have served our Nation for 15 years or more, to allow them to have some reduced type of retirement. And they would receive that retirement pay at age 60, but it would be reduced from what someone who had a 20- or 25-year retirement would be. The Reserve transition assistance program has been pretty well received by the members with whom we have talked.

We are trying hard to keep those people in our units. We are getting more efficient through this base closure process. It up-ends lives, but ultimately we will save a lot of money by having the right numbers of airplanes on our bases and the right numbers of bases.

RECRUITING

Senator INOUE. Admiral Cotton, I gather that the Navy, like all other components, must rely on bonuses and incentives to address recruiting challenges. How have you carried out this program? Because I have been told that you are a little different from the rest of them.

Admiral COTTON. Yes, sir, we are. Two and one-half years ago we integrated Navy and Navy Reserve recruiting. We have changed expectations of a sailor so that we no longer leave the Navy, end an obligation, quit the Navy. You transition to the Reserve component once you complete your initial obligation, either full-time selected reservist or Individual Ready Reserve. So everyone will go to the Reserve component. We will keep track of you.

So this is a continuum of service, a culture of a sailor for life, and then transitions or on-ramps and off-ramps throughout service back to active duty, according to skill sets and capabilities. Age does not really matter right now, particularly in a global war on terror, with the skill sets that we are sending ashore in Central Command in particular.

One thing I would like to ask your consideration for is I personally think the Army Guard has got it. If you look at their numbers increasing right now, they have a finder's fee. They pay \$1,000 for someone to recommend a friend to join and another \$1,000 when they complete training, and this has proven to be extremely effective for the title 32 guardsmen.

I think we should look at the authority for us to do the same thing, where every sailor, every soldier, every airman, every marine is also a recruiter. This would give us an ability to go out into the community and recruit our friends. I also think you can pay for it in the top line by reducing full-time recruiters, because every single person in uniform who has ever served could turn into a recruiter.

RECRUITING AND RETENTION

Senator INOUE. I know that recruiting and retention go up and down, but one thing seems certain, that the present situation in the world is not going to be changing drastically in the next 10 years. We will be at war, at least for the next decade. What are the best methods of recruiting and retaining? Are we doing the right thing?

General HELMLY. Senator, in my own judgment, I believe Admiral Cotton's point to the National Guard's success in the way that it has been done. The Army received an authorization to use \$1,000 bonus in the 2006 authorization act, but the language which went with it reduces our flexibility. It is my judgment we are proposing that we be allowed to expand the pool so that retirees could also, by virtue of referring someone—that is a tremendous tool of very talented, rich people out there—and then similarly when you referred someone you would get the \$1,000 bonus, similar to the National Guard, for the referral, not the way we have tied it today, which is to my completion of initial military training.

The second part I will note is that I agree completely with the Navy's move toward a continuum of service. I have proposed to the Army that we abolish the word "discharge," that we do away with that, that one is not discharged until one has completed their mandatory service obligation.

Third, I place a premium on retention. In our case, in business terms, it costs us an average of \$117,000 burden of cost to recruit an 18- to 22-year-old man or woman off the street, and out of that certainly there is an attrition rate that accrues as you go through physicals and initial military training.

The retained soldier is experienced, they are mature. That is the kind of skill set we need in today's armed forces, a more mature, a more language, culturally aware soldier, a more technically competent soldier. Thus I believe that we should look harder at retention bonuses for longer periods of time.

Last, that is why I have favored in the past for Reserve component members and continue to favor an age 55 receipt of nonregular retired pay, but tying that to the completion of 30 years service, not 20 years service. It is my judgment that if we costed that out we would see in fact a possible savings, rather than what everyone expects, which is a huge bill. That is because I favor tying it to the completion of 30 years service, to keep people longer, and

then draw retired pay at age 55, as opposed to encourage them to leave at 20 and then wait until age 60 to draw it.

That is my answer.

Admiral COTTON. Senator, I would agree with you, we are increasingly challenged to recruit, particularly because we are resistant to change the way we do it. We still go to the 18- and 19-year-old high school graduate. If you look at a major publication last week, the cover of the magazine talked about 30 percent dropouts in our high schools. We have done research to determine that 70 percent of our Nation's youth today is ineligible for military service. So we are all going after the same 30 percent segment, trying to bring them in the front door, and I think ignoring at our own peril those that have served before, particularly individual ready reserve.

If we went after them, bonused their behavior, treasured them for a whole career, with an on-ramp back to service, I think we could go after the skill sets in a better way than we are doing right now.

Senator INOUE. General Bergman.

General BERGMAN. Sir, up until about 4 years ago the average number of hours that a marine recruiter spent with a potential new marine was about 4 hours. Over the past 4 years, that has increased to about 12 hours of recruiting time, largely due to the expanded hours spent with the influencers—parents, coaches, uncles, aunts, et cetera.

The best thing that we can do when we look these young men and women in the eye or their influencers in the eye is to be honest about what it really means to go into the military, the challenges that await them, but back that honesty up with the absolute best training and preparation possible to prepare them to succeed, because deep down we all want to succeed and can be successful somewhere. We just need to have the confidence that our institution provides that preparation.

Senator INOUE. General.

General BRADLEY. Senator, I agree with what all of my colleagues have said. I will tell you, the people that we are recruiting today are better than those that we recruited when I joined the Air Force many, many years ago. I have seen a great qualitative improvement in our force, and I think one of the reasons is in our Air Force we have given our Air Force reservists and our Air National guardsmen real day to day operational missions. The morale is better, our retention is better than it used to be in the 1970s and 1980s. It is a great improvement.

Now, we are using our people at a great rate. We are going to keep doing that because, as you say, this war will go on for a long time. But our retention is better than it has ever been, and I am proud of that. What our people tell us is they are proud to be part of our units, they like doing real work for America, and they believe it is very important work.

The incentives and bonuses and authorities that the Congress has provided us over the last few years has helped us immensely. But I think, as General Bergman says, we have to look every one of these new people we are recruiting in the eye and tell them exactly what they are getting into.

They are continuing to join us. We are not having any trouble in the Air Force Reserve recruiting people, and I would not equate our recruiting challenges with the Army or the Marine Corps. I think they have a tougher job. But we are working hard at it. We get good recruits because we have good programs to incentivize people to join. But once they get in, they are proud to be part of it and they think they are contributing something important and they are. I think that keeps them.

Thank you, sir.

Senator INOUE. Thank you, gentlemen.

Thank you, Mr. Chairman.

EQUIPMENT SHORTFALLS

Senator STEVENS. Gentlemen, we provided \$30 million to each of you to address ongoing equipment shortfalls. Could each of you tell us, have you gotten that money and have you used it well? General Helmlly.

General HELMLY. Senator, we have.

Senator STEVENS. It has been released to you, right?

General HELMLY. Yes, sir, that is correct.

Senator STEVENS. Do you see a need for further money now?

General HELMLY. Senator, certainly there is a need for money. I sort of echo the comments of my colleague General Blum on the first panel that the Army's equipping challenges are deep. Army equipment is purchased by Army dollars and we input to that. The Army POM addresses that. I would urge this subcommittee and its colleagues in the other subcommittee to sustain the requested level of funding in the Army POM and equipping. The Army equipping—and we have addressed that for the Army and its colleagues in the Marine Corps. We are wearing that heart.

Senator STEVENS. Well, we specifically gave you, General Helmlly, the \$100 million for title 9 in the 2006 act. Did you receive that money?

General HELMLY. Yes, sir, we did.

Senator STEVENS. And is it committed?

General HELMLY. Sir, I cannot say that we have committed it in financial management terms today. I owe you an answer on that. There is a "committed" and an "obligation" terms that have a formal definition.

[The information follows:]

The Army Reserve has obligated or committed the \$150.3 million of Title IX funding received from Congress.

The Army Reserve received \$138.8 million in Title IX for the Reserve Personnel, Army appropriation. As of April 26, we have obligated \$68.8 million, and we have also committed \$33.5 million. These funds are being used to recruit, retain and train soldiers in support of the global war on terror. The remaining funds will be used for pre-mobilization training for units deploying in the third and fourth quarter.

The Army Reserve received \$48.2 million in Title IX for the Operation and Maintenance, Army Reserve appropriation. As of April 26, we have committed and obligated over \$48 million in support of the global war on terror. This funding was used for family support, recruiting and advertising, and medical readiness.

The Army Reserve greatly appreciates the support of Congress, and we are using these resources in the most efficient manner to execute GWOT.

Senator STEVENS. Admiral Cotton.

Admiral COTTON. Yes, sir, we received the \$30 million. It was most appreciated. Thank you for your support, and we are taking

the taxpayer dollar and giving it straight to where it can do the most good for the global war on terror and that is to the units. We are using most in theater combat service support. So we are using the money very well.

I can also say that the Navy Reserve is a full participant in all Navy supplementals. So throughout the year our needs are looked at by the Navy for funding.

Senator STEVENS. General Bergman, did you get your money?

General BERGMAN. Yes, sir, we did get our money, and we have put it right where the rubber meets the road, with those marines and the equipment, especially in the personal protective equipment. When you think about people as we look at manning, literally dressing a marine for combat, we think about kevlar, we think about small arms protective inserts (SAPI) plates. Now we are adding everything from Nomex gloves to Wiley-X glasses to balaclavas to combat those challenges that we have with the explosive fire nature, if you will, of the improvised explosive devices. So the need is changing.

Senator STEVENS. General Bradley.

General BRADLEY. Yes, sir, we received our \$30 million. I want to thank you very much. It was much needed. The funds have been released and we have spent the funds. We have bought targeting pods for our fighter planes and our bombers, A-10's, F-16's, and B-52's, so that we can drop laser-guided bombs to do close air support for marines and soldiers on the ground in Iraq and Afghanistan. We have bought multifunction displays for cockpits to improve the capabilities of pilots in those airplanes to know what they are looking at for targets, where the friendlies are, and where the enemy is. We have bought datalink systems for the fighters with this funding this year, to improve our A-10's close air support capability, so that they can talk without using voice radios, datalink information between a forward air controller on the ground and a fighter pilot in a cockpit. These datalink systems are critical to providing quick close air support in that very important environment.

So all of the funding that you have given us has gone to combat capability for our airplanes, mostly to support those soldiers and marines on the ground. Thank you very much for the continued support, sir.

Senator STEVENS. Thank you.

We have got the supplemental on the floor now and it has a sizable amount for defense. Some of it is allocated to each of your organizations, I believe. We will be going into the regular bill for 2007 and we hope you will let us know if there are any special needs that you have, because I think we are in a period of transition. There is no question about this. This current war on terror is an ongoing war, a global war. I think soon they will call it the world war on terror. I hope people understand it is a world war.

But we have got to react to your needs and make certain that you have the capability to bring your people into these engagements and have them be well equipped. It particularly is the equipment need that we tried to address last year, and we would like to work with you to make sure we address this year.

General BRADLEY. Thank you, sir, for that offer. I will tell you, we have provided Ms. Farrell with our list of things that we could use equipment wise for the coming year. So thank you for your offer.

Senator STEVENS. Senator Inouye, do you have any further comment?

Senator INOUE. I want to thank you all for your service.

Senator STEVENS. Yes. We are particularly concerned that on our watch this transition is taking place and we do not want it to lag. We want to be sure that we stay with you and we are able to assist you to make the transition as smooth as possible.

Senator INOUE. As you can note, our support is bipartisan.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. One or the other of us has been chairman now since 1981 and I cannot remember a partisan word between us.

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

QUESTION SUBMITTED TO GENERAL JACK W. BERGMAN

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

ACTIVATION TIME LIMITS

Question. General Bergman, as I understand it, you have efficiently managed the Reserve Marines' activation time limit in the face of growing demands in support of the Global War on Terrorism. Can you please explain how you've minimized the impact of increased activations and your thoughts on the way ahead.

Answer. Post 9/11, Marine Forces Reserve planned to minimize the impact of increased activations by activating units for 12 months (seven months actual "boots on the ground" and five months for mobilization, advanced training and demobilization) followed by a set period of dwell time, followed by a second 12 month activation cycle if required. This plan provided our Marines and Sailors with a predictable activation cycle for which they could plan with less time away from their civilian jobs for any given activation cycle while still maximizing the 24 months of cumulative activation time available under the current mobilization authority. This plan was instituted assuming every available Marine or unit could be activated a full 24 cumulative months in support of the Global War on Terrorism.

Because current policy does not allow us to involuntarily activate Marines for the second 12 month cycle described above, Marine Forces Reserve has had to meet requirements in support of the Global War on Terrorism through the one-time activation of Selected Marine Corps Reservists and the Individual Ready Reserve pool of Marines. As our units continue to be replenished with first-term junior Marines who are ready, willing, and able to support the Global War on Terrorism, we have been able to use that new pool of first time activation personnel and cross level seasoned Marine volunteers from one unit to another to meet mobilization demands. Ideally, we would like to be able to involuntarily activate our Marines for the second 12 month cycle as was originally planned which would reduce our dependency on cross leveling from one unit to another and thereby enhance unit cohesion. This would also address the leadership issue we currently face. The inability to involuntarily re-activate previously activated Marines or extend Individual Ready Reservists on Active duty under 10 U.S.C. 12302 and utilize the full 24 cumulative months of activation authority as granted, has created somewhat of a deployable leadership vacuum in Marine Forces Reserve. Marine Forces Reserve does not currently have a large cadre of leaders who have not been activated at least once. As a result Marine Forces Reserve has aggressively implemented sourcing solutions that require the solicitation of volunteers from throughout Marine Forces Reserve. In addition, we have gone to the active component (to staff Company Grade Officer billets) to staff deploying units to 90 percent of their Table of Organization. The fact that the Active Component continues to come to Marine Forces Reserve to provide sourcing solutions for their shortfalls should be a compelling argument in itself for reconsidering

the current policy. Without the ability to extend Ready Reservists on Active Duty under 10 U.S.C. 12302, or involuntarily activate them for a second 12 month cycle, Marine Forces Reserve will continue to face the challenge of sourcing deploying units through first-time activation and voluntary re-activation. This policy increases our dependence on cross leveling between units. We feel that the current policy provides a short term solution to sourcing the next force rotation but does not allow Marine Forces Reserve to set the conditions to reconstitute the Force for the long war in support of GWOT.

QUESTION SUBMITTED TO LIEUTENANT GENERAL JOHN A. BRADLEY

QUESTION SUBMITTED BY SENATOR RICHARD C. SHELBY

PERSONNEL REDUCTIONS

Question. General Bradley, the Air Force Chief of Staff recently announced that the Air Force Reserve and Air Guard should consider force reductions. Specifically, he cited the elimination of some layers of command and staffing similar to what the Active Air Force is doing. Taking into account that the cost to run an Air Force Reserve or Air Guard unit is one-half to one-third of the cost to run an Active Duty unit, do you believe that the Reserves need to take this type of personnel reduction?

And if so, how large of a personnel cut do you foresee?

Answer. As our part in the recapitalization and modernization of the Air Force, the Air Force Reserve has already planned to take the manpower reduction you refer to in your question. Our Citizen Airmen do indeed offer cost-effective combat power to the American taxpayer through the use of our predominantly part-time force. Perhaps more important than cutting and becoming more cost effective, we have worked with the Active Component to divest a significant number of legacy mission areas and re-role those manpower authorizations to the current priority missions that will help us remain relevant as both an operational and strategic reserve as we fight the Global War on Terrorism. While there will be some elimination of layers of command as General Moseley stated, our overall reduction plan is even more comprehensive.

For example, in shifting strategy we will invest less in Individual Mobilization Augmentees (IMAs) as a strategic reserve and devote more resource to the operational reserve or traditional reservists. This means we will re-role many IMAs to the Individual Ready Reserve. Additionally, our Air Force Reserve Component Surgeon General is coordinating with the Air Force Surgeon General to refocus the Air Force Reserve on our core specialty of Aeromedical Evacuation as opposed to expeditionary medical support, leaving this mission to the Active Component. This will then allow the Air Force Reserve to take reductions across units that would provide the expeditionary medical mission.

We will continue to work in concert with the Regular Air Force to exploit process and organizational efficiencies through Air Force Smart Operations 21. This will also allow us to restructure headquarters organizations, which have a larger proportion of full-time personnel than operational units. We will provide deployable support to the combatant commanders while still handling their "organize, train and equip" roles. This is an important step in designing a smaller, more capable Air Force.

Acting as partners with the Active Component in this effort will allow our command structures to seamlessly work together, in both peace and war, and ensure the resources of the Total Force are utilized to preserve critically needed skills. The size of the cut we are taking as an Air Force Reserve is 7,744 positions or about 10.5 percent of today's end-strength.

QUESTION SUBMITTED TO LIEUTENANT GENERAL JAMES R. HELMLY

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

MODULAR SUPPORT BRIGADES

Question. Can you explain to the committee how the Reserves will transform to modular support brigades?

Answer. At the completion of the Army's transformation in 2009, the Army Reserve will have 58 deployable combat support and combat service support brigades. This restructuring will transition the Army Reserve to a Joint and federal modular force capable of providing increased combat power to complement the active compo-

nent with skill rich units and Soldiers. The Army Reserve, with its unique Title 10 mission, has the maximum of flexibility, agility, and adaptability to meet transformational requirements.

For the first time, all of the Army Reserve operational, deployable forces will be commanded by an operational, deployable command headquarters. The transformation enhances the ability of the Army Reserve to provide the capabilities and units that demand technical skills more easily maintained at acceptable cost in the Army Reserve than in active military service.

Some of the modular support brigades are currently within the Army Reserve. The Army Reserve will transform other existing commands to the modular support brigades according to the schedule outlined below:

- Expeditionary Sustainment Commands—September 2007
- Combat Support Brigades (Maneuver Enhancement)—September 2008
- Sustainment Brigades—September 2008
- Military Police Command—September 2007
- Regional Readiness Sustainment Commands—September 2008
- Aviation Command—September 2008

The result of the reshaping of the Army Reserve forces will be a more streamlined command and control structure and will provide an increase in ready, deployable assets to support the Global War on Terror. The goal for this larger pool of available forces is to enable the Army to generate forces in a rotational manner.

SUBCOMMITTEE RECESS

Senator STEVENS. We thank you for your testimony today and we look forward to another hearing on May 3, when we will hear testimony on military health programs. Until then, we will stand in recess. Thank you very much, gentlemen.

[Whereupon, at 12:08 p.m., Wednesday, April 26, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 3.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, MAY 3, 2006

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

The subcommittee met at 10:05 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senator Stevens, Inouye, and Mikulski.

DEPARTMENT OF DEFENSE

MEDICAL HEALTH PROGRAMS

STATEMENT OF LIEUTENANT GENERAL KEVIN C. KILEY, M.D., SUR- GEON GENERAL, DEPARTMENT OF THE ARMY

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much for your appearance.

We want to welcome you to this hearing as we seek to review the Department of Defense medical programs. There are two panels scheduled today. First we will hear from the surgeon generals, followed by the chiefs of the nursing corps. Today, joining us from the Army, we have Lieutenant General Kevin Kiley, Vice Admiral Donald Arthur, from the Navy, and Lieutenant General Peach Taylor, representing the Air Force. It's nice to have you all back with us again.

The President's fiscal year 2007 request for the defense health program is \$21 billion, an increase over the fiscal year 2006 request. The request provides for healthcare for 9.2 million beneficiaries and for the maintenance and operation of 70 inpatient facilities and 1,085 clinics.

Our subcommittee recognizes that the continuing efforts overseas in support of the global war on terror and the national disaster relief, along with rising costs for prescription drugs and related medical costs, will continue to strain the financial resources that are contained in the request of this year's budget, will place an increased demand on our medical service providers, both here and those deployed in combat. The subcommittee also understands that the Department of Defense request to implement several initiatives to help mitigate this growing cost are here before us, and we plan to work with the Department to find the best means possible to medicate this rapid growth in regard to the financial burdens that you face.

Senator Inouye and I are personally familiar with the value of military medicine. We're committed to working with you to address the many challenges you face. We certainly applaud your efforts, military medical people and the nurses that are deployed in harm's way. These men and women in uniform risk their lives in support of our Nation in the global war on terror, and also here at home, through the devastations such as Hurricane Katrina. They support the warfighter and this country in all aspects of the fight, and we certainly commend them for their leadership, compassion, and bravery.

I'm pleased to yield to my co-chairman.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Well, thank you very much, Mr. Chairman. I want to join you in welcoming our witnesses. They're all veterans here, and it's always reassuring to have them back.

Our military healthcare system has been transforming in a wide array of areas during the past few years. These changes not only affect the military treatment facilities and private-sector care, but extend to the battlefield, as well. And we have seen considerable growth in the benefits provided to our servicemembers and their families. At the same time, the private sector and the military treatment facilities are altering their management practices and patient resources due to new TRICARE contracts. We continue to see high patient volume, which requires seamless coordination between in-theater treatment, military treatment facilities, private-sector care, family support and counseling. And let's not forget the Veterans Administration.

Continued improvement in battlefield protection and combat casualty care have enabled us to save thousands of lives.

We're also transforming our approach to treatment at home. The direction of care is changing from focusing on individual servicemembers to focusing on the individual and his or her family from the moment orders are received to the time treatment is no longer needed. While we are engaged in this transformation, the Department has also initiated budget cuts and personnel changes that could have longstanding implications in our ability to care for our servicemembers and their families. These changes and fiscal constraints are compounded by the chronic recruiting and retention challenges faced by each service. Shortfalls reside in various specialties, but of most concern are those critically important to our servicemembers serving in harm's way, and their families, who rely upon the quality of homecare.

We look forward to discussing these and many issues crucial to the military medical system.

Once again, I'd like to thank the chairman for continuing to hold these hearings on issues which are so important to our military and their families. And I thank you very much.

Senator STEVENS. Thank you very much.

Our first witness will be Lieutenant General Kiley. We're going to place your full statements in the record as though read, and we'd like to hear the comments you wish us to hear.

General KILEY. Mr. Chairman, Senator Inouye, and distinguished members of the subcommittee, thank you for the oppor-

tunity to discuss the current posture of the Army Medical Department with you today.

During combat operations in Afghanistan and Iraq, we've recorded the highest casualty survivability rate in modern history. More than 90 percent of those wounded survive, and many return to the Army fully fit for continued service. Our investments in medical training, equipment, facilities, and research, which you have strongly supported, have paid tremendous dividends in terms of safeguarding soldiers from the medical threats of the modern battlefield, restoring their health and functionality to the maximum extent possible, and reassuring them that the health of their families is also secure. Military medicine is essential to Army readiness and an important quality-of-life program.

On any given day, more than 12,000 Army medics are deployed around the world supporting our Army in combat, participating in humanitarian assistance missions, and training not only at our centers throughout the world, but in Africa, South and Central America, and Eastern Europe.

In the past year, Army medics have cared for more than 6,000 soldiers evacuated from Iraq and Afghanistan, deployed in support of gulf coast hurricane relief operations, and deployed the Army's last mobile surgical hospital, the 212th, to support earthquake relief operations in Pakistan.

Over the past 3 years, more than half the Army medical, dental, and nurse corps officers have deployed at least once to Iraq or Afghanistan. Many of our critical wartime specialists have deployed multiple times. Every active component field hospital and forward surgical team has deployed multiple times. Our Reserve components, which comprise more than half the Army's medical force structure, have experienced similar operational tempo.

All of this is happening while we transform and reset the Army. 2005 base realignment and closure decisions, Army modular force decisions, and the integrated global positioning base strategy—basing strategy have presented us with a significant challenge and a significant opportunity to improve the way we care for patients in the battlefield and at our camps, posts, and stations around the world. This process is complicated by the long lead time necessary to plan and execute military construction and by the low thresholds for military construction projects.

In the short term, we continue to maintain high states of medical readiness and high service levels to families and retirees by increasing internal efficiencies, leveraging modular building technology, and relying on TRICARE networks, where necessary. Lean Six Sigma techniques are used throughout our planning process to develop expeditious, affordable solutions that ensure no decline in the accessibility or quality of the care provided to Army beneficiaries.

Much of the healthcare we provide to wounded soldiers is funded through supplemental appropriations. The military amputee care programs, centered at Walter Reed Army Medical Center and Brooke Army Medical Center, has cared for nearly 4,000—400—excuse me—amputees over the past 3 years. I want to thank Congress and the subcommittee for your continued support of this program. We're leading the Nation in improving amputee care and im-

proving the field of prosthetics technology. Working jointly with the Department of Veterans Affairs and the civilian industry, we're sharing lessons learned and raising the standards of amputee care across our country. Due to your support and advances in the care of amputees, many of these soldiers will be able to remain on active duty, and many will return to combat units fully capable of performing their duties.

Medical research, development, testing, and evaluation are critical to our ongoing success both on the battlefield and in our hospitals around the country. Over the past year, we've pulled 12 medical products out of the research, development, test and evaluation (RDT&E) process and fielded them to deploying forces because of their demonstrated efficacy and safety in improving patient care and force protection on the battlefield.

Despite all of our advances in battlefield medicine, hemorrhage continues to be the major cause of death on the battlefield, and we continue to develop and test blood substitutes and hemostatic agents to mitigate blood loss in our combat casualties.

Today, every soldier in Iraq and Afghanistan deploys with a hemostatic bandage and a tourniquet. Evacuation assets quickly move casualties from the battlefield to the forward surgical teams and combat support hospital within minutes of injury. These advances in equipment, training, and doctoring are saving lives every day in Iraq and Afghanistan.

To support homeland security, Fort Detrick, Maryland, is working to become the home of the National Interagency Biodefense Campus. This interagency initiative co-locates researchers from the Department of Defense, the Centers for Disease Control and Prevention (CDC), Department of Agriculture, Department of Homeland Security, and the National Institute of Allergy and Infectious Diseases to achieve productive, efficient, interagency cooperation in support of our Nation's biodefense.

Military health benefit has gained critical attention this year due to the Department's proposal to initiate control over the long-term costs and sustain this important benefit for our current and future retirees. This truly outstanding health benefit is important for accessions, retentions, and military readiness. Each service has taken action over the past few years to improve efficiencies and control healthcare costs. However, these actions alone will not stem the rising costs in the military health benefit.

I am concerned that delaying action will put even greater financial pressure on our hospitals and clinics, when we are still trying to care for combat casualties and continue to deploy Active and Reserve component soldiers.

The President's budget request adequately funds the defense health program to meet our military medical readiness requirements if the sustaining benefits proposals are enacted. However, the medical budgets of the three services have little flexibility to absorb additional efficiencies to sustain our medical readiness mission if no action is taken in this important issue.

In closing, let me emphasize that the service and sacrifice of our soldiers and their families cannot be measured with dollars and cents. The truth is, we owe far more than we can ever pay to those who have been wounded and to those who have suffered loss.

Thanks to your support, we've been very successful in developing a healthcare delivery system that honors the commitment of our soldiers, retirees, and their families that have been made to our Nation by providing them with world-class medical care and peerless military force protection.

PREPARED STATEMENT

Thank you, again, for inviting me to participate in the discussions today, and I look forward to answering your questions.

Senator STEVENS. Thank you, General.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL KEVIN C. KILEY, M.D.

Mr. Chairman, Senator Inouye, and distinguished members of the subcommittee, thank you for the opportunity to discuss the current posture of the Army Medical Department and our requirements for fiscal year 2007. During the past five years, military medicine has constantly exceeded any measure of success we could establish. During combat operations in Afghanistan and Iraq, we have recorded the highest casualty survivability rate in modern history. More than 90 percent of those wounded survive and many return to the Army fully fit for continued service. Our investments in medical training, equipment, facilities, and research, which you have strongly supported, have paid tremendous dividends in terms of safeguarding Soldiers from the medical threats of the modern battlefield, restoring their health and functionality to the maximum extent possible, reassuring them that the health of their families is also secure. Military medicine is essential to Army readiness and an important quality of life program.

On any given day more than 11,000 Army medics—physicians, dentists, veterinarians, nurses, allied health professionals, administrators, and combat medics—are deployed around the world supporting our Army in combat, participating in humanitarian assistance missions, and training not only at our training centers throughout the world but in Africa, South and Central America, and Eastern Europe. In the past year, Army medics have cared for more than 6,000 Soldiers evacuated from Iraq and Afghanistan; deployed a combat support hospital, a medical logistics company, and several preventive medicine and veterinary teams in support of Gulf Coast hurricane relief operations; and deployed the Army's 212th Mobile Army Surgical Hospital (MASH) to support earthquake relief operations in Pakistan.

The story of the 212th MASH illustrates the dedication, flexibility, and adaptability of Army Medicine. On September 23, 2005, the 212th returned to Germany after a 3-week training and humanitarian assistance mission in Angola. Within days of the devastating earthquake that struck Pakistan on October 8, the 212th MASH was on its way to provide surgical and medical care to survivors. When the Pakistani mission became apparent, the 212th was the only Department of Defense unit that could fill the requirement. It was close to Pakistan, mobile enough that it could be put in position quickly, and completely self-contained with the capability to house and feed its staff without additional assistance from support units or the host nation. The 212th returned to Germany in late-February and has begun training with new equipment for an upcoming deployment to Iraq.

It is this dedication, flexibility, and adaptability that has allowed us to provide superb medical care for more than 24,000 sick or injured Soldiers from Iraq and Afghanistan over the past three years. Army Medicine is an integrated system of healthcare designed, first and foremost, to protect and treat the warfighter. Let me explain how we accomplish this and several new initiatives underway to improve how we work.

RECRUITING AND RETENTION

Success begins with recruiting, training, and retaining quality healthcare professionals. Fiscal year 2005 presented recruitment challenges for healthcare providers. We made 99 percent of our goal for Medical Corps recruitment (goal of 419 with 416 achieved) and 84 percent of our Dental Corps goal (goal of 125 with 105 achieved). However, the Army fell short of its goals for awarding Health Professions Scholarships in both the Medical Corps (77 percent of available scholarships awarded) and Dental Corps (89 percent of scholarships awarded). These scholarships are by far the major source of accessions for physicians and dentists. This presents a long-term recruiting challenge beginning in fiscal year 2009. It is too early to tell

if this is a one-year anomaly or the beginning of a long-term trend, but we are working hard to ensure every available scholarship is awarded this year. In conjunction with United States Army Recruiting Command (USAREC) we have initiated several new outreach programs to improve awareness of these programs and to increase interest in a career in Army Medicine. I also ask for your support of legislation just submitted by DOD establishing a 2-year pilot program for an increased recruitment incentive bonus in up to five critical medical specialties. We hope this will attract more interest in our critical medical specialties.

In January I sent letters to the Deans of every U.S. medical school, asking for opportunities for Army physicians and Army recruiters to meet with medical students and discuss opportunities to serve in the Army. Response to date has been strong and positive. We will use the same tactic with dental and nursing schools this year.

I am encouraged by a recent analysis of retention among active duty Medical Corps officers in fiscal year 2005. More than 50 percent of physicians who completed their initial active duty service obligation last year agreed to stay for at least one more year. This analysis challenges the myth that increased operations tempo leads to lower retention. We continue to monitor this trend carefully and will be expanding the analysis to include dentists and nurses in the next year.

The Reserve Officer Training Corps (ROTC) is a primary source for our Nurse Corps Force. In recent years, ROTC has had challenges in meeting the required number of Nurse Corps accessions and as a consequence, USAREC has been asked to recruit a larger number of direct accession nurses to fill the gap. This has been difficult in an extremely competitive market. In fiscal year 2005, USAREC achieved 83 percent of its Nurse Corps mission. We have recently raised the dollar amount that we offer individuals who enter our Army Nurse Candidate Program to \$5,000 per year for max of two years with a \$1,000 per month stipend. Last year we increased the multi-year bonuses we offer to Certified Registered Nurse Anesthetists with emphasis on incentives for multi-year agreements. A year's worth of experience indicates that this increased bonus, 180-day deployments, and a revamped Professional Filler system to improve deployment equity is helping to retain CRNAs.

Reserve Component Accessions and Retention continue to be a challenge. In fiscal year 2005 we expanded accessions bonuses to field surgeons, social workers, clinical psychologists, all company grade nurses and veterinarians in the Army National Guard and Army Reserve. We also expanded the Health Professions Loan Repayment Program and the Specialized Training Assistance Program for these specialties. In February 2006, we introduced a Baccalaureate of Science in Nursing (BSN) stipend program to assist non-BSN nurses complete their four-year degree in nursing. This will be an effective accessions and retention tool for Reserve Component Nurses who have only completed a two-year associates degree in nursing. Working with the Chief of the Army Reserve and the Director of the Army National Guard, we continue to explore ways to improve Reserve Component accessions and retention for this important group. The Reserve Components provide over fifty percent of Army Medicine's force structure and we have relied heavily on these citizen Soldiers during the last three years. They have performed superbly.

INSTALLATIONS AS OUR FLAGSHIPS

Army healthcare providers train and maintain their clinical skills in hospitals and clinics at Army installations around the world everyday. Our medical treatment facilities are the centerpiece of medical readiness. These facilities provide day-to-day healthcare for Soldiers to ensure they are ready to deploy; allow providers to train and maintain clinical competency with a diverse patient population that includes Soldiers, retirees, and families; serve as medical force projection platforms, and provide resuscitative and recuperative healthcare for ill or injured Soldiers. In order to do this successfully, we must sustain appropriate workload and patient case-mix in our facilities and have a supportive network of civilian providers for the healthcare services we cannot effectively or efficiently provide.

The combination of Base Realignment and Closure (BRAC) decisions, Army Modular Force decisions, and the Integrated Global Positioning and Basing Strategy have presented us with a significant challenge and a significant opportunity to improve the way we care for patients at affected installations. This is complicated by the long-lead time necessary to plan and execute military construction and by low thresholds for military construction projects.

Two important proposals coming forward from the Quadrennial Defense Review will enhance our flexibility to rapidly implement military construction projects in response to the challenges of Army restationing initiatives. One increases the Operations & Maintenance threshold for military construction from the current cap of

\$750,000 to \$3,000,000. The second proposal increases the unspecified minor military construction threshold from \$1,500,000 to \$7,000,000—the same authority the Department of Veterans Affairs has. The Army fully supports these proposals. We need to have authority comparable to the Department of Veterans Affairs in order to reset our medical force in support of these restationing decisions.

Much of the healthcare we provide to wounded Soldiers is funded through supplemental appropriations. The Military Amputee Care Program, centered at Walter Reed Army Medical Center and Brooke Army Medical Center, has cared for nearly 400 amputees over the past three years. I want to thank the Congress and the subcommittee for your continued support. This program is leading the nation in improving amputee care and improving the field of prosthetics technology. They are working jointly with the Department of Veterans Affairs and civilian industry to share lessons learned and raise the standard of amputee care across our country. Due to your support and advances in the care of amputees, many of these Soldiers will be able to remain on active duty and many will return to combat units fully capable of performing their duties.

RESEARCH AND DEVELOPMENT

Medical Research, Development, Testing, and Evaluation are critical to our ongoing success both on the battlefield and in our hospitals around the country. Over the past year we have pulled 12 medical products out of the RDT&E process and fielded them to deployed forces because their demonstrated efficacy and safety in improving patient care and force protection on the battlefield. Despite all of our advances in battlefield medicine, hemorrhage continues to be the major cause of death on the battlefield. We continue to develop and test blood substitutes and hemostatic agents to mitigate blood loss in our combat casualties. Today, every Soldier in Iraq and Afghanistan deploys with a hemostatic bandage and a tourniquet. Evacuation assets quickly move casualties from the battlefield to Forward Surgical Teams and Combat Support Hospitals within minutes of injury. These advances in equipment, training, and doctrine are saving lives every day in Iraq and Afghanistan.

Army scientists continue their work in research and development of new vaccines, including adenovirus vaccine, malaria vaccine, and plague vaccine. These vaccines are needed to protect against microbes that threaten Soldiers in basic training, in tropical locations, or as bioweapons. To support Homeland Security, Fort Detrick, Maryland has become the home for a National Interagency Biodefense Campus (NIBC). This interagency initiative collocates researchers from Department of Defense, Centers for Disease Control, Department of Agriculture, Department of Homeland Security and the National Institutes for Allergy and Infectious Diseases to achieve productive and efficient interagency cooperation in support of our Nation's biodefense.

A key component of protecting Soldiers on the battlefield and citizens at home from the threat of chemical and biological agents is research and development of medical countermeasures against such agents. The infrastructure and expertise to do this resides within the U.S. Army Medical Research and Materiel Command (USAMRMC) at Fort Detrick, Maryland. The U.S. Army Medical Research Institute for Infectious Diseases (USAMRIID) at Fort Detrick, and the U.S. Army Medical Research Institute for Chemical Defense (USAMRICD) at Aberdeen Proving Ground, Maryland, represent critical national capabilities that, in addition to National Defense, support the entire spectrum of Homeland Security.

USAMRIID provides basic and applied research on biological threats resulting in medical solutions to protect the War Fighter and offers a comprehensive ability to respond to biological threats. USAMRIID scientists have more than 34 years of experience safely handling the world's deadliest pathogens in biocontainment. USAMRICD is charged with the development, testing, and evaluation of medical treatments and materiel to prevent and treat casualties of chemical warfare agents. In addition to research, USAMRICD, in partnership with USAMRIID, educates health care providers in the medical management of chemical and biological agent casualties. Simply put the Nation's experts in chemical and biological weapons work at USAMRIID and USAMRICD.

SUSTAIN THE BENEFIT

The Army requires a robust military medical system to meet the medical readiness needs of active duty service members in both war and peace, and to train and sustain the skills of our uniformed physicians, nurses, and combat medics as they care for family members, retirees, and retiree family members. Therefore we share the Department of Defense's (DOD) concern that the explosive growth in our

healthcare costs jeopardizes our resources, not only to the military health system but in other operational areas as well.

Expansion of TRICARE to the Selected Reserve in the fiscal year 2005 and fiscal year 2006 National Defense Authorization Act highlights the challenge presented to DOD by expanding benefits with limited resources. We are very concerned by the projections of cost growth in the Defense Health Program over the next ten years. Without addressing the issues, our healthcare costs will total approximately 12 percent of the DOD budget by 2015. This growth forces us to look for additional efficiencies in our direct care system and threatens quality of life, readiness, and modernization programs.

The Army and Army Medical Command fully support the Sustaining the Benefit proposals for working age retirees, as it represents a reasonable approach to meeting the challenge of providing for our Soldiers and the future of our force. After the proposal is fully implemented, TRICARE will still remain a very affordable option for our military retirees under the age of 65, with out-of-pocket costs for retirees still projected to be little more than half of the costs for members of the Federal Employee Health Benefits Program. The change merely begins to bring the cost share for working age military retirees in line with the same proportion it was when Congress created TRICARE.

The Department of Defense continues to explore other opportunities to help control costs within the Defense Health Program and in many of initiatives the Army leads the Department in implementation and innovation. This year, I implemented a performance-based budget adjustment model throughout the Army Medical Command. This model accounts for provider availability, proper coding of medical records, and use of Clinical Practice Guidelines to adjust hospital and clinic funding levels to reflect the cost of actual healthcare delivered. The Southeast Regional Medical Command implemented this system in 2005 where it increased staff awareness on properly documenting workload and staff availability. This model increases command attention to the business of delivering healthcare. It is an Internet-based model so commanders at all levels receive fast feedback on their organization's performance. Finally, use of Clinical Practice Guidelines encourages efficiency by using nationally accepted models for disease management. These adjustments provide my regional commanders the flexibility needed to move funds within their region to the facilities that are demonstrating improved performance and the ability to absorb more care from TRICARE networks.

The Army is also leading the Department's implementation of an electronic medical record. The armed forces health longitudinal technology application (AHLTA) will help to significantly reduce the number of negative medical outcomes and errors compared to paper methods of documenting treatment and ordering drugs. Eighty-three percent of Army hospitals are using AHLTA today and every Army hospital will be using AHLTA by the end of August 2006. Nearly two-thirds of Army hospitals have fully implemented AHLTA and the Army leads DOD in the number of healthcare providers using AHLTA. For the past 3 years, Army providers deployed in Iraq and Afghanistan have been using the Theater Medical Information Program so each Soldier's treatment data is available to providers at Landstuhl, Walter Reed, or other Army medical treatment facilities when that Soldier-patient comes home. The Army Medical Department now captures over 200,000 patient encounters a week in this 21st century medical record.

The 2005 Base Realignment and Closure decisions demonstrate actions to improve the joint delivery of healthcare in both the National Capital Area and San Antonio, Texas. Recommendations to collocate medical training for all three Services at Fort Sam Houston, Texas and to collocate a number of medical research and development activities at Fort Detrick allows for enhanced synergy, collaboration and cost effectiveness. The next step is to move beyond a collocation of these activities to implementation of a business plan that realizes a true integration of DOD's medical training and research activities.

The Army continues to support the development of a Unified Medical Command and is working closely with our sister Services and the Joint Staff to realize the full potential of this initiative. A fully functional unified command represents an opportunity to reduce multiple management layers within DOD's medical structure, inspire collaboration in medical training and research, and gain true efficiencies in healthcare delivery. These changes need to be made in conjunction with actions to Sustain the Benefit.

In closing let me emphasize that the service and sacrifice of our Soldiers—and their families—cannot be measured with dollars and cents. The truth is that we owe far more than we can ever pay to those who have been wounded and to those who have suffered loss. Thanks to your support, we have been very successful in developing a healthcare delivery system that honors the commitment of our Soldiers, re-

tirees, and their families made to our Nation by providing them with world-class medical care and peerless military force protection.

Thank you again for inviting me to participate in this discussion today. I look forward to answering your questions.

Senator STEVENS. Admiral Arthur.

STATEMENT OF VICE ADMIRAL DONALD C. ARTHUR, M.D., SURGEON GENERAL, DEPARTMENT OF THE NAVY

Admiral ARTHUR. Good morning, Chairman Stevens and Ranking Member Inouye. Thank you very much for the opportunity to address the subcommittee.

In this age of interoperability of the three services, I dare say that each of the surgeons could have given the same opening comments. And, in that spirit, I echo what General Kiley has said in his opening remarks, they equally apply to Navy medicine.

We also have thousands of people deployed to Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF), where we're very proud of the greater than 90 percent survival rate for combat injuries, the lowest disease and nonbattle injury rate in history, and the rapid rate at which combat casualties can be taken from the field, resuscitated, brought to Landstuhl and then for further care at Walter Reed, Bethesda, Malcolm Grow, and other great facilities throughout the country.

We believe in family-centered care for these casualties, and we've continued the policy of having family members meet the casualties as they are received in our continental United States (CONUS) facilities. Most of the casualty care that we have delivered has been on the east coast, and we're proud to announce that this summer we'll open up a Comprehensive Combat Casualty Care Center in San Diego, where we will offer the full spectrum of rehabilitative services. I have asked that each member of the rehabilitate team have specific training in combat stress and the psychological effects of combat. I've also asked that this center be staffed by as many combat veterans, and especially combat-wounded sailors as possible to provide that degree of empathy for the combat-wounded.

We are also reshaping our force for future events, especially humanitarian assistance, stability operations, homeland defense, and disaster relief, which is not currently part of our planning for combat casualty care injuries. I think the important thing is that we need to have the flexibility to accomplish all of the missions that we might be tasked to join. A good example of our flexibility is the U.S.N.S. *Mercy*, which launched recently on a humanitarian assistance mission to Southeast Asia, where it will, in collaboration with nongovernmental organizations (NGO), deliver humanitarian services to many people who have been unreached by the United States in any other way. And I think that that will provide us with a great deal of diplomacy in those areas.

We are having challenges in recruiting and retention. I know that Senator Mikulski is interested in how we have used the loan repayment program. We are very proud that we have made some inroads in our recruiting efforts with these programs.

One of the issues which is most challenging for us is the operational tempo, as General Kiley talked about. We have some specialties, especially those that are combat intensive—surgeons, nurse anesthetists, operating room (OR) technicians—who have deployed

at least once, and sometimes two times, per year over the last 3 years.

The administration's proposals to manage cost growth and sustain this valuable TRICARE benefit encourages beneficiaries to elect medically appropriate, cost-effective healthcare options. The Navy supports the words of the Joint Chiefs, Chairman Pace and Secretary Rumsfeld, and wants to work closely with the distinguished members of this subcommittee and all of Congress to sustain this great health benefit.

I would like to mention one guest that we have with us today. That is Captain Catherine Wilson, who just returned from Kuwait as the commanding officer of the expeditionary medical force, so she's a nurse corps officer who is en route to Naval Hospital Bremerton, where she will be the commanding officer. And she's our officer with the most recent combat support experience. And she's with us today. I'm glad to have her here.

Senator STEVENS. Catherine, why don't you stand up so we can recognize you?

Admiral ARTHUR. Cathy.

Senator STEVENS. Thank you very much.

Admiral ARTHUR. One of the things that we have decided to do recently is to re-code all of our leadership billets to be corps-non-specific, so that it could be—all leadership billets can be occupied by any corps in the Navy. And Captain Wilson is a good example, as a nurse corps officer, who went there and did an outstanding job in combat support.

PREPARED STATEMENT

Mr. Chairman, thank you very much for allowing me to give you some opening comments. And I look forward to all of your questions.

Thank you.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL DONALD C. ARTHUR

INTRODUCTION

Chairman Stevens, Ranking Member Inouye, thank you for the opportunity to testify before you today about the state of Navy Medicine and our plans for the upcoming year.

Navy Medicine is an integral part of the Navy and Marine Corps team and plays a key role in our ever expanding and more diverse missions that continue to evolve as we fight the global war on terrorism. Against new enemies whose arsenals include catastrophic medical threats, Navy Medicine is a critical defensive weapon for the Navy and Marine Corps team. Consider just a few of these efforts: Navy Medicine provides surveillance for biological attacks, immunizes personnel to reduce the impact of bioterrorism events, assesses potential health threats in the operational environment, and provides expert clinical consultation to operational commanders, all while providing combat casualty care far-forward and exceptional care for our heroes and their families here at home.

FORCE HEALTH PROTECTION

The primary focus of Navy Medicine is Force Health Protection. Navy Medicine is preparing a healthy and fit force that can go anywhere and accomplish any mission that the defense of the nation requires. Further, Navy Medicine goes with them, to protect the men and women in uniform from the hazards of the battlefield.

But as hard as we try, all this preparation does not fully prevent the physical and psychological impact of combat service.

COMBAT CASUALTY CARE

As you know, more seriously injured warfighters are surviving their wounds—more than in any other conflict in history. These low mortality rates can be attributed to improved trauma and combat casualty care of our medical personnel, advances in medical technology, better body armor, and improved training of our medical personnel; however, one of the most important contributors to saving lives on the battlefield has always been, and remains Navy corpsmen—Navy Medicine's first responders on the battlefield. The platoon corpsmen are supported by a team of field surgeons, nurses, medical technicians and support personnel in theater, who are supported by medical evacuation teams and overseas Military Treatment Facilities (MTF) working together with MTFs in the United States—this is the Navy Medicine continuum of care.

Navy Medicine's commitment to the warfighter is clearly seen in the combat casualty care provided to injured and ill Marines and Sailors engaged in Operations IRAQI FREEDOM and ENDURING FREEDOM since the beginning of the Global War on Terror. Combat casualty care is a "continuum-of-care," which begins with corpsmen in the field with the Marines; progresses to forward resuscitative care; on to theater level care; and culminates in care provided in route during patient evacuation to a military hospital. Medical care is being provided in Iraq and Afghanistan by organic Marine Corps health services units which include battalion aid stations, shock trauma platoons, surgical companies, and Forward Resuscitative Surgical Systems.

During current operations, Navy Medicine has made significant advances in the health care provided by first responders and in access to resuscitative surgical care during the critical "golden hour." A badly injured Marine who receives advanced medical care within an hour of injury is highly likely to be saved.

Navy Medicine is also deployed worldwide with Naval air, surface and subsurface forces, providing daily health service support, force health protection, and medical intelligence and planning for the Navy's many traditional and nontraditional missions.

Our operationally-focused research efforts in areas such as disease surveillance, bioweapon detection, protection and countermeasures, emerging illnesses, field medical gear, and advanced aviation and diving physiology facilitates the warfighter's efforts to do his or her job more safely and effectively.

As our engagement in Iraq and Afghanistan continues, the number of injured service members who return in need of critical medical services will increase. As a result, and due to the severity and complexity of their injuries, increased cooperation and collaboration with our federal health care partners is essential to providing quality care. As an extension of Navy Medicine's ability to care for patients, partnerships with Veterans Affairs (VA) medical facilities continue to grow and develop into a mutually beneficial association. In 2003, the VA created the Seamless Transition Program to address the logistic and administrative barriers for active duty service members transitioning from military to VA-centered care. This program is working well and continues to improve as new lessons are learned. Recently-wounded Sailors and Marines differ from the VA's traditional rehabilitation patient in age, extent and complexity of injury, and family involvement; therefore, we are actively engaged at all levels to ensure that quality care is being provided throughout both systems.

PARTNERSHIP WITH THE DEPARTMENT OF VETERANS AFFAIRS

Navy Medicine and the Department of Veterans Affairs continue to pursue enhancements to information management and technology initiatives to significantly improve the secure sharing of appropriate health information. Several efforts are underway that will enable us to share real-time patient information and to improve system interoperability. We also continue to support the pursuit of increased sharing and are currently managing medical and dental agreements across the country.

In addition, our joint effort to create a hybrid organization based on new paradigms and practices continues to move forward. The Federal Health Care Facility at the site of Naval Hospital Great Lakes and the North Chicago Veterans Affairs Medical Center will operate under a single line of authority, overseen by a Board of Directors. All services currently being offered at both facilities will remain available, but will be delivered more efficiently within a seamless patient care and support environment.

Finally, in the area of military construction Navy Medicine is pursuing a variety of joint ventures that include a Consolidated Medical Clinic aboard the Naval Weap-

ons Station in Charleston, SC; a VA clinic to be built to replace the Naval Clinic at Corry Station in Pensacola, FL; and planned replacement hospitals at Beaufort and Guam, each of which will include a VA presence. We are also pursuing Joint Incentive Fund Projects, as directed by the fiscal year 2003 National Defense Authorization Act, across the enterprise.

MENTAL HEALTH

The issue of mental health has been receiving much deserved attention since the beginning of OEF/OIF. I would like to take this opportunity to share with you some of the things that the Department of the Navy is doing to help the Navy and Marine Corps team cope with the stresses of combat.

Anyone exposed to the extremely stressful environment of combat is affected by those events, with the effects varying with each individual service members. Although most cope with no significant or lasting impact, a small percentage will need assistance in dealing with their experiences, and some of them may ultimately be diagnosed and treated for Post Traumatic Stress Disease or other mental health conditions.

Marines and Sailors are prepared for the psychological rigors of combat by being run through a realistic recreation of combat during pre-deployment training. Health screenings are conducted via the multi-tiered deployment health assessment process, prior to deployment, immediately upon return from theater, and most recently at the 3-6 month post deployment mark. In theater, Sailors and Marines have prompt access to chaplains, medical officers, and other mental health providers embedded with the operation forces through the Operational Stress Control and Readiness (OSCAR) Program. All aircraft carriers have a psychologist attached to the medical department aboard ship, and many of our new expeditionary strike groups also deploy with psychologists or psychiatrists onboard. In addition, since reunifications can sometimes be difficult, Sailors and Marines returning home are prepared to reunite with their families and communities through the "Warrior Transition" and "Return and Reunion" programs.

DEPLOYMENTS AND QUALITY OF CARE

On an average day in 2005, Navy Medicine had over 3,500 medical personnel from the active and reserve components deployed in support of Operations, Exercises or Training around the world. Our missions vary and include humanitarian assistance abroad and at home; environmental risk assessments around the world; and combat casualty care.

Navy Medicine is continuously monitoring the impact deployments of medical personnel have on our ability to provide quality health care at home. Together with the network of TRICARE providers who support local Military Treatment Facilities (MTFs), beneficiaries have been able to continue accessing primary and specialty care providers. We closely monitor the access standards at our facilities using tools like the peer review process, to evaluate primary and specialty care access relative to the Department of Defense's standard.

Another means used to ensure quality is our robust quality assurance and risk management programs that promote, identify, and correct process or system issues and address provider and system competency issues in real time. Our program promotes a patient safety culture that complies with nationally established patient safety goals. These goals include training in the area of medical team management to improve communication processes as well as implementation of the Bureau of Medicine and Surgery (BUMED) advisory boards' recommendations in critical patient safety and quality areas, such as perinatal care.

We have established evidence-based medicine initiatives and currently measure diabetes, asthma and women's breast health. Soon, we will add dental health and obesity.

Navy Medicine also promotes healthy lifestyles through a variety of programs. These programs include: alcohol and drug abuse prevention, hypertension identification and control, tobacco use prevention and cessation, and nutrition and weight management. Partnering with other community services and line leadership enhances their effectiveness and avoids duplication.

CHANGES IN NAVY MEDICINE

Since I testified before you nearly a year ago, Navy Medicine has gone through several changes to meet the evolving needs of the Navy and Marine Corps team. Last summer, we implemented a focused enterprise wide realignment effort to better direct our assets to maintain readiness and deliver the highest quality care in the most cost effective manner. This effort included standing up four regional com-

mands—Navy Medicine West, Navy Medicine East, Navy Medicine National Capital Area and Navy Medicine Support Command—to provide a centralized and standardized structure of command and control. The regional commands have flexibility in supporting operational requirements while improving health care access and logistic support for all beneficiaries. Also, Navy Medicine's ten reserve medical units, Operational Health Support Units (OHSU), are aligned with the regional commands to gain operating efficiencies and maximizes the utilization of reserve assets. Furthermore, Reserve dental units have also been consolidated into the OHSUs to mirror changes implemented by Navy Medicine's active component.

EMERGING MISSIONS

Pandemics of influenza have occurred in the past and will likely occur again in the future. For the first time, however, the United States along with the global community have an opportunity to cooperatively plan and prepare for a potential influenza pandemic. The operational and medical leaders of the Navy are working together to develop operational tactics, public health techniques, and clinical capabilities to protect our active duty members, their families and our civilian workforce against this threat. Navy Medicine's efforts will be a key component of the larger plan being developed by the Defense Department.

Navy Medicine has proven to be an asset in providing humanitarian relief overseas and at home. Two significant examples are Operation Unified Assistance in the Indian Ocean and Hurricane Katrina relief in the Gulf of Mexico. Our most visible support in these disasters was the deployment of both hospital ships, USNS MERCY (T-AH 19) and USNS COMFORT (T-AH 20). The hospital ships have inpatient capabilities comparable to major medical facilities ashore. They each have fully-equipped operating rooms, inpatient beds, radiological services, a medical laboratory, a pharmacy, an optometry laboratory, a CT-scanner and two oxygen producing plants. Both have flight decks capable of landing large military helicopters evacuating casualties.

For six months after the December 2004 Indonesian earthquake and tsunami, teams of Navy medical personnel and health care providers from the nongovernmental organization (NGO) Project HOPE conducted daily humanitarian assistance operations on board USNS MERCY. Operating off the coast of Banda Aceh, MERCY's medical staff treated more than 9,500 patients ashore and afloat, and performed nearly 20,000 medical procedures, including more than 285 surgical and operating room cases. During a stop in Alor, Indonesia, MERCY's team cared for more than 6,200 patients, and during a visit to East Timor, they saw more than 8,000 residents.

On August 29, 2005, Hurricane Katrina struck the coastal areas of Louisiana, Alabama and Mississippi, causing many deaths, displacing a large civilian population, damaging infrastructure including health care and public health systems, disrupting communications, and generating devastating flooding. Navy Medicine deployed over 800 health care professionals in support of Hurricane Katrina relief efforts and, with the help of Project Hope volunteers, treated over 14,500 people. Our personnel deployed with USS BATAAN, USS IWO JIMA, USNS COMFORT, the Joint Task Force Katrina Surgeon's cell, Forward Deployed Preventive Medicine Units, mental health response teams, Navy Construction Battalion Units, as well as in direct support of Navy clinics in Mississippi and Louisiana. Navy Medicine coordinated supporting relief efforts with medical staff and supplies from Navy medical facilities across the country.

Earlier this year, U.S. military field hospitals in Shinkari and Muzaffarabad provided the earthquake-stricken people of Pakistan with medical assistance. Navy Medicine's Forward Deployed Preventive Medicine Units and the Marine Corps' Combined Medical Relief Team 3 were located in Shinkari while the U.S. Army's hospital was set up in the city of Muzaffarabad. Between these units, U.S. forces brought to bear medical capabilities including operating rooms, x-ray equipment, pharmacies, laboratories, and many other assets all in an effort to supplement organic Pakistani medical facilities which were hit hardest by the earthquake. Surgeons, general medical officers, nurses, and dentists were joined by other support Marines and Sailors in treating victims of this natural disaster.

MEDICAL RECRUITING

Although our missions continue to evolve, we, like the other services and the private sector, are struggling to meet all of our recruitment, retention and end strength goals in health care professions. The need for skilled doctors and nurses has been demonstrated time and again throughout the global war on terror; however, the number of medical school applicants and graduates in this country is declining. The

Navy, together with Navy Medicine, is working to improve recruiting and retention of doctors and nurses so we can meet our deployment requirements. Some of the efforts being considered include: improving compensation parity with the private sector; studying incentive programs that better meet the needs of the current student population; and offering an accession bonus and medical insurance coverage for student programs.

SUSTAINING THE BENEFIT/HEALTH CARE COSTS

Navy Medicine has a dual mission. While meeting the operational medical needs of our warfighters as illustrated above, Navy Medicine continues to provide the finest, cost-effective health care to America's heroes and their families at home and overseas.

The Navy is proud of the exceptional health benefit and health care delivery system that Congress and the Defense Department have built, expanded upon and improved over the years. In the last ten years, both congressional and departmental initiatives have addressed gaps in program coverage and improved access to care for millions of military beneficiaries. These new benefits have made a positive contribution to our recruitment and retention efforts, and we wish to sustain them for the long-term.

In order for the Department to sustain the benefits that so many have come to expect, the long-term costs of the program must be contained for the program to remain viable in the future. TRICARE benefits have been expanded and implemented; however, there have been no changes in beneficiary cost shares since 1995. The Department proposes to restructure beneficiary contributions to proportions similar to when TRICARE was established in 1995. These changes will ensure we will be able to continue providing the same high level of access and quality care enjoyed by our beneficiaries today. As Chairman Pace testified before you earlier this year, the Joint Chiefs have unanimously recommended that we renorm the cost sharing for the health care benefit.

As overall health care costs have grown for both the Department and the private sector, the expanding disparity in out-of-pocket costs between TRICARE and civilian health plans has led to a significant increase in the number of retired beneficiaries under the age of 65 who are now using TRICARE as their primary health insurance. This has resulted in an increase in the costs borne by the Department of Defense. The increased utilization, especially among this group of retirees, together with the expansion of benefits and healthcare inflation, have created a perfect storm. Costs have doubled in five years from \$19 billion in fiscal year 2001 to \$38 billion in fiscal year 2006. Analysts at Health Affairs project these costs will reach \$64 billion by 2015, about 12 percent of the Department's budget (vs. 4.5 percent in 1990). This current rate of medical cost growth is unsustainable and internal efficiencies are not, and will not, be sufficient to stem the tide of rising health care costs.

The Navy honors the service and sacrifice of our active duty and reserve members and retirees, as well as their families. Because of their service and sacrifice the Navy continually strives to provide a truly outstanding health benefit for them. The Administration's proposals to manage cost growth and sustain this valuable benefit encourage beneficiaries to elect medically appropriate cost-effective healthcare options. A very important point of the proposals is that the changes in cost sharing will not impact active duty troops or retirees over age 65. In addition, catastrophic protections would remain intact for retiree families—at \$3,000 per year.

The Navy strongly supports the words of Joint Chiefs' Chairman Pace and Secretary Rumsfeld and wants to work closely with the distinguished members of this committee and all of Congress to sustain this great health benefit for the men and women of our Armed Forces and their families. Together, we will sustain the vital needs of the military to recruit, train, equip and protect our Service members who daily support our National Security responsibilities throughout the world, keeping our nation strong.

CONCLUSION

Mr. Chairman, Navy Medicine has risen to the challenge of providing a comprehensive range of services to manage the physical and mental health challenges of our brave Sailors and Marines, and their families who have given so much in the service of our nation. We have opportunities for continued excellence and improvement, both in the business of preserving health and in the mission of supporting our deployed forces.

I thank you for your tremendous support to Navy Medicine and look forward to our continued shared mission of providing the finest health services in the world

to America's heroes and their families—those who currently serve, those who have served and the family members who support them.

Senator STEVENS. General Taylor.

**STATEMENT OF LIEUTENANT GENERAL GEORGE PEACH TAYLOR, JR.,
M.D., SURGEON GENERAL, DEPARTMENT OF THE AIR FORCE**

General TAYLOR. Mr. Chairman, Senator Inouye, and members of the subcommittee, it's a pleasure and privilege to be here today. Your Air Force Medical Service continues to serve America proudly, whether in caring for our wounded in the Balad theater hospital, in flying them safely home, in treating thousands of Hurricane Katrina victims or in providing quality healthcare to our home-station troops and their families.

During the gulf coast disaster, a Federal Emergency Management Agency (FEMA) physician told me that one of the most impressive things about our people is that they treated every patient during that chaotic, crowded, and terrible time, as if they were family, as if the person on the stretcher was their own father, mother, sister, brother, or child pulled from harm's way. I would add that this is true, from my experience, for all patients treated by Air Force medics, to include coalition forces, the Iraqis, and even the occasional insurgent.

To maintain this level of quality, ability, and esprit de corps throughout our Air Force, we are focusing on the three major challenges our Chief of Staff, General Moseley, has outlined—fighting the global war on terrorism, taking care of our people, and recapitalizing our valuable assets.

What we are accomplishing in Operations Enduring Freedom and Iraqi Freedom is phenomenal. If you had the opportunity to see the USA Today article and video published on March 27, you saw firsthand what incredible work our medics are doing across the services. The reporter, Greg Zororya said, quote, "To save lives in the battlefield, medical innovations are born in days rather than in years. And as with wars past, the new ways of treating the injured and sick in Iraq and Afghanistan have benefits beyond the battlefield," close quotes. He was absolutely correct. Through our in-theater experience, we are exploring uncharted territory in blood products and medical surveillance, telehealth, trauma response, and many more areas of cutting-edge medicine.

Our commitment to joint operations cannot be overemphasized. As part of the joint team, we have more than 600 ground medics in 10 deployed locations. In 2005, we treated more than 12,000 patients in Balad alone. Our Balad chief of intensive care, Colonel Ty Putnam, said, "The caseload rivals any major trauma center in the USA." That level of experience has resulted in unsurpassed survival rates. As a former Balad medical group commander said, "If you arrive here alive, you have about a 95–96 percent chance of leaving here alive."

The other crucial piece of our ability is to aeromedical evacuate our patients out quickly, getting them from point of injury to the States usually within 72 hours. The Air Force Medical Service was honored by the USO recently for the lives we've saved through our "critical care in the air" capability.

The value of the care we provide in theater with our sister services has been recognized in recent months by many grateful patients, among them Members of the U.S. Congress. The same capability to stabilize patients and quickly move them to higher levels of care was on clear display last summer on the gulf coast. I'm very proud of the role the Air Force total force team played in working with other Federal, State, and local agencies in moving over 3,000 sick or infirmed Americans from the devastated coast to shelters throughout the country, in addition to treating 7,600 people on the ground. But taking care of our people, General Moseley's second challenge is, and always has been, critical to the Air Force Medical Service. We continue to put great emphasis on deployment health surveillance of our troops. You know we are particularly concerned about them—you are particularly concerned about their mental health, as are we. Currently, Air Force post-deployment health assessments show only 1 to 2 percent of our redeploying airmen are experiencing—or expressing mental health concerns.

We recently rolled out the post-deployment health reassessment program, and we've received over 2,000 so far. Of those, 38 percent report some health concern, and about 5 percent report at least one mental health concern. While this may indicate that we are identifying additional problems, it's a little too early in the data collection to draw conclusions. We are watching this very carefully.

We are excited about the composite occupational health operational risk tracking, or COHORT, initiative which will assist us in tracking the health of our personnel, as it will provide occupational and medical surveillance data on every member, from the time an airman joins the Air Force until retirement or separation, opening up enormous fields of data never before available to us.

Our third challenge of recapitalizing our assets has become increasingly significant for the Air Force Medical Service. Six percent of our current facility inventory is more than 50 years old. By 2025, that could grow to 35 percent. With an annual military construction budget of \$60 million, we find we have to phase any major construction out over several years. In fact, this \$60 million, relatively flat for the past decade, now buys one-sixth the amount of construction it did 10 years ago.

BASE REALIGNMENT AND CLOSURE

We believe the BRAC process will help us relieve this situation as we combine facilities, close small, underutilized hospitals, or convert them to ambulatory surgery clinics. We also continue to seek ways to strengthen our partnerships in the civilian sector and with the Department of Veterans Affairs.

Finally, on behalf of our military families, I pledge my support to you and my fellow surgeons to work together to preserve the superb healthcare benefit that we offer. It is second to none, and so greatly earned and deserved by our military heroes and their families.

Finally, as this hearing began, the Chief of Staff announced my retirement, effective this year. I'd like to say what a privilege it is to have served the Nation for the last 27½ years, half of that serving an Air Force that's been in combat. The Air Force has been flying combat operations since 1991.

I've been part of an Air Force Medical Service that's made a difference. We've re-engineered our field hospitals, we've re-engineered our mirror medical evacuation system to allow people to move from foxhole to Bethesda in 36 hours. We've integrated into ground operations. A large portion of the ground-force support is done by airmen today.

A few things to think about. One is, I ask for us all to watch the BRAC implementation. There—as the head of the Medical Joint Cross-Service Group, working with the Base Realignment and Closure Commission, there are fairly innovative recommendations that need to be implemented, in terms of facility structure and combining facilities, and we just need to make sure that as we do this, it's not just the finances, but it is the change in the way we practice medicine, and changing the infrastructure, that the BRAC recommendations gives us a chance to rebalance. And so, we all need to pay attention over the next 5 years as we implement the recommendations that came through BRAC.

Second, I think we need to continue in areas where we're challenged with funds to watch for centralization. There is a lure of saving money with centralizing assets. The Air Force Medical Service is a highly decentralized operation, and that drives innovation very close to mission, innovation in field medicine, innovation in aeromedical evacuation, innovation in local healthcare. And I'd just say that we need to watch very carefully about centralization.

PREPARED STATEMENT

Finally, it's been my privilege to serve with a team of healthcare professionals throughout my career that I can only describe with one word, and that word is “magnificent,” a magnificent group of people in a magnificent mission in a magnificent service, part of a magnificent Department, in the best country on the planet.

Thank you very much.
[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL (DR.) GEORGE PEACH TAYLOR, JR.

Mr. Chairman and members of the committee, it is a pleasure to be here today to share with you stories of the Air Force Medical Service's success both on the battlefield and the home front.

The Air Force Medical Service (AFMS) continues to provide world-class health care and health service support anywhere in the world at anytime. This includes ensuring that active duty and Reserve component personnel of all Services are healthy and fit before they deploy, while deployed, and when they return home. It also includes providing the same quality of care—and access to care—for our 1.2 million TRICARE enrollees.

This year, our well-honed capabilities were important national assets in the medical response and evacuation of thousands of fellow Americans who were victims of Hurricanes Katrina and Rita. Our Total Force Airmen medics converged on the ravaged region twice in one month to work with Federal Emergency Management Agency (FEMA) medical teams to care for and transport thousands of ill patients. Overall, our Total Force medics provided health care for 7,600 people. Another 3,000, many of whom were critically ill, were safely aeromedically evacuated from the region.

During our response to these natural disasters, a senior physician in FEMA's disaster medical assistance team told me that one of the most impressive things about our people is that they treated every patient during that chaotic, crowded, and terrible time as if they were family, as if the person on the stretcher were their own father, mother, sister, brother, or child pulled from harm's way.

This catastrophic event, though, is something for which we are uniquely trained and equipped to perform. Obviously, the positive attitudes of our people and their

collective competence go a long way toward ensuring that the AFMS successfully responds to and overcomes any disaster—natural, domestic or foreign.

To ensure we maintain these abilities and attitudes, Air Force Chief of Staff, General T. Michael Moseley, has outlined three major challenges for leadership to focus upon: fighting the Global War on Terrorism; preserving our culture of excellence through the training and development of our people, and breaking the vicious cycle of operating the oldest inventory in the history of the United States Air Force through recapitalization.

GLOBAL WAR ON TERRORISM

The Global War on Terrorism will be with us for years to come. Among the Air Force's most critical components in successfully fighting this war both overseas and here at home is considering how we plan for our long-term requirements.

Key in accomplishing this is reinforcing that the Air Force is one organization—not active-duty, Guard and Reserve “tribes.” This philosophy necessarily extends to interoperating with all of our sister Services, a method of warfighting that has taken—and will continue to take—growing importance unmatched at any other time in our nation's history.

Most certainly, our light, lean and mobile expeditionary medical support—or EMEDS—is the linchpin of our ground mission. As importantly, the Air Force Medical Service makes its unique contribution to the Total Force and joint operational environment through our aeromedical evacuation and en route care mission.

Significant as these two components are, we must also continually refine the Air Expeditionary Force deployment system; ensure the pre- and post-deployment health and fitness of our troops; and diligently work to maintain the technological edge over our enemies—overseas and in the United States—through the development of bio-surveillance and medical treatment capabilities.

EMEDS

EMEDS, especially at the Air Force Theater Hospital at Balad Air Base in Iraq, has validated the “golden hour” concept—the importance of delivering care in first 60 minutes after injury. This life-saving capability has proved its effectiveness, and no one illustrates the importance of its capability better than the joint troops who make it happen.

“If a patient requires surgery to survive, it will be done here,” said Staff Sergeant Jalkennen Joseph, an emergency room medic. The reality and benefit of having a robust surgical capability forward has been key to the lowest casualty rate in the history of combat. Colonel (Dr.) Elisha Powell, former 332nd Expeditionary Medical Group (EMDG) Commander in Balad, supports this fact that “If you arrive here alive, you have about a 96 percent chance of leaving here alive.”

We are proud of the teamwork between Air Force flight medics and the Army and Air Force medics on the ground in the patient administration office of our theater hospital as they prepare for the arrival of casualties. “I give all the credit in the world to flight medics . . . they do things you only see in movies or read about in books. They do it on a daily basis and they do it well,” said Staff Sergeant Joseph. Moreover, although the Theater Hospital at Balad is largely staffed by the Air Force, the symphony of teamwork is its cornerstone. Joseph continues, “We have all really clicked together . . . we run this place smooth, doing the same mission. We live by the hospital motto ‘One team. One mission.’”

In this light, we foresee a continued need for this important capability to provide health care anywhere, and we will continue to refine this to meet joint warfighting medical requirements.

Our commitment to Joint operations cannot be overemphasized. As part of a joint team, we now have more than 600 ground medics in 10 deployed locations. In addition to Balad, we also operate two smaller hospitals in Iraq—one in Kirkuk and another at the Baghdad International Airport. Every day, Air Force medics in these theater hospitals are saving the lives of Soldiers, Sailors, Marines, Airmen, civilians, coalition and Iraqi forces, friend and foe alike. We treated over 12,000 patients in 2005 at Balad alone. These included U.S. forces, Iraqi Security Forces, U.S. and Iraqi civilians, as well as a combination of coalition forces, third country nationals and detainees.

Because our medical teams are operating closer to the front lines than ever before, patients are getting advanced medical care within hours, not days or weeks as they had in the past. However, as our experience in the past four years has shown us, as important as beds and forward deployed health care is, equally important is the ability to quickly move patients from the field to higher levels of care.

AEROMEDICAL EVACUATION

Aeromedical Evacuation (AE) crewmembers perform many of the same life-saving activities their peers accomplish in hospitals, but in the back of an aircraft at over 30,000 feet. The conditions are sometimes challenging as crewmembers work under the noise of the engines or when flying through turbulence—but there is no place else they would rather be.

“It is a great feeling of responsibility and a privilege to care for these patients,” says Colonel (Dr.) Peter Muskat, director of clinical training at the Cincinnati Center for Sustainment and Trauma Readiness Skills (C-STARS), who has flown 15 missions from Balad. Without a shadow of doubt, casualties aboard AE flights are entrusted to warrior medics well trained to effectively perform under these conditions. Colonel Muskat: “From the point of injury in theater to the time the injured person is medevac’d to the states, most times within 72 hours, they receive care from medics who have been exposed to every potential problem a trauma patient may face on the ground and during that flight.”

It is crucial to emphasize that of our approximately 400 AE personnel deployed today, the majority of them—almost 90 percent—are Guard and Reserve. A better example of fighting together in the Global War on Terrorism simply escapes me—the Reserve Component contribution to AE operations represents an undeniable hallmark of Total Force.

Occasionally, our AE crews transport patients who are so ill or injured that they require constant and intensive care. When that happens, our AE medical capability is supplemented by Critical Care Air Transport Teams, or CCATTs. These are like medical SWAT teams that fly anywhere on a moment’s notice to treat and extract the most seriously injured troops.

Team members carry special gear that can turn almost any airframe into a flying intensive care unit within minutes. An in-theater EMEDS commander told me that CCATTs are a good news/bad news entity. He said, “The bad news is, if you see the CCATT team jumping on a plane, you know someone out there is hurt bad. The good news is, if you see the CCATT jumping on a plane, you know that someone will soon be in the miraculous hands of some of the best trained medics in existence.”

No where in recent AE operations was this capability highlighted better than when three members of a CCATT, Major (Dr.) Linda Boyd, an emergency medicine physician, Major Denise Irizarry, a nurse, and Master Sergeant Jeffrey Wahler, a respiratory therapist, were aboard a C-17 Globemaster III from Ramstein Air Base, Germany, to Andrews Air Force Base, Maryland. They treated 30 casualties including ABC anchorman Bob Woodruff and cameraman Doug Vogt. Major Boyd said, “It was awesome—we did intubations and ventriculostomies—a procedure where a device is placed into the ventricles of the brain when needed to drain spinal fluid and relieve pressure.” On a regular basis, our AE warrior medics leverage superior training, commitment to excellence, and talent to uphold our requirements to support America’s heroes who defend our great nation.

Overall, partnering with our critical care air transport teams, our aeromedical evacuation system has made it possible to move seriously injured patients in an astonishingly quick time, as short as 72 hours from the battleground to stateside medical care—unheard of even a decade ago.

DEPLOYMENTS

When I joined the Air Force in the 1970s, we planned, trained, and equipped our medics on the basis of the threats faced in two major operational plans of short duration. That construct is no longer valid, as can clearly be seen with the Global War on Terrorism.

Today’s Air Expeditionary Force structure was created, in part, in response to this new construct. The AFMS needed to restructure itself, too, so that it could face multiple commitments overseas of both short and long duration. Our nation requires that medics field combat support capabilities that are very capable, rapidly deployable, and sustainable over long periods.

Medics must be placed at locations where they can maintain the skills they need for their combat medicine mission. It is also vital that these locations allow the medics to deploy easily without significantly interrupting the care they provide the base or TRICARE beneficiaries, especially at those locations with sustained medical education training programs.

This challenge is straightforward: create expeditionary medics who are focused on developing the skills for the field and eager to deploy for four of every twenty months. Currently, we assign medics at large facilities into groups of five so that one team can be deployed at any one time while the other four remain to work and

train at home station. We also actively work the ratio of active-to-Reserve component medics to determine the proper mix of active duty and Reserve component to ensure the best balance between the ability to deploy quickly and the capability to surge forces when necessary.

We are also actively reviewing the total size of the AFMS to make sure that over the next few decades we can successfully fulfill our wartime mission while still providing the peacetime benefit to our members, retirees, and their families.

Finally, a vital part of our preparation is state-of-the-art training, such as our Coalition for Sustainment of Trauma and Readiness Skills, or C-STARS, where we partner with renowned civilian medical centers in Baltimore, St. Louis, and Cincinnati to allow our medics to receive trauma training. While our medics—300 in 2005—receive training that is unavailable in most of our stateside hospitals, we provide a service to the people of those cities—a mutually beneficial relationship that enhances preparedness both at home and abroad. Many students laud C-STARS as the best medical training they have received to prepare them for deployment.

DEPLOYMENT HEALTH

Collaborative arrangements among the medical, chaplain and family support communities support our claim the Air Force has personnel and processes in place to monitor and address health concerns before, during and after deployments.

Deployment Health Surveillance is a continuous process of Force Health Protection. From accession, through service, and into separation and retirement, the Air Force Medical Service is dedicated to ensuring the health of our Airmen. We maintain a robust Individual Medical Readiness program to ensure each Airman, active and reserve component, is assessed for deployability and mission capability. At the point of deployment, we conduct a tailored deployment health assessment to include appropriate immunizations, medications, and health communication of known threats in the deployment area. In OIF/OEF, these activities combined with continuous health support in theater have resulted in the lowest disease/non battle injury rate ever experienced in combat operations.

Although some of these efforts are strictly medical in nature, others focus on specific and increasing needs such as mental health. To address the mental health needs of deployed airmen, the Air Force deploys two types of mental health teams: a rapid response team and an augmentation team. Mental health rapid response teams consist of one psychologist, one social worker and one mental health technician. Our mental health augmentation teams are staffed with one psychiatrist, three psychiatric nurses and two mental health technicians. Deployed mental health teams use combat stress control principles to provide consultation to leaders and prevention and intervention to deployed airmen.

I was involved in the medical combat service support laydown for Operations ENDURING FREEDOM and IRAQI FREEDOM, and one of my highest priorities was to ensure that the Air Force fielded mental health professionals early and as far forward as possible to not only treat casualties, but to put in place strong prevention and outreach programs. Today, the Air Force has 49 mental health personnel deployed for current operations, 36 of whom are supporting joint service requirements. We also position psychiatric nurses at our aeromedical staging facilities to better address emerging psychological issues for all troops being medically evacuated out of the combat theater.

The Air Force and the Department of Defense have enhanced efforts to monitor and address the health concerns of deploying service members. Airmen complete the post-deployment health assessment (PDHA) at the end of a deployment, and are now being assessed again 90–180 days after return from deployment via the post-deployment health reassessment (PDHRA). These instruments provide an overall health assessment of our Airmen, with an emphasis on mental health.

A recent study published in the *Journal of the American Medical Association* examined the mental health problems reported by Army and Marine combat troops following deployments. We have examined the same data sets for Air Force personnel, and found that Airmen report significantly less mental health concerns following deployments than Army and Marine combat units. According to the report, while over 19 percent of Army and Marine personnel reported at least one mental health symptom after an OIF deployment, only 4.7 percent of Air Force OIF deployers reported at least one mental health symptom. Only about 1 percent of Air Force deployers were referred for mental health care following a post-deployment health assessment. The lower incidences of mental health problems for our Airmen are most likely attributable to both the type and length of Air Force missions. That said, we are closely scrutinizing deploying Airmen who may be at greater risk for mental health concerns, such as convoy personnel and medics.

The Air Force is also standardizing existing redeployment and reintegration programs to help Airmen and family members readjust following deployments. These programs are collaborative among the medical, chaplain and family support communities. Airmen and their families can also take advantage of The Air Force Readiness Edge, a comprehensive guide to deployment-related programs and services, as well as Air Force OneSource, a contractor-operated program that provides personal consultation via the web, telephone or in-person contacts, on matters that range from severely injured service member family impact to dealing with grief and loss to a myriad of other family related matters. Air Force OneSource is available 24 hours a day, and can be accessed from any location.

TECHNOLOGICAL EDGE

Terrorism confronts us all with the prospect of chemical, biological, and radiological attacks. Of those, one of the most disconcerting to me are the biological weapons. Nightmare scenarios include rapidly spreading illnesses so vicious that if we cannot detect and treat the afflicted quickly, there would be an exponential onslaught of casualties.

Medics have the capability to find, track, target, engage and defeat such biological threats, whether they are naturally occurring, like Severe Acute Respiratory Syndrome (SARS) and influenza, or man-made, like weaponized smallpox.

The rapidly advancing biogenetics field may provide the technology that allows us to identify and defeat these threats. Many consider the coupling of gene chip technology with advanced informatics and alerting systems as the most critical new health surveillance technology to explore—and we are doing it now in the Air Force.

In 2005, an Epidemic Outbreak Surveillance project, an Air Force initiative, was successfully tested during a real-world exercise in Washington, DC, that began shortly before the 2005 inauguration and ended after the State of the Union Address.

During the exercise, medical teams around the National Capital Region collected samples from patients who had fever and flu-like illnesses. The samples were transported to a central lab equipped with small, advanced biological identification units—a “gene chip”—that tested for common or dangerous bacteria and viruses. These results were known within 24 hours, not the days or weeks normally required. A web-based program then tracked outbreak patterns, providing an additional mechanism to automatically alert medics and officials of potential epidemics or biological attacks. We continue to work with this technology to create better diagnostics for our normal clinical work as well as for early detection of a new disease, whether it be avian flu or a biological attack.

We are seeking techniques to convert common tap or surface water into safe intravenous solutions in the field. We are also developing the ability to generate medical oxygen in the field rather than shipping oxygen in its heavy containers into the field.

Telehealth is another fascinating technology that enhances the capabilities of our medics. It allows providers in Iraq to send diagnostic images such as X-rays through the Internet back to specialists located anywhere in the world for a near real-time consult. This ensures that each Soldier, Sailor, Airman or Marine in the field has access to one of our outstanding specialists almost anytime and anywhere.

In 2006, we expect to start transitioning another advancement—our ability to create an unlimited number of cohorts of our beneficiaries using the Composite Occupational Health and Operational Risk Tracking (COHORT) initiative. This will provide occupational and medical surveillance from the time they join the Air Force until retirement or separation, regardless of where they serve or what job they perform. We will finally be able to tie together medical conditions, exposure data, duty locations, control groups, and demographic databases to globally provide individual and force protection and intervention, reducing disease and disability. These tools will work in near real time, and eventually will be automated to work continuously in the background, always searching for key sentinel events.

We are also proud of our collaborative efforts and pursuit of technological advancements that extend beyond threats of biological or epidemic concerns, to also include advancements in more common diseases such as diabetes.

In collaboration with the University of Pittsburgh Medical Center, the USAF is actively engaged in diabetes research. The emphasis of this research is on primary prevention, education, and lifestyle modifications. The “test bed” includes both urban and rural western Pennsylvania, the USAF’s Wilford Hall Medical Center in San Antonio, Texas, and rural Texas. The ultimate goal is to develop a template for the development of Diabetes Centers of Excellence that can be utilized across America to include the military community and civilian resources for poor under-privi-

leged regions. This research continuum and partnership will also add significantly to the development of a Diabetes Outreach Clinic at the Wilford Hall Medical Center that will ultimately serve the over 65-year old civilian community as well.

The program utilizes state-of-the-art educational principles and tools as well as groundbreaking technology. Telemedicine applications, videos, specialized retinal cameras (to demonstrate pathology) are some of the high-tech educational tools. A computerized Comprehensive Diabetes Management Program designed to promote self-management will be tested as well. These educational efforts target both adults with Type II diabetes as well as at-risk children. Biochemical research involving platelet derived growth factors as related to wound healing (for diabetes related wounds) are also under study.

Diabetes has become a major healthcare crisis in the United States. Currently, over 20 million Americans have diabetes and that number is growing at 8 percent a year. In an effort to halt this unhealthy trend, this program will develop the Premier National Model for diabetes education and treatment. The program is well underway and remarkably, beneficiaries are seeing fruits of this labor already.

PEOPLE

Almost half the people currently serving in the United States Air Force joined after September 11, 2001. They knew what they were getting into, and there's no question that the military's medical personnel are a critical component of the Global War On Terrorism. As such, one of the Chief of Staff Air Force's (CSAF) key priorities—get the right number of Airmen into the right jobs—takes on added significance.

The Air Force must have a balanced force of officer and enlisted Airmen. Force shaping is necessary to maintain the effectiveness of the Air Force and to maximize career opportunity for all Airmen.

Even so, the Air Force Medical Service (AFMS) continues to face significant challenges in recruiting and retaining physicians, dentists, and nurses—the people whom we depend upon to provide care to our beneficiaries. The special pays, loan repayment programs, and bonuses to our active and Reserve component medics are helpful in retaining people. In fact, nearly 85 percent of nurses entering the Air Force say they joined in large part because of these incentives.

The need to retain and recruit health care providers and specialists will grow as the military remains involved in the Global War on Terrorism for years to come.

As Assistant Secretary of Defense for Health Affairs Dr. William Winkenwerder, Jr., has said that the military medical community today is engaged “in a mission that, perhaps, has never before been so complex, challenging, or far-reaching as we find today.”

Still, I am heartened by the caliber of the folks we continue to attract. One such person is Capt. (Dr.) An Duong, who, gave up her family medicine practice in Florida and came on active duty at Keesler Air Force Base, Mississippi, this year.

Doctor Duong was born in Saigon, South Vietnam, in 1971 and emigrated to the United States from the communist-held country at age 14 with her mother and two siblings. Now an American citizen, she said that part of the reason she joined was because of her early upbringing in a communist country. She said: “America adopted me and raised me. I owe her a lot.”

She also said she was not fearful—but willing—to serve in a war zone. “I’m not intimidated about war. I was born into war—a child of war.”

As we work to balance the force with the right combination of active duty, reserve component, civilian and contract staff, we must keep in mind that we deploy people, not our hospitals and clinics. We take care of the nation's heroes, past and present, and it takes the finest of medical staffs to care for this country's finest.

RECAPITALIZATION

We recognize the importance of maintaining a modern and effective infrastructure in our military treatment facilities, from clinics to medical centers. This is essential as we consider how the Air Force plans for its long-term requirements. The atmosphere in which our medics work is as important as any other retention factor. Our patients deserve not only the most brilliant medical and dental minds, but also first class equipment and facilities.

Though the TRICARE contracts create a strong civilian support system to augment the care we provide in our direct care medical treatment facilities. We continue to work to improve the quality of military health care with to investments and modernization of key medical facilities, replacing aging infrastructure, and to improvements in health care delivery efficiency.

When General Moseley recently stated that the Air Force is operating with the oldest inventory in the history of the Air Force, he was largely referring to our aircraft inventory. But that assessment also applies to medical facilities with the AFMS.

As an example, six percent of our current inventory is more than 50 years old; by 2025, it could grow to 35 percent. We've spent \$30 million in less than two years to fix structure failure at our 46-year-old facility at Tinker AFB, Oklahoma. We've fixed safety code violations in five facilities, which ranged in age from 30 to 48 years.

This kind of budgetary pressure has changed the way we think about healthcare facilities. One initiative we are proud of is our clinic replacement at MacDill AFB, Florida. This 236,000 square foot new clinic will include a drive-through satellite pharmacy, which will consolidate 20 buildings and reduce our medical footprint by 25,000 square feet. Phase one of this project will cost \$55 million in fiscal year 2007. When completed, we will have replaced the oldest AFMS hospital in the United States; and we will provide \$4 million annual savings to the Military Health System. But what is important to understand is that the specialists at MacDill will actually perform their inpatient work at the civilian medical center in Tampa.

As part of the recent Base Realignment and Closure (BRAC) process, DOD will operate on a more rational, modernized footprint. Through the combination of facilities, the closure of small hospitals, and the combination of similar educational and research activities, we will be able to take advantage of new partnerships, both inter-service and with our civilian and Department of Veterans Affairs partners. These BRAC decisions support strategies of reducing excess capacity and locating military personnel in activities where the workload is more diverse, providing them with enhanced opportunities to maintain their medical currency to meet combatant commander requirements. I strongly support the BRAC law and am fully committed to its complete implementation. It is right for military medicine and, as importantly, it is right for our patients and our staff.

We strive every day to ensure that the Military Health System is the best health care system for the dedicated men and women in uniform who sacrifice so much.

TRICARE

Across the services, we believe TRICARE is great health benefit and a superior program that supports the warfighter and the family at home. On behalf of the Department, General Granger, deputy director and program executive officer of the TRICARE Management Activity says, "We know we have a nation that is at war, and were going to continue to make sure that we maintain those superb benefits that we need to support this long and drawn out global war on terrorism."

The military health benefit has gained critical attention recently due to the Department's proposed initiative to sustain this important benefit for the future. Understand that we honor the service and sacrifice of our active duty members and retirees as well as their families. Because of their service and sacrifice the Department continually strives to provide a truly outstanding health benefit for them.

We must sustain this health benefit into the future; to do so, we have implemented management actions over the past few years and these continue. However, and this is critically important, these actions alone will not stem the rising costs of the military health benefit. Costs have doubled in five years from \$19 billion in fiscal year 2001 to \$38 billion in fiscal year 2006. Our analysts project these costs will reach \$64 billion by 2015, over 12 percent of the Department's budget (vs. 4.5 percent in 1990).

Several factors contribute to this cost spiral: expansion of benefits, increased beneficiary usage, especially among retirees, healthcare inflation, and no increase in beneficiary cost-sharing since the TRICARE program began eleven years ago.

Our proposals to manage cost growth and sustain this valuable benefit encourage beneficiaries to elect medically appropriate cost-effective healthcare options. Significantly, our proposals, which seek to, as the Chairman of the Joint Chiefs of Staff put it, "re-norm" contributions to approach those when TRICARE was established in 1995, will continue the high level of access to care and quality enjoyed by our beneficiaries today. We are also recognizing differences in cost-sharing to be expected from retired officers versus enlisted personnel.

We fully support these proposed changes and believe together we will be able to sustain this great health benefit for the men and women of our Armed Forces. It is critically important to place the health benefit program on a sound fiscal foundation for the long term.

In so doing, together, we will also sustain the vital needs of the military to recruit, train, equip and protect our Service members who daily support our National Security responsibilities throughout the world, and keep our nation strong.

SUMMARY

As we enter the fifth year of the Global War on Terrorism, we are engaged in combat and in humanitarian operations overseas and at home. From the Gulf of Mexico to the Persian Gulf, well-trained, dedicated, and compassionate medics from every service are making a difference in the lives of thousands of warriors and civilians. This blending of increasingly interoperable talent and equipment has made the miracles of today's battlefield medicine possible.

In conclusion, a recent comment by General Moseley, perfectly describes our future and the challenges we face. "When someone asks you what the Air Force will be doing in the future, tell them this: We will do what we have always done. We will stand on the shoulders of giants. We will take care of each other and every member of this great fighting force. We will innovate. And . . . we will fly . . . we will fight . . . and we will win."

Senator STEVENS. Thank you all very much.

You know, as we go to visit the hospitals at Walter Reed or Bethesda, we note the extremely high morale of your forces in the medical-care area. It's just astounding, and it's reflected in the type of care that these wounded service people are getting, and their attitudes. I have said before—I think Senator Inouye has experienced it, too—I have yet to talk to one of those wounded people that didn't ask me to sort of bend down and listen to them. And the comment's been, "They're treating me fine, but when can I get back to my unit?" The morale of this generation is just staggering for us. So, we thank you all for your service and what you're doing.

We are a little worried. For instance, I am worried, when I hear that the health professional scholarship program (HPSP)—that the Army and Navy were unable to fill the slots that were allocated to young people who are seeking those scholarships. There weren't enough seeking the scholarships. What's the reason for that? Is there not enough publicity or lack of interest of the new—coming generation in such education? What do you think, Admiral?

Admiral ARTHUR. Well, I think there is a combination of factors. Certainly, there is less interest in military service. And a lot of those people coming into medical schools don't know about the health professional scholarship program. And I think it would behoove us to do a better job of publicizing the scholarship, but also publicizing the kind of experience that they get in the military health system. If they knew that we never asked any of our patients how sick they can afford to be, I think that would change their opinion of whether to practice medicine in the military. If they knew that all of our patients are patriots, and they're all insured, and we don't have to worry about those kinds of issues, it would change their opinion. I think if they were given an opportunity to come into any of the services hospitals and see the camaraderie, the morale, and the quality of care that's given, they would be more apt to come in.

What we have done is work with our recruiting command, and we're now going to have physicians recruiting physicians, nurses recruiting nurses, instead of leaving that to the recruiting professionals. I think it's much better to have a young physician or a young nurse recruiting people who would want to come into the profession. We will select people who have been out in the operational theater, who have had some experience in the Navy, either

in the Navy or the Marine Corps, and can tell the young people in medical school that this is a truly rich, professional atmosphere, as well as one that has other elements of service that are not found in the civilian sector. We're also increasing the amount of pay that we will give them. And you know that Senator Mikulski has supported legislation that has given us the ability to do health professions loan repayments. And we are doing that for nurses, podiatrists, psychologists, and other health professionals.

So, I think it's going to get better. We are also going to be sending more physicians to meetings where part of their meeting obligation is not just to attend and get education, but also to be part of the recruiting booth, and to just be there to talk with people who would come up and ask them about their professions.

Senator STEVENS. Do you have any comment about that, General Kiley?

General KILEY. Yes, sir. Yes, Senator. I actually agree completely with Admiral Arthur. I'd say there are some other forces at work in our schools—medical and dental schools. I think there are other opportunities for students to get scholarships and to have stipends. The military is not the only way that students get through school.

I think there is a perception that they get of the military, particularly military medicine, based on what they see on the television and hear in the reports. And, as Admiral Arthur articulated, they don't understand the full depth and breadth of opportunities for all doctors, dentists, nurses, physicians assistants (PAs). We're doing exactly the same thing as the Navy. We recognize this. Army has been recruiting HPSP through recruiting command, but it's much more effective to have doctors recruiting doctors and nurses recruiting nurses.

We've developed a new DVD. I've personally communicated with the deans of every medical school and osteopathy school in the Nation and asked for access, and have been very pleasantly surprised and pleased with the very positive responses. We've actually identified a group of physicians who have stepped up and said, "I'd like to help with recruiting." Just like with the Navy, we're sending them to professional conferences, the American College of Obstetricians and Gynecologists meets next week, and we're going to have a booth there, with doctors in uniform, to talk to people that might be interested in it.

And, of course, it's not just about the students, it's about their parents, it's about spouses, and the perceptions.

So, I think we're paying a lot more attention than we were. I am concerned that we've—we have fallen short with dental and medical HPSP. We may not see the impact of that for another 4 to 7 years down the road, but we're getting very aggressive, in terms of offering these scholarships, both for the Active and Reserve. And I think we'll see that turn around. And I—we've had some very good data and information on retention that goes with this—with the sessions. Started a new process where we look at our doctors who were finishing their obligation in 2005, at the end of the fiscal year. And we looked at what they did. There were about 283, I think is the number.

My fear was, 15 to 20 percent of them would sign up for further obligation, either through training or bonuses. Close to 55 percent

signed up for more obligation, which is very heartening. And we're going to do this for our nurses and dental officers, so that we have the data to track this in the Active. Our Reserve forces are more of a concern for us, and we're getting more aggressive with recruiting in the Reserve forces, also.

Senator STEVENS. Thank you. We'd be pleased to work with the Ad Council with your services to try to get them to emphasize the availability of these scholarships and advantages to young high school graduates and to college students.

General TAYLOR. You remarked about your service's care, particularly the critical care in the evacuation process. Are you concerned about the level of funding that you have available for 2007 as we continue this process now?

General TAYLOR. I think the President's budget allocates money to the direct-care system that appears to be adequate for fiscal year 2007 to cover our needs for peacetime work, as well as what's in the supplemental request, to cover the warfighting request. I think we have the right staff right now. We have some areas of shortage, in terms of personnel; less so in the warfighting specialties, except in the nursing area. And I think General Rank will talk about that. The budget for 2007, appears to be a well-balanced budget for the direct-care system.

Senator STEVENS. Well, staff tells me that, overall, you've got a 10-year low in retention of professionals in the Air Force. Do you have any suggestions what we might be able to do to help you on that?

General TAYLOR. Sir, I think there are a couple of things that we've been working with the staffs, in terms of changing the environment of care. And one of the things I've talked about is making the practice attractive for folks to stay in. And part of that is making sure that we have facilities and equipment and supplies and a range of practice that appears adequate for them.

In terms of pay and fees and those sort of things, we need to make sure that we're exploiting, as best we can, all of the availability of pay options and loan repayments for our folks, for them to be able to stay in longer.

The near-term problem we have is in recruiting replacements. We filled our health professions scholarship program last year, plus 21; we appear to be filling the program fine today. We've been working with the Uniformed Services University of the Health Sciences (USUHS) to expand their medical student throughput. The problem with all of this is, those pay off 8 to 10 years in the future.

In the near term, we have holes in certain specialty types across physicians and dentists and nurses and other types that we need to make sure we have the right authorities that we can attract people into the system. One of our toughest problems is to get people into the system, particularly the fully trained providers.

Senator STEVENS. I don't have much time—

Admiral ARTHUR. With regard to—

Senator STEVENS. Pardon me.

Admiral ARTHUR. Yes, sir. Yes, sir.

Senator STEVENS. I don't have much time left, but I've been concerned about the articles and the conversations I've had about the

monitoring and treatment of those who are at risk for post-traumatic stress disorder. And I wonder if we're doing enough to interview and to deal with military people as they come out of the theater immediately. It seems that the longer that that is ignored, the more it increases. Am I wrong? Admiral Arthur?

Admiral ARTHUR. Yes, sir. We're doing quite a bit. We are embedding psychologists and other healthcare professionals into the units so that they don't have to go somewhere else to get the counseling or to get some kind of a social service referral service. So, the counselors and trained professionals are in the units. And as they come back, they work with them. They work with them, both in the combat theater, in transit, and when they get back home.

It is really the Reserve component and those who get out of the military right after they come back from combat with which I am most concerned. And we've worked with the Veterans Administration (VA) and extended the TRICARE benefits to be able to take care of them.

Now, these signs are very subtle. And so, we want to be sure that we detect them in the units and have people there who can talk with them and get to know the individuals. I think that's the best way to do it. It's worse if you let it go, and you see it in the families or in the employment venue. I think we've got a lot of energy into this, because we realize that everyone who goes into combat is significantly affected by it.

Senator STEVENS. Well, thank you very much.

Senator Inouye.

Senator INOUE. Thank you very much.

I'd like to continue the line of questioning. Whenever I've had the pleasure of visiting troops on a carrier or on an airbase or an Army training post, I always set aside an hour to meet with enlisted personnel without the presence of officers. And it never fails, the first subject brought up is healthcare, about their dependents.

Using that as a background, I've been advised that the Army is below its required end strength. For example, psychologists are staffed at 88 percent of its required end strength; family practice physicians, 81 percent; surgeons, at 65 percent; emergency medicine specialists, 70 percent; pediatricians, 65 percent; social workers, 75 percent. And these are just some of the shortages.

When one considers that we've been operating with these shortages, and yet we are able to maintain the morale we have, as our chairman described, and the efficiency and the quality of service, your effort is almost heroic, but you can't keep it up that way. Now, what is the Army going to do to address this retention and recruiting problem?

General KILEY. Senator, as you know, that's a critical question for us. You've articulated some of the very worst data. I've alluded to some of the things we've started, with our peer-to-peer program, where we're going out to talk to pediatricians, to talk to psychologists, to talk to neurosurgeons, to talk to general surgeons, about service in the Army. In some cases, for example, with certified nurse anesthetists, we were able to begin to give them a retention bonus, which has helped. And we have just recently been approved, although we haven't funded, a retention bonus for our physicians

assistants, who are critical providers, particularly on the battlefield.

We've been able to maintain a high quality of healthcare for our soldiers and their families, and particularly manage casualty receiving and, frankly, mobilization and deployment, because our commanders have had the support of Congress and the support of the Department in allowing the local commander to not only use uniformed providers, but to have the flexibility to hire civilian and contract providers. It's a more expensive way to do business, in some respects, but it does help us in areas where we've got a fairly robust healthcare system.

I'm confident that with some of the scholarship and loan repayment programs that we've got in place, plus the focus that we've been placing, and not only for physicians, but for doctors, and particularly for the nurse corps, led by General Pollock, I think we're going to turn this thing around. I don't know that I'm going to have absolutely as many neurosurgeons as I need.

I think we've also got to address retention, because the more physicians and others that we can retain—and, frankly, many of these providers have articulated that their service in combat—in the combat zone, and their service in caring for soldiers, and the families of soldiers that have been in combat, has actually given them a new vision as to why they're in military medicine. It really comes home to them. And, as I alluded to, when I thought we were only going to retain 15 to 20 percent of our physicians in fiscal year 2005, we retained over 50 percent.

I think we're—I'd like to think we're at a nadir in some of these issues. But I think we need to continue to work at looking again at bonus levels. We've just now started to feel the impact of the increased bonuses that you all provided us in the 2003–2004 time-frame. So, I think we probably—with God's help, we'll be back here next year telling you that we've started to turn this around.

Senator INOUE. Well, is there anything we can do, here? Is it money?

General KILEY. Sir, I don't—from my perspective, I don't think it's money. I think we've got a package of bonuses and opportunities for loan repayment. We've just started some of these new things in the last 3 to 4 months. I, frankly, have, in the future, a couple of other strategies, if these don't work. I might consider taking Army Medical Department (AMEDD) recruiting and asking the chief to pass that back to me, as the surgeon general, where it was back in the 1970s and 1980s, before U.S. Army Recruiting Command did it. But I think right now our best strategy is to work with them. And, frankly, recruiting command has been absolutely superb, even from a financial perspective, in assisting us in our efforts to get to medical schools, to get doctors to medical schools, nurses to nursing schools. I think General Pollock may talk to you a little bit about her efforts coming up this weekend.

So, for right now, the Congress has been so good to us on these that I'm not ready to come back and ask. I do think there's a financial issue. I mean, dentists are living in private practice, fairly robust salaries. We compete with that. Despite the fact that physicians in some areas of the country are working hard, or having trouble with—or issues with medical malpractice premiums, et

cetera, there's a perception in some that, you know, it's better on the outside. I think we have shifted that a little bit with the care that our providers are providing to injured soldiers and their families. So, I think we're on the cusp of that right now. I think how things go in current operations over the next 12 to 18 months may also give us an indicator of our retention.

Senator INOUE. Admiral, in fiscal year 2005 the Navy was required to convert 1,772 medical professionals from military to civilian.

Admiral ARTHUR. Yes, sir.

Senator INOUE. And you are 74 percent successful. Now, you're discussing the possibility of converting 10,000 medical professionals into civilians?

Admiral ARTHUR. Well, sir, actually, we were asked to convert those 1,700. We have decided only to convert 1,100 of those. And the balance are people that we've saved as we consolidated some functions, some medical and dental functions. So, the 74 percent is actually 74 percent of 1,100. We've found it very challenging to get the quality of healthcare professional—whether it's doctor, nurse, physician assistant, or podiatrist, social worker—that would meet the Navy's high standards for the salary that we're able to pay. So, we're finding it a challenge, especially in some isolated locations, to find healthcare providers who will come and work there full time. We can get locum tenens, people who come in for 2 weeks or 1 month at a time, but that's not the kind of continuity that we really want for our beneficiaries.

The additional conversions are conversations that we're having within the Pentagon as part of the Quadrennial Defense Review and its derivative, the Medical Readiness Requirements Review. And we're looking at the requirements for all kinds of combat service support, stability operations, humanitarian assistance, the full spectrum of military mission. There is thought that we should only staff for the combat casualty care portion of that, and to staff many of our overseas and isolated continental U.S. facilities with civilians, rather than U.S. military.

We are participating in those discussions, and I think that the number will be far less than 10,000, but it will still present a significant challenge to us, especially overseas, where the education may be good, but the interface with our American servicemembers may not be the best. And we have promised American-standard care for all of our soldiers, sailors, airmen, and marines, wherever they are, overseas or in the continental United States.

Senator INOUE. General, you have served us well, and you're just about ready to retire. And so, maybe you can speak with a little more objectivity. There's been a lot of discussion on a joint medical service command. What do you think about that?

General TAYLOR. This is a work in progress within the Department to look at the joint activities. If you look at a marine who goes down in Fallujah, he can arrive in Bethesda 36 to 48 hours later, going through eight care teams, pretty remarkable bit of work, with a high survival rate. We focus on that. We also focus on the unique missions that each of the services have.

So, as we look to build some sort of joint or unified command, we have to be very careful that we retain not only the capability

to make joint activities, like moving that marine from Fallujah to Bethesda, work well, but also the unique missions that the services have.

So, I think it's a work in progress. The Department's looking at various options in a more jointly run medical set of services. And I think we need to let that play out. The Air Force Chief of Staff's position on that has been, "Let us see what the alternatives are, and see what the impact is," particularly on the Air Force. As I said, we don't run an Air Force medical command. We run a decentralized system. And so, it's a much larger leap for us to move to some sort of unified command than it would be for the other services.

Senator INOUE. I've got 7 seconds. Do you agree that it should be a joint command?

Admiral ARTHUR. Yes, sir. I think there's great advantage to doing single common training, acquisition of supplies and equipment, have a single mission, singly financed, singly measured, but I also agree with General Taylor that every service has specific missions—care in the air; we have submarine medicine; the Army has other types of medical support to their combat forces. And we need to ensure that we meet the service's needs. And this is not to meet the medical system's needs, but to meet the service's needs for combat service support.

General KILEY. Yes, sir. We have "care in the dirt." They have "care in the air." We have "care in the dirt"—I very strongly support unified medical command.

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

Senator STEVENS. Senator Mikulski.

Senator MIKULSKI. Well, good morning, Admiral, Generals.

First of all, know that it's really an honor to be the Senator from Maryland, because we, in many ways, feel we're the home of military medicine, from the Bethesda Naval Hospital, to having the Uniformed Services University of the Health Sciences (USUHS), to having Fort Detrick, and even the hospital ship *Comfort* is in our State.

I also just want to say to you, and to our nurse corps leadership and to all of the people who serve, just how proud we are of you. What you all are sustaining is enormous, and in the midst of a war. Amidst these tremendous battlefield casualties and taking care of dependents, along comes something called Katrina that you had to respond to, along comes a pandemic that we have to be getting ready for. And I know you're planning for that. So, we just want you to know, we're very proud of you. And, as my two colleagues have said, you can't talk to a soldier that's come back who just wasn't proud to serve his country, but expresses the gratitude to the medical care, even for the infections. You know, we hear about the battlefield trauma, but it's the urinary tract infection that the young female soldier has, and it's the fungus infection, the foot infection that the young marine or infantryman has. So, it's all that usual and customary. So, we're just very impressed.

Let me go to the battlefield aspects of medicine, just for a minute, and to General Taylor. I understand that these evacuations, the golden hour from battlefield to Walter Reed, are an amazing and stunning accomplishment with, obviously, lower mor-

bidity and mortality. Can you sustain that on the basis of the National Guard and Reserve? Because I understand that the majority of how that occurs comes from the National Guard and the Reserve. They provide the air infrastructure, and then you provide the staff, shall we say, in the hospital room in the sky. Am I correct in that?

General TAYLOR. It's a little bit of both. We have teams that are in the air, in the back of the airplane, and they are a mixture of Guard and Reserve and Active. The most impressive part is, by and large, we do this with volunteers. The people that are in the air—the thousands of men and women that are in the aeromedical evacuation community, both Active, Guard, and Reserves, are a highly motivated, well-trained group with a fairly substantial depth, because we had to plan to move as many as 300 or 400 casualties a day, in the opening days of the war. And so, moving 10s and 20s a day is well within the realm of our aeromedical evacuation capability.

Senator MIKULSKI. Yes, but are you able to sustain this?

General TAYLOR. Yes, ma'am. We're doing it with volunteers today, and very little mobilization, and we see that we're able to do that for the foreseeable future.

If I could just add one thing to your list of—

Senator MIKULSKI. Yes.

General TAYLOR. In addition to Bethesda Naval Hospital and other places, I'm also very proud of the Baltimore Shock Trauma Center. As you know, we have military surgeons and nurses and technicians working in the Baltimore Shock Trauma Center every day. We rotate surgeons and nurses and technicians and other folks through there for training, and large numbers of people that you see working in the air or on the ground in Balad are graduates, recent graduates, of the shock trauma orientation course, where they go and take care of people.

Senator MIKULSKI. Yes, well, in my time, in 10 minutes—

General TAYLOR. Yes, ma'am.

Senator MIKULSKI. I'm aware of that.

General TAYLOR. I just wanted to add one more comment.

Senator MIKULSKI. Yes, I'm aware of that. And we're proud of that—which takes me to the recruitment issue. I'll be talking a lot with the nurse corps about their particular issues, but when we talk about the medical corps and the variety of very sophisticated specialties, General, are you looking at how you can get to the medical students while they're medical students with these kinds of partnerships between military medicine and perhaps a local civilian medical school? In other words, where you have a big military presence, like we have in Maryland—it could be Oklahoma, it could be South Carolina—where there you are, there's the military, and there's the civilian medical system, where there is exposure, a lot of these kids don't know about the military. Their fathers don't know about the military, or their moms, because, again, we don't have a draft. They just don't know. And decisions are made at the medical student level, not where they're going to do their residency and find it enormously exciting to be, for example, what General Taylor talked about.

General KILEY. Yes, ma'am. We are—we're very interested. In fact, part of this thrust for the digital video disc (DVD), which we've developed, which is part of a presentation by Army physicians who go to medical schools, to the large classes, particularly freshman and sophomore, and show them the DVD and give them an opportunity to talk about all the options, possibilities, either research, clinical care, academics and teaching, and then operational medicine. What we've changed, in an effort to address your concern, is to focus recruiting efforts and the tools that we use, focusing them on physicians, specifically. I think, in the past, one of our shortfalls has been, we've had this Army Medical Department recruiting effort, writ large. And if you're a doctor, you don't see enough in there to identify with. If you're a nurse, you don't see enough in there to identify, to help you understand. So, that's one thing.

We've also began to look at pre-med classes, the universities where the medical students are, before they go to medical school, because we'd like to get to them while they're still juniors and seniors in college, thinking about going to medical school.

Senator MIKULSKI. Well, is one of these obstacles to recruitment the money? Or is it the lack of knowledge and awareness about these career opportunities?

General KILEY. Off the top of my head, ma'am, I think the answer would be captured in an article that was in *Military Medicine* a few years ago, "Canvassing Medical Students in Medical School: Don't Know, Don't Care." I'm not so sure they don't care anymore, because of our global war on terror efforts, but they still don't know. I think it's less about that than it is about money. There are, as I alluded to a little bit earlier—as I understand it, there are potentially other competing interests for repaying loans and giving individual stipends in medical school. I think, mostly, it's education. And, frankly, we've got a tremendous cadre of young enlisted recruiters. But when the doctor—when a medical student wants to know, you know, can they be a pediatrician, or are they going to have to be a this—

Senator MIKULSKI. They don't have the answers. Well, this is why I think, through, again, the pre-med level is excellent, but I think it requires creative outreach. And I think, you're exactly right, where you think you're going to be is who you want to talk to—

General KILEY. Right.

Senator MIKULSKI [continuing]. Whether it's in allied health, not only are we going to talk about nurses, I know there is a shortage of pharmacists, x-ray technicians. We could go the cadre, because of what we see in the civilian population. So, we want to be able to help you be able to do that. So, that's one thing.

General KILEY. Right.

Senator MIKULSKI. Second thing is, while we're talking about the battlefield, I'm also concerned about some other threats, like the Katrina-like natural disaster, to be ready in our own country, should there be a predatory attack and local government collapses, or if a pandemic hits and your doctors and your nurses and your own institutions could go down, just like in Katrina, where you had nurses and doctors carrying people eight flights of stairs to get

them out. What is the thought and the planning there? And are we stretched so thin now that we would have limited resources to deal with a catastrophe within the homeland, regardless of whether it's natural or predatory? For any of our panelists.

General TAYLOR. I'll be glad to—I'll say a few things, and then maybe Kevin can kick in afterward.

The medical services within the Air National Guard have been tasked by General Blum to begin moving toward a homeland security defense. So, they are organizing their capabilities, along with the FEMA regions. They're building response capabilities, and they're organizing and practicing for a national disaster, not only because the Guard's immediately available, but with State-to-State agreements, there is also rapidly available without having to wait for the Do loop through the Federal Government.

And so, I'm very excited about that. There was a recent exercise last week, called Coyote Express, in Scottsdale, Arizona, where they practiced. How would you respond to a major casualty event? I think you have it right, that people think about first responders in any sort of national disaster, without thinking about——

Senator MIKULSKI. They, themselves——

General TAYLOR [continuing]. First——

Senator MIKULSKI [continuing]. Could go down.

General TAYLOR [continuing]. The first receivers. Is there going——

Senator MIKULSKI. What about the——

General TAYLOR [continuing]. To be anybody at the end of the——

Senator MIKULSKI. What about the pandemic? My time is——

General KILEY. Yes, ma'am. Actually, U.S. Army Medical Command just finished a three-part CPX/headquarters exercise with all of my regional commands, walking through a what-if scenario. If the Army was asked, in this case, to help the local civilian communities—you've identified an area that concerns us. I mean, it has the potential to be a very significant impact on the Nation. I think all three services are concerned about that. I think we would be simply waiting for direction from the Department to begin to execute that. And I know that my commanders, at places from Fort Lewis to Walter Reed, are talking with——

Senator MIKULSKI. You're waiting for the direction from who, General?

General KILEY. Well, I mean, in the event of a pandemic, we—you know, we would—we would expect the Department or the President to give us direction to begin to execute mission support outside the fences of our camps, posts, and stations. What we're not waiting for is getting to know who in the communities, both medical and civilian leadership in the communities, has accountability and responsibility in a Seattle/Tacoma or in Fairfax, Virginia, as it relates to how a community would react to and support the medical demands for a pandemic in an area. And they would be very significant. And our analysis, as we've worked our way through this, the last couple of months, is, it would be a very significant problem, everything from the health of our providers to the logistics of taking care of a community.

So, we share your concern. We are training now, as I guess——

Senator MIKULSKI. Well, again, I think this is just something that we'll be talking about, because it really has a real national security impact. In the event of an emergency like a pandemic, it's very likely that the very people who have to treat could, themselves, be sick, in the local community. The second thing is, the massive treatment, the massive inoculation, and then the need to maintain civil order and possibly even a quarantine, and the only place that we can turn to with the backup reserves, even under the doctrine of mutual aid with first responders, is our United States military. And you're stretched—and you are—you're doing a fantastic job, but I believe you're stretched. And so—

General KILEY. I—

Senator MIKULSKI [continuing]. We'll look forward to further discussion on this.

General KILEY. Yes, ma'am.

Senator MIKULSKI. Thank you.

General KILEY. We agree with you.

Senator STEVENS. Well, thank you very much.

We thank you, General Taylor, for your service, and wish you well.

Senator MIKULSKI. Yes, I wanted to say that, too.

Senator STEVENS. Admiral, I'm interested in your answers to Senator Inouye's question about integration. I think we'd be very pleased to see if some of you would take the initiative to get your groups together and some of your predecessors, see if we could have a meeting with the eight Members of Congress who really lead the four defense committees. It may be time for a defense military corps with some type of training that would be—would specialize in the necessities for the marines, the Army, the Air Force, the Navy, whatever it might be. But, very clearly, it appears that the integration of the medical services could have a substantial benefit, and could raise the level of awareness of the corps and what it means to the country. So, I think that the two of us would be very pleased to work with you on that, if—when some of these current travails are over here, sometime this fall.

Admiral ARTHUR. Yes, sir.

Senator STEVENS. We'll give you a call.

Admiral ARTHUR. Yes, sir.

Senator STEVENS. Let me thank you all for your service, and—

Senator INOUE. May I also—

Senator STEVENS. Yes, Senator.

Senator INOUE. Before we dismiss the panel, I just wanted to make a footnote. According to my studies, a military radiologist receives \$150,000 a year. One on the outside, a civilian radiologist, with similar skills and experience, would get at least \$450,000.

Admiral ARTHUR. Yes, sir.

Senator INOUE. You've got a job ahead of you.

Admiral ARTHUR. And if we asked them to work side by side in military/civilian conversion, it's an incredibly demoralizing situation. When one works nights, weekends, and deploys, and the other does not, but gets three times the salary—yes, sir.

Senator INOUE. I hope Americans realize the bargain they're getting on our military personnel.

Admiral ARTHUR. Yes, sir.

General KILEY. Yes, sir.

Senator STEVENS. Some of my former assistants here in town are making \$1 million right now. We don't want to do some comparisons.

Thank you all very much for your service.

Senator STEVENS. We look forward to working with you on this subject. We'll turn to the next panel.

We're going to hear now from the chiefs of the service nursing corps. This subcommittee has always believed in the value of the nursing corps. It is vital to the success of our military medical system, and absolutely necessary in periods such as we're going through right now.

We want to thank all of you involved in the leadership of the nursing corps for your service, and look forward to your statement of your accomplishments and the challenges you face. We will be hearing today now from General Gale Pollock, the Chief of the Army Nursing Corps; Admiral Christine Bruzek-Kohler of the Navy Nurse Corps; and General Melissa Rank, the Assistant Surgeon General for Nursing Services for the Air Force.

We welcome you here, want to hear your testimony, and we do have some question.

I turn to my friend, Senator Inouye, to see if he has any opening comment.

Senator INOUE. Well, I'd like to join you in welcoming these chiefs, but I'd also like to congratulate General Pollock. She did a great job at Tripler. And now you're going to be chief of staff of the Army Medical Command. That's quite an accomplishment. Is this the first time a lady has been in charge?

General POLLOCK. Yes, sir. And the actual job title is—I'll be the deputy surgeon general, sir, not the chief of staff.

Senator INOUE. That means we're ready for three stars now.

General POLLOCK. I'm not sure the rest of the world's ready for that, sir.

Senator INOUE. Thank you, Mr. Chairman.

Senator STEVENS. Senator Mikulski, do you have any open comment for the nurses?

Senator MIKULSKI. Well, we're just glad to see you. You know, in every war that America's fought, you've been there, in one way or the other, and we want to make sure that we continue to provide that service. So, we look forward to hearing from you and your ideas and recommendations.

Senator STEVENS. Yes, thank you very much.

General Pollock, we'll hear from you first.

STATEMENT OF MAJOR GENERAL GALE POLLOCK, CHIEF, ARMY NURSE CORPS, DEPARTMENT OF THE ARMY

General POLLOCK. Thank you.

Mr. Chairman and distinguished members of the subcommittee, it's indeed, an honor and great privilege to speak before you on behalf of the nearly 10,000 officers of the Army Nurse Corps.

Army nurses continue making impressive contributions throughout the world. In addition to excellent nursing care of combat casualties, we've provided training for physician and nursing leaders in Afghanistan, served as advisors to the Iraqi armed forces sur-

geon general, and led discussions to raise the quality of military and civilian nursing in the Republic of Vietnam.

Here at home, Army Nurse Corps officers are key to the medical holdover program. Soldiers report high satisfaction and prefer to have Army nurses manage their healthcare. I'm committed to developing a world-class nurse case-management model within the framework of the AMEDD. We expanded the scope of practice for operating room nurses through registered nurse first assist training. This change optimizes the utilization of surgeons, enhancing capabilities in theater and in fixed facilities. Psychiatric advanced-practice nurses are proven force multipliers. I directed that these nurses enroll in psychiatric nurse practitioner programs to clarify the issue of prescriptive authority and provide the Army Medical Department (U.S. Army) (AMEDD) additional flexibility to better support the mental health mission.

Caring for our combat wounded is one of the most demanding services we provide, and we consistently do it well. However, I remain concerned about the toll that caring for these trauma patients exacts over time. The effects of post-traumatic stress disorder and compassion fatigue on our clinicians cannot be underestimated. If left unchecked, it leads to a variety of long-lasting personal and professional problems. It must remain a high-priority issue.

We continue staffing the theater trauma system. Nursing documentation of serious outcomes due to hypothermia resulted in a major change to care on the battlefield and is saving lives.

Army nurse researchers and our doctoral students focus their efforts on military-relevant issues. Recently they examined the physical effects of body armor and loadbearing personal protective equipment, and methods to improve walking performance in amputees. Due to your generous support of the tri-service nursing research program, there is both monetary and educational support for these studies which encourage collaboration and advance the science of nursing practice.

The use of simulators improves the critical thinking and technical skills required of healthcare personnel. The Nursing Science Division of the Army Medical Department (AMEDD) Center and School uses adult and pediatric simulators to augment the training of anesthesia students. The U.S. Army graduate program in anesthesia nursing is the second-ranked program in our Nation, but I remain concerned about the retention of our certified registered nurse anesthetists (CNA).

The need for nurses outpaces the number of new graduates. Baccalaureate programs turn away qualified applicants each year due to faculty shortages. We are encouraging our retiring officers to select faculty positions as a second career.

We learned from Recruiting Command that results were much improved when candidates spoke directly with Army nurses. In response, we launched the every nurse is a recruiter program. Now all nurses are actively engaged in identifying opportunities to recruit and advocate for the highest quality of nursing personnel.

We've received inquiries each year from line officers interested in becoming Army nurses. We're developing a program similar to the Judge Advocate General's funded legal education program to allow them to complete their baccalaureate educations and join us.

In all Army medical treatment facilities, we face significant shortages of civilian nurses, particularly in critical care, post-operative, perioperative, and obstetrics and gynecology (OB/GYN) nursing. The delay of National Student Personnel System (NSPS) renewed our concerns that Office of Personnel Management (OPM) regulations insisting that new college graduates begin their Government service as a GS-5 thwarts our ability to recruit a civilian nursing workforce.

We must be the employer of choice for all professional nurses. Diversified accession and retention incentives for both military and civilian nurses are essential. We will sustain our focus on readiness, clinical competency, and sound educational preparation to serve those who defend our Nation.

PREPARED STATEMENT

I appreciate this opportunity to highlight our accomplishments, and look forward to your questions.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL GALE S. POLLOCK

Mr. Chairman and distinguished members of the committee, it is indeed an honor and great privilege to speak before you on behalf of the nearly 10,000 officers of the Army Nurse Corps. Your unwavering support has enabled Army Nurses, as part of the larger Army Medical Department (AMEDD) team, to provide the highest quality care for our Soldiers and their family members.

I regret that I was unable to be here last year. It was during this time that I co-hosted the 15th Annual Asia Pacific Military Medicine Conference in Hanoi, Vietnam as the U.S. Army Pacific Surgeon, the first international military conference held in Vietnam since the Reunification of Vietnam in the 70's. This forum provides an important cultural exchange for military medical professionals from 27 nations to develop relationships critical to ensuring cooperation and security in the Asia-Pacific region. Several Army Nurse Corps officers from Tripler Army Medical Center also attended, participating in a cultural exchange with Vietnamese military nurses. It is commonly asserted that the unprecedented regional cooperation and response to the devastating tsunami that hit in December 2004 occurred as a result of the relationships previously built at these conferences.

The Army Nurse Corps remains fully engaged in our Nation's defense and in support of its strategic goals. Our vision of advancing professional nursing and maintaining leadership in research, education, and the innovative delivery of healthcare is at the forefront of all we do. Army Nurses provide expert healthcare in every setting in support of the AMEDD mission and the military health system at home and abroad. There are currently almost 400 Army Nurse Corps officers from all three Components deployed in support of operations in 16 countries around the world. From April 2005 to March 2006, we deployed over 500 Army Nurses and mobilized an additional 779 Army Reserve Nurses in support of the total AMEDD mission. They serve in clinical and leadership roles in medical treatment facilities in the United States and abroad, in combat divisions, forward surgical teams, combat stress teams, civil affairs teams, combat support hospitals (CSHs), and coalition headquarters. Today, the 10th CSH from Fort Carson, CO; the 47th CSH from Fort Lewis, WA; and the Army Reserve's 344th CSH from New York are deployed to Iraq. The 14th CSH from Fort Benning, GA is deployed to Afghanistan. The 21st CSH from Fort Hood, TX is expected to arrive in theater by early May to replace the 344th CSH.

The AMEDD team provides the same outstanding care to all, U.S. service members, Iraqi security forces, and civilians of all nationalities. The statistics are astonishing. For example, since November, the 10th CSH has had over 3,500 emergency room visits. Over a quarter were multi-trauma resulting in almost 1,900 admissions, but only one in five were U.S. forces. On the eve of parliamentary elections in Iraq, nurses from the 10th CSH helped deliver the first "democracy baby," a little girl, by cesarean section. LTC Steven Drennan, Chief Nurse of the 10th CSH, recounted several stories of caring for severely wounded Iraqi children as if they were their

own. In summation, he said, "Imagine one of your children in similar circumstances. You'd be overjoyed to know that he was cared for by a staff as concerned, competent, and caring as the Soldiers of the 10th CSH." This is but one unit, one example of our AMEDD team's consistently outstanding performance.

In the wake of Hurricane Katrina, 97 Army Nurses deployed in support of relief operations. The 14th CSH and the 756th Medical Detachment arrived in New Orleans on September 5, 2005. Their initial mission was providing medical relief for those displaced by the storm, but after arrival it changed to providing care for personnel assigned to Joint Task Force (JTF) Katrina. Two of the Army Nurses assigned to the 14th CSH, 1LT Warren Gambino and 1LT Manual Galaviz, had family living in the New Orleans area, making the mission more personal not only for them, but for the entire unit as well. During the deployment, Lieutenant Gambino was promoted from second to first lieutenant in the New Orleans Convention Center. Wearing the only clothes they had, his family was there to witness the event. In mid-October, in preparation for their follow-on deployment to Afghanistan, the 14th CSH transferred authority to the 21st CSH.

The 2005 hurricane season had a huge impact on military installations and personnel across the Gulf Region. Nurses and medics from the 4010th Field Hospital from New Orleans who were serving as backfill at Fort Polk lost family members, homes, and civilian jobs. As part of the Federal Coordinating Center of the National Defense Medical System, William Beaumont Army Medical Center received 65 evacuees from hospitals and nursing homes in Beaumont, TX. At Walter Reed Army Medical Center, the Uniformed Services University of the Health Sciences (USUHS) nurse anesthesia program welcomed Air Force Capt James Goode into their program. Capt Goode, a second year nurse anesthesia student stationed at Keesler Air Force Base, was only months from graduation when the storm hit and he already had orders for Andrews Air Force Base. We worked with the Air Force to get him to Walter Reed where he was able to finish his requirements and graduate on time.

On October 8, 2005, a massive earthquake struck in northern Pakistan. The 212th Mobile Army Surgical Hospital (MASH) was just completing a multinational humanitarian operation in Angola where they treated more than 3,700 patients, performed 191 surgeries, and completed mass casualty, humanitarian assistance, and national disaster response training. By October 25th, the 160th Forward Surgical Team and the 212th MASH, augmented with 11 Army Nurses from the 67th CSH arrived in Pakistan to provide medical relief in the stricken region. During its four months in Pakistan, the 212th MASH, which included 31 Army Nurse Corps officers and 39 enlisted medics, treated over 20,000 outpatients and 838 inpatients, performed 426 surgeries, and responded to 105 life-threatening emergencies—many of which were infants and children. Nurses also accompanied patients on over 250 medical evacuation missions. In February, the 212th, the last remaining MASH in the Army's inventory, turned over the hospital to the Pakistani government. The 212th MASH will be redesignated a combat support hospital in October.

Army Nurses continue making contributions toward building sustainable medical infrastructure throughout the world. Army Nurses assigned to the 14th CSH worked with Afghan officials to spearhead an education outreach program with Afghan nurses. A team, including LTC Susan Anderson and MAJ Brian Benham, provided training for senior Afghan military medical leaders. As part of an effort to improve emergency healthcare in Lebanon, another team led by LTC Kimberly Armstrong conducted basic emergency medical technical training for members of the Lebanese Armed Forces. Eleven Army Reserve Nurses led by COL Cheryl Adams and then COL Gloria Maser were deployed to serve as advisors to the Iraqi Armed Forces Surgeon General. Their efforts resulted in a compendium of basic medical training materials and courses in Arabic, a standardized policy and procedures manual for Iraqi Army medical clinics, and a medical logistics distribution system. They also validated sites and monitored the building progress of 11 medical clinics and a medical supply warehouse. In addition, we sent a team of Army and Air Force nurses to Vietnam to exchange information about military and civilian nursing with representatives from the Republic of Vietnam.

Since 2003, over 20,000 mobilized Army Reserve Soldiers have entered the Army's Medical Holdover Program with injuries and illness due to deployment. With so many Soldiers returning home from theater requiring intensive medical management, there is a tremendous need to assist veterans and their families as they navigate the healthcare system. There are currently 229 mobilized Reserve Army Nurses assigned as case managers throughout the country serving at military medical treatment facilities, mobilization sites, and at eight regional Community-Based Healthcare Organizations. Reports indicated that case managers are effectively and efficiently coordinating appropriate and quality healthcare for this population of ill and injured Soldiers. Soldiers report high satisfaction regarding their case managers

and prefer to have Army Nurses manage their healthcare. I am committed to developing a world-class nurse case management model within the framework of the AMEDD managed care system. Through the efforts of COL Rebecca Baker, we have established authorizations for nurse case managers within Army Reserve medical support units along with the curriculum and qualifications to ensure Reserve nurses who are placed in the case management positions obtain the necessary skills and competencies to manage the healthcare of medical holdover Soldiers.

I am proud of the Army Nurses and our colleagues who have cared for our combat-wounded along the entire medical evacuation pipeline. This is some of the most demanding healthcare anywhere in the world and these wonderful professionals do it consistently well. However, I remain steadfast in my concern about the toll that caring for the traumatically wounded exacts over long periods of time. The effects of post-traumatic stress disorder (PTSD) on clinicians cannot be underestimated. If left unchecked, they can lead to a variety of long-lasting personal and professional problems. The transition to home for healthcare personnel must be as supportive and successful as possible. Facilities have established support groups to assist returning veterans during this critical reintegration time. They have also established programs specifically for clinical staff caring for the combat-wounded to address the issue. These are high-priority issues for us all. We continue searching for new ways to improve the mental health care we provide not only to our returning combat veterans, but also the clinical staff caring for them.

Military medical ethics continues to be a subject of interest for Army Nurses. All professional nurses in the United States abide by the ANA's code of Ethics for Nurses, which clearly states, "The nurse's primary commitment is to the health, well-being, and safety of patients across the life-span and in all settings in which health care needs are addressed." Army Nurses everywhere provide ethical, compassionate, expert nursing care. They receive training in the Geneva Conventions, the Laws of Armed Conflict, and Army Regulations related to the care of detainees. I included deployment ethics in continuing education programs sponsored by the Army Nurse Corps.

As the Army works to rebalance its forces, we are also working to adapt to the circumstances of this long global war on terrorism. We are rapidly applying lessons learned to ensure the best care is provided on the battlefield and across the healthcare spectrum. At the AMEDD Center and School, the Department of Nursing Science has incorporated those lessons into all courses offered to Army Nurses, LPNs, and combat medics. We have had a number of other successes in both ongoing and new initiatives that I would like to share with you.

In wars past, nursing personnel received trauma training on-the-job. Today, we know that the ability to train as interdisciplinary teams under real-world conditions improves patient outcomes. The U.S. Army Trauma Training Center (ATTC) in association with the Ryder Trauma Center, University of Miami/Jackson Memorial Hospital provides our forward surgical teams and slices of CSHs an invaluable opportunity to experience realistic best-practice total team trauma training prior to deployment. We have four Army Nurses and three LPNs on faculty at ATTC. This past year, they trained seven units, including 33 Army Nurses and 19 LPNs to provide state-of-the-art trauma care on the battlefield.

In the absence of real-world training, simulators improve the critical thinking and technical skills required for healthcare personnel. Today, we are not only caring for more patients with lower extremity injuries, but also large numbers of children. To meet that demand, the AMEDD Center and School purchased adult lower body and pediatric simulators to augment the training of nurse anesthesia students learning to employ regional block anesthetics. They also purchased simulators that have true-to-life intravenous access, vital signs, and other capabilities to improve the training medics receive. At the Joint Readiness Training Center, LTC Richard Evans led the effort to incorporate combat trauma simulators into mission rehearsal exercises for CSHs. Using realistic simulators increases the fidelity of pre-deployment training and allows healthcare teams to expertly respond to a combination of live, virtual, and constructive scenarios over time, mirroring military healthcare on the battlefield.

From the beginning of combat operations in Iraq, nurses transported severely wounded patients by air within theater. They performed superbly, but most had no training in aviation medicine. To address this, the U.S. Army School of Aviation Medicine developed the Joint Enroute Care Course to improve medical evacuation care, policy, and coordination. In 2005, the 228th CSH hosted the first iteration in Iraq. Today, with over 40 nurses from all three Services trained, there are fewer issues with patient transports, including accidental line removal and equipment malfunctions. This collaborative joint effort has improved patient care.

The first year of nursing practice sets the foundation for a successful career. We are committed to ensuring that our nurses receive the training and maintain clinical competencies essential in all operational environments. Feedback indicated a need to assist our new nurses in building a firm foundation of clinical competency in critical wartime skills. To address this need, we added the Trauma Nursing Core Course (TNCC) to the Officer Basic Leaders Course in May 2005. Completion of TNCC helps develop core trauma knowledge and critical thinking skills while also establishing a firm foundation in the stabilization of trauma patients. One hundred and thirty three nursing officers successfully completed TNCC in December. This course was coordinated by MAJ Anthony Bohlin with the assistance of Ms. Susan Douglas of the San Antonio Chapter of the Emergency Nurses Association. This was the largest class ever to complete TNCC at one time.

Once new nurses arrive at their first duty station, their initial orientation is critical to proper skill development. We are working towards the creation of an enhanced new graduate internship program. In the meantime, some facilities have relooked at how they orient new graduates. An example is from Tripler Army Medical Center where they provide new nurses opportunities to develop basic competencies in the variety of clinical areas they will experience in a deployed environment rather than focusing on a single competency area.

The Department of Nursing Science at the AMEDD Center and School broke ground for a new general instruction building this past November. The building will be named in honor of Brigadier General Lillian Dunlap, 14th Chief of the Army Nurse Corps, will house all Department of Nursing Science offices, classrooms, and practical exercise areas. We expect it to open in 2007.

The Registered Nurse First Assist (RNFA) is a subspecialty of perioperative nursing offering an expanded scope of practice in the operating room setting. The RNFA practice model expands the scope of practice for perioperative RNs to function as first assists to the surgeons in the operating room and optimizes the utilization of general surgeons. It is also enhances the capabilities of the forward surgical team, the CSH, and fixed facilities. A pilot project at Fort Drum yielded a cost savings of \$190,000 by eliminating a costly contract and provided Army Nurses practical experience enhancing wartime capability. Incorporating RNFAs into our structure also enhances our ability to recruit and retain perioperative nurses. Historically, these nurses otherwise looked for advanced training and education in roles unrelated to perioperative nursing within or outside of the Army. In concert with our perioperative nursing consultant, COL Linda Wanzer, USUHS is working to incorporate this training into the curriculum for perioperative clinical nurse specialists. To date, we have trained eight RNFAs and deployed five in support of contingency operations.

Clinical competency is another key concern. We completed a major revision of how our officers who specialize in critical care, emergency, and OB/GYN nursing demonstrate clinical competency. Our goal is to standardize the way in which we confirm and maintain competency for all of our nurses. These revisions clarify guidance on how to achieve this and are particularly important for Army Reserve Nurses who may not practice their military clinical specialty in their civilian employment.

Facilities located on installations with a large number of medical personnel assigned to field units are reestablishing programs to help them maintain clinical competency. We have also begun a number of initiatives in this area with our sister Services. William Beaumont Army Medical Center established a partnership with the medical clinic at Holloman Air Force Base to provide inpatient refresher training for its medical personnel. In the first iteration of a joint critical care nursing course at Fort Sam Houston, we trained eight Air Force critical care nurses. We expect five more to graduate this summer and hope to have five Air Force nurses in the next Emergency Nursing Course. During their deployment in support of JTF-Katrina, members of the 21st CSH completed TNCC, the Combat Lifesaver Course, and the Advanced Cardiac Life Support Course. In Afghanistan, Army Nurses spearheaded an effort that resulted in the 14th CSH's designation as an official provider for the Emergency Medical Technician-Basic (EMT-B) Refresher Course, as well as the Combat Medic Advanced Skills Training Course. Their efforts have helped dozens of combat medics deployed in support of Operation Enduring Freedom sustain critical skills.

Our collaborative efforts also include our colleagues at the Department of Veterans Affairs (VA) and surrounding civilian facilities. Dwight David Eisenhower Army Medical Center and the Augusta VA Medical Center established a joint training and staffing initiative which includes a critical care nursing internship program and a staffing pool. Eisenhower, as our lead facility in the Southeast Medical Region, also coordinated with Augusta's Doctors Hospital to provide burn training for

deploying staff and those caring for wounded patients. To date, 50 military and civilian nurses have completed this training.

Many of our smaller facilities serve as clinical training sites for our enlisted medics, such as those in the surgical technologist program. At some of these sites, the caseload was too limited to provide the appropriate clinical experience for our Soldiers. In 2005, we closed 10 sites and shifted our training mission to facilities with larger volumes of diverse surgical cases. This improved the quality of the training students received and better prepared them for deployment.

In June 2005, the family nurse practitioner (FNP) was approved as an authorized substitution for a family physician in CSHs and for physician assistants in division-level units. Deploying FNPs now complete advanced trauma training at the AMEDD Center and School to ensure they are prepared for deployment. We are also collecting lessons learned and actively working with the AMEDD Center and School and USUHS to determine potential opportunities for curriculum changes at each site.

Psychiatric advanced practice nurses are proven force multipliers as authorized substitutions for psychologists on combat stress teams. I am directing officers pursuing graduate education in psychiatric nursing to enroll in psychiatric nurse practitioner (PNP) programs to clarify the issue of prescriptive authority and provide the AMEDD additional flexibility to better support the mental health mission.

Army public health nurses are perfectly suited to meet essential public health demands at home and abroad. As experts in wellness promotion and in building healthy communities, they provide valuable services in a deployed environment and play a key role in the pre- and post-deployment health assessment process. In 2005, we redirected our services toward public health in response to the needs of Soldiers and their families. We realigned the practice of our public health nurses and broadened their roles to include homeland defense, epidemiology, occupational health, and support for national disasters and detainee operations. These changes better position us to meet public health demands in support of our Nation's defense.

The AMEDD's Theater Trauma System Initiative standardizes treatment, evaluates processes, and provides training for clinicians to improve patient survivability in theater. As part of this system, the Joint Theater Trauma Registry systematically collects, stores, and analyzes medical data. We have deployed 12 Army Nurses since 2004 in support of this initiative. The work they do directly improves patient outcomes. For instance, the rate of hypothermia and resulting mortality decreased thanks to the education these nurses provided to first responders and the hypothermia prevention kits they distributed.

Evidenced-based nursing is the process by which nurses utilize research to make clinical decisions and provide state-of-the-art patient care. Army Nurse researchers, in collaboration with their Navy and Air Force colleagues, are heavily vested in the TriService Nursing Research Programs' Center of Excellence in Evidenced-Based Nursing Practice. Projects to bring research findings to the bedside are underway at Walter Reed, Brooke, Madigan, and Tripler Army Medical Centers. These projects are part of a larger effort to improve patient outcomes and reduce costs by standardizing care. They teach nurses how to critique research and incorporate the relevant findings into patient care. Nurses involved in these projects increase their knowledge, become motivated to further their education, and are becoming involved in research projects, much earlier in their careers.

Army Nurse Researchers and our doctoral students focus their efforts on military relevant issues. They are conducting a number of studies that foster excellence and improve the nursing care we provide. They are researching issues including recruit health; clinical knowledge development; the provision of care for the traumatically injured; objectively measuring nursing workload; and the impact of deployments on service members and their families. At USUHS, COL Richard Riccairdi is completing his doctoral dissertation on mitigating the physical effects of body armor and other load-bearing personal protective equipment and LTC Lisa Latendresse is examining how to improve gait and walking performance in amputees.

The Military Nursing Outcomes Database (MilNOD) program of research provides military nurse managers the ability to analyze the effects of staffing patterns on patient safety and outcomes to improve all levels of nursing care. This work builds upon that done by the California Nursing Outcomes Coalition and the Veteran's Administration. Using this framework, nurse managers at the 14 military sites are analyzing workload and staffing data as it relates to patient events and make more informed management decisions. Through your generous support of the TriService Nursing Research Program, there is both monetary and educational support for these studies, which encourage collaboration and advance the science of nursing practice. On behalf of the Army Nurse Corps and the patients whom we serve, thank you.

The U.S. Army Graduate Program in Anesthesia Nursing once again ranks second in the nation. We are equally proud of the USUHS Registered Nurse Anesthesia Program. Our students are actively involved in research studying airway management, hypothermia, herbal remedies, and nurse retention, thus furthering the science of nursing. At Walter Reed, anesthesia students have the additional opportunity to deploy on a two-week humanitarian mission with experienced faculty to obtain field anesthesia experience. Our students are consistently battle ready upon graduation, beginning with board certification. We are proud to say that again this year they had a 100 percent pass rate. Both anesthesia programs produce exceptional graduates who serve our Army and sister Services extremely well.

We acknowledge and appreciate the faculty and staff of the USUHS Graduate School of Nursing for all they do to prepare advanced practice nurses to serve America's Army. They train advanced practice nurses in a multidisciplinary military-unique curriculum that is especially relevant given the current operational environment. Our students are actively engaged in research and the dissemination of nursing knowledge through the publication of journal articles, scientific posters, and national presentations. Of special note, I wish to acknowledge our perioperative clinical nurse specialist students for their contributions to a national white paper on medication errors.

Despite an upswing in enrollments in baccalaureate nursing programs for the fifth straight year, the need for nurses continues to outpace the number of new graduates. Baccalaureate programs continue to turn away tens of thousands of qualified applicants each year, many due to faculty shortages. We remain committed to partnering with the civilian sector to address this and other issues contributing to the worldwide shortage of professional nurses. We are currently researching ways to encourage our retired officers to consider faculty positions as viable second career choices.

The Virtual Clinical Practicum is another example of our efforts to combat the nursing shortage. We first told you about this last year when nurses at Walter Reed Army Medical Center partnered with a rural nursing school to provide their students an effective clinical experience through telehealth technology. Last fall, approximately 180 students from this school participated in the second phase of this study with staff and one enthusiastic patient from the U.S. Army Burn Center in San Antonio. Planning is ongoing for a third practicum. This innovative research initiative is providing tertiary level learning opportunities for students who otherwise would not have that experience.

We have been successful in establishing working relationships with local communities. In Korea, the 18th Medical Command established an exchange for professional nursing with the Korean Ministry of Health. Under this program, four Army Nurses, MAJ Michael Hawkins, MAJ Thomas Cahill, MAJ Dana Munari, and LTC (Ret) Priscilla Quackenbush, were appointed Clinical Professors at Yonsei University where so far they have precepted 26 Korean advanced practice nursing students. At West Point, LTC Diane Scherr is serving as adjunct faculty at Mount Saint Mary's College. Efforts such as these are contributing to a steady supply of basic and advanced practice nurses for the future.

The nursing shortage and current operational conditions continue to make recruitment and retention challenging for all. It is projected that the need for nurses will continue to outpace the supply. The Active Component Army Nurse Corps is short 320 officers. This results in under-filled year groups. Every year since 1999, we have accessed an average of 16 percent fewer officers than required and the projected shortfall for this year is 27 percent. We are also seeing a decline in our retention rates for the first time in many years.

While the Army Reserve is at 100 percent of its authorizations for nurses, each year since 2003, we have accessed an average of 21 percent fewer Army Reserve nurses than required and half of those who were accessed possessed an Associate Degree in Nursing (ADN) or a Diploma in Nursing. However, we still cannot fill crucial company-grade ranks, despite concentrated efforts at recruiting ADN-prepared nurses. This is evidence that simply recruiting more nurses with ADNs is not the answer to solving our shortages in the Reserve Component.

In order to mitigate the current situation, ensure competitive advantage, and build an Army Nurse Corps for the future, we must be the employer of choice for professional nurses. Diversified accession and retention incentives that are attractive to nurses in each sector of the available market are essential. For those sectors which we currently have no recruitment programs, we are collaborating with the U.S. Army Accessions Command to develop relevant recruitment programs that will attract Bachelor of Science prepared nurses to serve in either the Active or Reserve Component. Army Nurses at all levels are actively engaged in the several nurse recruitment and retention programs at our disposal.

We have 47 Army Nurses assigned to recruiting duty. While their efforts are invaluable, we consistently hear that applicants want to talk to Army Nurses directly involved in patient care. In response to this need, we have launched the "Every Nurse is a Recruiter Program" to provide encouragement, opportunities, and recognition for nurses at all levels to become actively engaged in not only the recruitment of Army Nurses, but also the sustainment of professional nursing.

To attract nursing students into the Reserve Officer Training Corps (ROTC), there has to be sufficient financial benefit. We thank the U.S. Army Cadet Command for providing full scholarships and a variety of tools and improved processes to ensure cadets successfully access into the Army Nurse Corps. We also thank Congress for ratifying a limited bonus for ROTC nurse cadets and increasing the cap on ROTC scholarships offered to cadets interested in Reserve Forces duty.

Our AMEDD Enlisted Commissioning Program continues to be extremely successful. This provides Active Component Soldiers \$10,000 per year for up to 24 months to complete their BSN while remaining on active duty. We currently start 65 Soldiers per year and hope to expand that in 2007.

We appreciate the efforts of the U.S. Army Recruiting Command (USAREC) to provide the balance of professional nurses we require for the Active Component and all of the nurses for the Army Reserve. They are on the front lines competing with organizations that can often offer more flexible and attractive compensation packages. To help meet our requirements, they have a variety of tools available to help them attract the best-qualified nurses.

For the Active Component, we offer an accession bonus of up to \$20,000 and the Health Professional Loan Repayment Program (HPLRP) for up to \$30,651. USAREC is able to utilize these tools in various combinations with service obligations to tailor packages to suit individual applicants. This flexibility has proven to be invaluable in today's highly competitive market. Last year, 19 percent of eligible applicants chose the bonus, 27 percent chose loan repayment, and 52 percent opted for a reduced bonus of \$8,000 in combination with loan repayment for a six-year obligation. USAREC estimates that without loan repayment, we would have recruited 69 fewer new officers.

In 2005, we reinstated the Army Nurse Candidate Program (ANCP) to target nursing students ineligible to participate in ROTC. ANCP provides a \$10,000 bonus and a monthly stipend of \$1,000 per month for up to 24 months to full-time students pursuing a BSN. To date, we have 12 students enrolled in the program and expect two to access onto active duty this summer.

We receive numerous inquiries from the field each year from Army officers interested in becoming nurses and looking for a program to assist them. In response, we are collaborating with the Office of the Surgeon General and U.S. Army Accessions Command to develop a program that allows them to complete their BSN and convert to Army Nurses, similar to the Judge Advocate General's Funded Legal Education Program for Army lawyers.

For the Army Reserve, USAREC offers an accession bonus up to \$30,000 and HPLRP up to \$50,000 for selected specialties. Critical care, operating room, psychiatric, and medical-surgical nurses without a BSN can receive an accession bonus of up to \$15,000. All Army Reserve accession incentives require a three-year service obligation in the Selected Reserve.

The Specialized Training and Assistance Program for BSN completion (BSN-STRAP) is also now available for both new accessions and existing Army Reserve nurses without a BSN. This stipend program is for those who can complete their BSN in 24 months or less. This is a good start, and I am hopeful that programs to attract BSN-prepared nurses to serve in the Army Reserve will be expanded in the years ahead.

Retention of nurses is of utmost importance. Initial research shows that nurses stay on active duty for the educational opportunities, job satisfaction and retirement benefits. We are proud of the educational benefits we offer our officers. Our graduate-level specialty courses, fully-funded graduate and doctoral education programs, and post-graduate courses are second to none. However, we have five years of data from departing officers that consistently indicates that middle management, lengths of deployment, and the absence of specialty pay are the main reasons they leave. To address this, we are working to refine our retention strategy. In one research effort, we looked at the effect middle managers have on junior staff. The results of this study are being incorporated into our Head Nurse Leadership Course to better educate middle managers on the development of strong and healthy teams.

I am particularly concerned about the retention of our certified registered nurse anesthetists (CRNAs). Our inventory of CRNAs is currently at 73 percent. The restructuring of the incentive special pay program for CRNAs last year, as well as the 180-day deployment rotation policy were good first steps in stemming the loss of

these highly trained providers. We are working closely with the Surgeon General's staff to closely evaluate and adjust rates and policies where needed.

We face significant shortages of civilian RNs and LPNs, particularly in critical care, perioperative, and OB/GYN nursing. We increased utilization of contract support and are currently working on a civilian nurse recruitment and retention program for Walter Reed Army Medical Center and Fort Hood. The AMEDD also recently approved the limited application of a student loan repayment program for current and new civilian nurse recruits.

One promise of the National Security Personnel System (NSPS) is to attract and retain talented and motivated employees. I remain optimistic that NSPS will address the issues that make civil service a disincentive for new and practicing nurses. We have worked with the Navy and Air Force to standardize duty titles throughout the system. This will ease local marketing and facilitate the development of tiers for advanced practice nurses, similar to those for physicians and dentists. However, the delay in implementation of NSPS because of legal challenges by Unions renews our concerns.

The Sustaining Base Leadership and Management Program is a centrally funded leader development program in support of the Army Civilian Training, Education, and Development System (ACTEDS) preparing Army civilian and military members for leadership positions. We actively encourage our civilian staff to take advantage of this training.

The positive impact Army Nurses make on patient care is found throughout the military health system. At Landstuhl Regional Medical Center, CPT Travis Hawksley improved the overall management of burn patients by developing a tool to accurately track fluid resuscitation throughout the evacuation system. Others, such as LTC Sharon Steele and LTC Kris Palaschak provide clinical expertise in the design and construction of new facilities. Our nurse informaticists work to deploy and upgrade electronic clinical systems used to document the delivery of inpatient care, provide objective data related to patient workload, and electronically capture, automate, and analyze patient safety data.

Each year, the Daughters of the American Revolution honor one Active Component Army Nurse who epitomizes professional and military nursing excellence with the presentation of the Dr. Anita Newcomb McGee Award. Last year's recipient was COL Norma Garrett. COL Garret also received the Clinical Nursing Excellence Award from the Association of Military Surgeons of the United States for recognition of her many research accomplishments and contributions to clinical education.

More than ever, the Army Nurse Corps is focused on providing service members and their families the absolute highest quality care they need and deserve. We continue adapting to the new realities of this long war, but remain firm on providing the leadership and scholarship required to advance the practice of professional nursing. We will maintain our focus on sustaining readiness, clinical competency, and sound educational preparation with the same commitment to serve those Service members who defend our Nation that we have demonstrated for the past 105 years. I appreciate this opportunity to highlight our accomplishments and discuss the issues we face. Thank you for your support of the Army Nurse Corps.

BIOGRAPHICAL SKETCH OF MAJOR GENERAL GALE S. POLLOCK

MG Gale S. Pollock was born in Kearny, New Jersey, but calls Texas home. She holds a Bachelor of Science degree in nursing from the University of Maryland and is a 1979 graduate of the U.S. Army Nurse Anesthesia Program. She earned a Master of Business Administration from Boston University; a Master in Healthcare Administration from Baylor University; and a Master in National Security and Strategy from the National Defense University. Her military education includes completion of the General Officer Joint CAPSTONE program; Senior Service College at the Industrial College of the Armed Forces; the U.S. Air Force War College; the Interagency Institute for Federal Health Care Executives; the Military Health System CAPSTONE program; the Principles of Advanced Nurse Administrators; and the NATO Staff Officer Course.

In addition to her responsibilities as the 22nd Chief of the Army Nurse Corps, MG Pollock is currently the Commander of Tripler Army Medical Center and the Pacific Region, U.S. Army Pacific Surgeon and the Multi Market manager under the regional TRICARE program. Her past military assignments include Special Assistant to the Surgeon General for Information Management and Health Policy; Commander, Martin Army Community Hospital, Fort Benning, GA; Commander, U.S. Army Medical Department Activity, Fort Drum, NY; Staff Officer, Strategic Initiatives Command Group for the Army Surgeon General; Department of Defense

(DOD) Healthcare Advisor to the Congressional Commission on Service Members and Veterans Transition Assistance; Health Fitness Advisor at the National Defense University; Senior Policy Analyst in DOD Health Affairs; and Chief, Anesthesia Nursing Service at Walter Reed Army Medical Center, Washington, DC.

MG Pollock's awards and decorations include the Legion of Merit (with two Oak Leaf Clusters), the Defense Meritorious Service Medal, the Meritorious Service Medal (with three Oak Leaf Clusters), the Joint Service Commendation Medal, the Army Commendation Medal, and the Army Achievement Medal. She proudly earned the Expert Field Medic Badge and the Parachutist Badge. She received the Army Staff Identification Badge for her work at the Pentagon. In addition, she earned the German Armed Forces Military Efficiency Badge, "Leistungsabzeichen", in gold.

Senator STEVENS. Admiral, we'd be pleased to have your statement.

STATEMENT OF REAR ADMIRAL CHRISTINE M. BRUZEK-KOHLER, DIRECTOR, NAVY NURSE CORPS, DEPARTMENT OF THE NAVY

Admiral BRUZEK-KOHLER. Thank you.

Good morning, Chairman Stevens, Senator Inouye, and distinguished members of the subcommittee.

I am Rear Admiral Christine Bruzek-Kohler, the 21st Director of the Navy Nurse Corps and the Navy Medical Inspector General. It is an honor and a privilege to speak before you about our outstanding 4,500 Active and Reserve Navy nurses and their contributions in operational, humanitarian, and traditional missions at the home front and abroad.

My written statement has already been submitted for the record, and I would like to highlight a few key issues.

In this time of increased deployments, our Navy nurses are utilizing their specialized training in critical wartime specialties everywhere in the continuum of care, from the battlefield, with our forward-deployed troops, to our military treatment facilities, for restorative and rehabilitative care.

In the last year, they have served with distinction in a variety of locations—Kuwait, Iraq, Djibouti, Afghanistan, Bahrain, Qatar, Thailand, Indonesia, Sri Lanka, New Guinea, Pakistan, Guantanamo Bay, Cuba, and along our own gulf coast to provide assistance to Hurricanes Katrina and Rita victims. As part of the Marine Corps team, our perioperative critical care and anesthesia nurses in the forward resuscitative surgical system, shock trauma platoons, and en route care system are influencing the survivability of our battlefield casualties. With the prevalence of combat and operational stress, mental health nurses are part of the collaborative treatment team providing immediate interventions at the front and post-deployment.

At Naval Medical Center San Diego, one of our nurse leaders is spearheading a multidisciplinary team to establish the Comprehensive Combat Casualty Care Center. This is a patient- and family-centered cooperative program with the San Diego VA Medical Center to provide the full spectrum of care to our returning casualties and their families.

During 2005, our hospital ships, U.S.N.S. *Mercy* and U.S.N.S. *Comfort*, were providing care for natural disaster victims overseas and along the gulf coast. Both of our hospital ships recently deployed, last week. While the U.S.N.S. *Comfort* is involved in a joint exercise with the Canadian Government, our nurses are optimizing this training opportunity to enhance their clinical skills in response

to regional and domestic emergencies. Simultaneously, the U.S.N.S. *Mercy* is partnering with volunteer nurses from nongovernmental organizations and host nations in a transcultural nursing effort to share clinical skills while providing quality care during humanitarian missions in Southeast Asia.

This increased operating tempo (OPTEMPO) underscores the necessity for clinical skills sustainment through operational and joint training programs such as the Defense Medical Readiness Training Institute for burn and trauma care and the Army enroute care course at Fort Rucker, Alabama, for medical evacuation. Through written agreements, we have also collaborated with civilian medical communities for training in intensive care, emergency, and other specialty areas.

In the face of a national nursing shortage and the challenges we have had in recruiting over the past 2 years, we have implemented several initiatives to attain our recruiting goal this year. We have seen more applications as a result of the tiered-rate increase of our nurse corps accession bonus at \$15,000 for a 3-year and \$20,000 for a 4-year obligation. For the first time, we offered the health professions loan repayment program, up to \$30,000 for school loans, with all positions filled. We have also increased the accession bonus from \$5,000 to \$10,000, and stipend from \$500 to \$1,000, for the nurse corps candidate program, as well as increasing our recruitment goals for this program by 20 nursing students, for a total of 75.

Retention of Active duty nurse corps officers has posed a greater challenge. Our present manning end strength is at 92 percent in the Active component. As a retention tool, the health professions loan repayment program was also offered for all eligible Navy nurses. The certified register nurse anesthesia incentive special pay was increased along tiered levels from \$20,000 to \$40,000, with a 1-to-4-year obligation. In addition, we are exploring other incentives to retain our junior nurse corps officers after 4 years of service.

In the Reserve component, our critical wartime specialties in mental health nursing, perioperative nursing, and nurse anesthesia pose recruitment challenges. For that reason, fiscal year 2006 nurse accession bonuses are targeted toward these specialties. With our increased rate of mobilization to Kuwait and to our military treatment facilities, it is imperative that we meet our nursing specialty requirements and explore all options to support our recruitment and retention efforts.

Civil Service nurses are the backbone of professional nursing practice in our military treatment facilities. To remain competitive during this national nursing shortage, we implemented the special salary pay rates granted under title 38 at five military treatment facilities. We also implemented the accelerated promotion program at Naval Medical Center San Diego to recruit recent nursing school graduates. Our robust graduation—our graduate education program is one of our top retention initiatives. On an annual basis, we select our most talented nurse leaders to attend accredited universities around the country. They attain their master's and doctorate degrees in our required specialties to meet our mission.

Our focus on military nursing research is key to successful patient outcomes and quality care, and we do appreciate the support of the tri-service nursing research program in this effort. As a result, we have been able to incorporate evidenced-based clinical-practice guidelines and multisite protocols. Some examples are programs in pain and wound management, falls precaution, and prevention of nosocomial infections. Our innovative practices and research findings involving care from the battlefield to our military treatment facilities are cited in numerous professional publications and textbooks. Navy nurses have also shared their expertise, their presentations at national and international healthcare forums.

PREPARED STATEMENT

In summary, from World War I to the present global war on terrorism, Active and Reserve Navy nurses have answered the call of a grateful Nation and created a legacy for all of us. In the tradition of nursing excellence, our nurses are providing the finest care worldwide, making a positive and meaningful difference in the lives of our sailors, marines, their dependents, and our retired heroes. I appreciate the opportunity of sharing the accomplishments and issues that face Navy nursing. I look forward very much to working with you during my tenure as director of the Navy Nurse Corps.

Thank you.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL CHRISTINE M. BRUZEK-KOHLER

Good morning, Chairman Stevens, Senator Inouye and distinguished members of the Committee. I am Rear Admiral Christine Bruzek-Kohler, the 21st Director of the Navy Nurse Corps and the Naval Medical Inspector General. It is an honor and privilege to speak before you about our outstanding 4,500 Active and Reserve Navy Nurses and their contributions in operational, humanitarian and traditional missions at the home front and abroad. We have had many challenges facing us over the past year including the continuing War in Iraq, the Global War on Terrorism and the recent devastation of Hurricanes Katrina and Rita. Based on the magnificent performance of our Navy Nurses answering the call to duty at a moment's notice and the support of our outstanding Civil Service and contract nurses, I am confident that we successfully meet all challenges with commitment and dedication while providing hope and comfort to all those in need.

The future success of the Navy Nurse Corps depends on our ability to clearly articulate our military relevance and alignment with the goals of the Navy and Navy Medicine. To accomplish this, our nurse leaders recently met to review our strategic goals and objectives in 2005 and determine where we need to be in 2006 and beyond. The outcome of this meeting resulted in the establishment of five priorities for Navy Nursing, specifically aligned with the vision and goals of the Chief of Naval Operations and our Surgeon General. To chart our course and navigate our achievements into the future, these five priorities include: emphasis on clinical proficiency to sustain our readiness; validation of Nurse Corps requirements and force shaping; review of the processes to match educational opportunities to requirements; improved management and leadership development for mid-level Nurse Corps officers; and a formalized leadership continuum for senior Nurse Corps officers entering executive level positions. Addressing each category, I will highlight our achievements and issues of concern.

READINESS AND CLINICAL PROFICIENCY

Throughout the career continuum, all Navy Nurses must be responsive, capable and continually ready to maintain mission essentiality. We must be clinically proficient to quickly deploy, arrive on the scene whether it is New Orleans or Baghdad, and deliver the finest nursing care. Solid clinical competencies ranging from the fun-

damentals to specific wartime specialties serve as the foundation to enhance the depth and quality of nursing care in all environments. To meet these challenges, we remain on the cutting edge of clinical nursing to provide the finest care to our Sailors and Marines, while welcoming opportunities to participate in a joint service environment.

During the past year, Navy Nurses from both active and reserve components were deployed throughout the world as members of joint, multi-national, Marine Corps and Navy missions, recording over 60,000 days in support of and training for our missions. Operational units were located in Kuwait, Iraq, Djibouti, Afghanistan, Bahrain, Qatar, Thailand, Indonesia, Sri Lanka, New Guinea, Pakistan, Guantanamo Bay, Cuba and along our own Gulf Coast to provide assistance to Hurricanes Katrina and Rita victims. Nursing care services for both operational and humanitarian missions were delivered by Surgical Teams, U.S. Marine Corps Surgical Companies, Shock Trauma Platoons, and the Forward Resuscitative Surgical Systems, including the Enroute Care System Teams for casualty evacuation. In addition, care was provided in Expeditionary Medical Facilities; on Navy and Hospital ships including aircraft carriers; and at our military treatment facilities.

Ultimately supporting warfighting capability, Navy Nurses are at the front, developing and implementing numerous health care programs to assist active duty personnel and their families. With the prevalence of combat and operational stress, mental health nurses are providing immediate interventions at the front, assisting our troops to cope; through humanitarian missions, providing aid to natural disaster victims; and to our military treatment facilities, enhancing access to care for our military personnel and their families. Through the Medical Rehabilitation Platoon Program at Camp Geiger, North Carolina, nurses have closely coordinated the medical care of our Marines, decreasing their length of stay in the program and increasing their timely return to full duty for training. As active participants in Operation Special Delivery at Twenty-Nine Palms, California, nurses received Honorable Mention through the Admiral Thompson Awards Program for Community Relations. As trained doulas, they provide physical, emotional and information support to women with deployed spouses before, during and after childbirth. Partnering with volunteer Project Hope nurses, our Navy Nurses of all specialties assisted devastated Americans along the Gulf Coast and onboard the Hospital Ship Comfort, providing the best quality of care with pride. The most noteworthy accomplishments included providing emergency trauma care, completing over 900 screenings for trauma indicators and crisis management; implementing preventive mental health interventions for local relief workers; and establishing a Mother Baby Unit.

Our nurses continuously seek specialized training to enhance their critical wartime nursing specialties to safely administer immediate and emergent care in any situation. To provide comprehensive care for our trauma casualties, Navy Nurses have maximized available training opportunities through the Navy Trauma Training Course at the Los Angeles County/University of Southern California Medical Center with their operational platform team members; the Tri-service Combat Casualty Course in San Antonio, Texas for all nurses; and the Military Contingency Medicine/Bushmaster Course for our students at the Uniformed Services University Graduate School of Nursing in Bethesda, Maryland.

Joint training opportunities in critical wartime nursing specialties in both military and civilian medical communities are essential to enhance our mission-ready capabilities. Navy Nurses in Guam, Marianas Island have rendered assistance to Air Force nurses in maintaining their critical readiness skills. In return, our nurses have attended the Air Force Critical Care Air Transport Team Training in San Antonio, Texas to optimize medical evacuation efforts. Coordinating with Landstuhl Regional Medical Center in Germany, our nurses from Naples, Italy have been able to enhance their clinical skills in emergency room, critical care, advanced medical-surgical and complicated obstetrics. Our nurses in Yokosuka, Japan have invited the Japanese Self Defense Force nurses to their Trauma Nurse Core Courses, fostering goodwill relationships. Supporting the concept of interoperability, Navy Nurses in the reserve component have worked seamlessly with the Defense Medical Readiness Training Institute, sponsoring and teaching three professional programs pertaining to trauma. A total of 50 courses in Advanced Burn Life Support, Combat Trauma Nurse Curriculum and Pre-Hospital Trauma Life Support were conducted on-site at San Antonio, Texas and exported to several regional training sites to maximize participation, such as in Camp Pendleton, California; Great Lakes, Illinois; Dallas, Texas; and Fort Gordon, Georgia.

Within and across our military treatment facilities, we optimize all cross-training opportunities to maintain clinical proficiency for our operational assignments. We continue with robust Nurse Internship Programs at our three Medical Centers at Bethesda, Maryland; Portsmouth, Virginia; and San Diego, California. With the re-

turn of Sailors and Marines from Iraq with complicated trauma wounds, we have focused more intensive training to become certified wound care specialists. Aligned with professional standards of practice, we have adopted the Essentials of Critical Care Orientation by the American Association of Critical Care Nurses as our primary didactic critical care training curriculum, augmented with on-site clinical rotations at our larger military treatment facilities. The successful Post Anesthesia Care Course at Bethesda, Maryland has included a total of 30 Army and Air Force nurses and medics in addition to Navy personnel in the past year, and has been exported to other Navy military treatment facilities due to its strong clinical content and application.

Collaborating with our civilian medical communities, our nurses in Jacksonville, Florida maintain an agreement with Shands Medical Center to train in their intensive care unit, emergency room and neonatal ward. In addition, at the Medical University of South Carolina, our nurses in Charleston participate in a two-week trauma orientation to sustain their clinical readiness. In our outreach support of community education, we have provided clinical experiences and preceptors to nursing programs throughout the United States. We have also participated in collaborative training groups, such as the Greater Washington Area Consortium for Critical Care Nursing Education. These examples are only a few of the many courses and training sessions taking place on a regular basis to maintain clinical proficiency and optimize operational readiness.

REQUIREMENTS AND FORCE SHAPING

Maintaining the right force structure is essential in meeting Navy Medicine's overall mission through validated nursing specialty requirements, utilizing the talent and clinical expertise of our uniformed and civilian nurses. Focused on our operational missions, our wartime specialties include nurse anesthesia, critical care, emergency, mental health, medical-surgical and perioperative nursing.

The national nursing shortage, compounded by competition with civilian institutions as well as other federal sectors, has resulted in direct accession recruiting shortfalls over the last two years. For that reason, we continue to closely monitor the status of our pipeline scholarship programs, which include the Nurse Candidate Program, the Medical Enlisted Commission Program, the Naval Reserve Officer Training Corps Program, and the Seaman to Admiral Program. Rate increases were applied this fiscal year to our Nurse Corps Accession Bonus to attract new applicants to the naval service. In addition to increasing the accession bonus and stipend for the Nurse Candidate Program, we have recently increased our recruitment goals for this program by 20 nursing students.

Retention of active duty Nurse Corps officers has posed a bigger challenge, with retention rates after the first four years of commissioned service ranging from 54 to 72 percent for all accession categories and decreasing further beyond 4 to 7 years of service. At the end of calendar year 2005, our manning end strength decreased to 94 percent in the active component, with a deficit of 175 Navy Nurses. Within our wartime specialties, shortfalls have been identified in critical care with an end strength of 57 percent, nurse anesthesia at 84 percent and perioperative nursing at 90 percent. To counter these deficiencies, the Health Professions Loan Repayment Program was recently implemented for recruitment and retention purposes. In addition, the Certified Registered Nurse Anesthesia Incentive Special Pay was increased. We will continue to closely monitor our end strength through the year, evaluate newly initiated programs and explore other options to retain our talent at the 4 to 10 years of service level.

In the reserve component, our critical wartime specialties also pose a recruitment and retention challenge in mental health nursing, perioperative nursing and nurse anesthesia. For that reason, fiscal year 2006 Nurse Accession Bonuses are focused on these specialties. We had a record of success during the past fiscal year with the Nurse Accession Bonus when it was offered for the first time to professional nurses with less than one year of experience. Since there is a national nursing shortage of perioperative nurses, our six-week perioperative nursing training programs in Jacksonville, Florida and Camp Pendleton, California now include our reserve nurses. As a pipeline program, our Hospital Corpsman to Bachelor of Science in Nursing Program has resulted in three Nurse Corps Officers entering the reserves since its inception two years ago, with twenty-three participants who will graduate within the next one to two years. With our increased rate of mobilization to Kuwait and to our military treatment facilities, it is imperative that we meet our nursing specialty requirements and explore all options to support our recruitment and retention efforts.

Civil Service nurses are the backbone of professional nursing practice in our military treatment facilities as the frequency of deployment schedules increases for our uniformed personnel. We continue to encourage the use of authorized compensation packages to retain our talented nurses through recruitment, retention and/or relocation bonuses to meet staffing requirements. Last year, we implemented Special Salary Pay rates granted under Title 38 at five military treatment facilities in San Diego, California; Camp Pendleton, California; Twenty-Nine Palms, California; Great Lakes, Illinois; and Bethesda, Maryland to compensate for on-call, weekend, holiday, and shift differential duty, resulting in satisfaction to staff members and leadership. In addition, we have recently implemented the Accelerated Promotion Program in San Diego, California to recruit novice nurses with less than one year of experience, who have been integrated into their Nurse Internship Program to develop solid clinical skills.

Our success in meeting the mission in all care environments requires that we continuously reassess our measures of effectiveness, adjust personnel assignments, transfer authorized billets, and revise training plans. To maximize our performance, it is imperative that we pursue funding to recruit and retain our exceptionally talented nurses to meet our staffing requirements. We will also closely monitor the national nursing shortage projections and the civilian and federal compensation packages to determine the best course for us to take in this competitive market.

EDUCATION PROGRAMS AND POLICIES

The Navy Nurse Corps provides state-of-the-art nursing care around the world, 365 days a year by continually adapting to the ever-changing healthcare environment. We accomplish this by maintaining our competitive edge beyond the status quo through a variety of initiatives. On an annual basis, we shape our graduate education training plan based on our health care and operational support requirements. We select our most talented nurse leaders to attend accredited universities around the country to attain their masters and doctorate degrees, which has also proven to be an invaluable retention tool. In addition, a plethora of continuing education courses and specialized training opportunities are available to further enhance solid clinical skills.

The success of our graduate education and specialized training is exemplified through the remarkable impact of our professional achievements in Navy Medicine and across the Department of Defense. Our advance practice nurses lead the way in building upon our reputation of outstanding patient care by incorporating evidence-based clinical practice guidelines and multi-site protocols to improve patient outcomes. Through the Evidence-Based Consortium developed by nurses from Bethesda, Maryland, and Portsmouth, Virginia with Walter Reed Army Medical Center, team training has resulted in a focus on primary surgical wound dressings, alcohol withdrawal assessment and peripheral intravenous therapy. In collaboration with the Washington State Hospital Association as part of Institute for Health Care Improvement initiatives, our nurses in Bremerton, Washington have participated in the implementation of three clinical practice guideline protocols: elimination of nosocomial infections, prevention of ventilator associated pneumonia and prevention of central line infections. Each protocol consists of a group of interventions resulting in better outcomes, a reduction in mortality, and cost containment. Nurses at Bethesda, Maryland are involved in a TRI-STATE initiative implementing similar protocols, in addition to the Critical Care clinical practice guideline. Through the Pain Management Clinic at Jacksonville, Florida, civilian referrals have been reduced and patient satisfaction increased, resulting in significant cost avoidance.

The focus on military nursing research is essential to successful patient outcomes and quality care. Sponsored by the TriService Nursing Research Program, the collaborative multi-phase Evidence Based Practice Improvement Project between National Naval Medical Center and Walter Reed Army Medical Center plans to implement six nursing practice guidelines at each site. Our Navy Nurses have developed guidelines for pain management, falls prevention and neonatal tactile stimulation and thermoregulation. A sample of funded research studies includes: Retention of Recalled Navy Nurse Reservists Following Operation Iraqi Freedom; Oxidative Stress and Pulmonary Injury in U.S. Navy Divers; Coping Interventions for Children of Deployed Parents; and Focused Integrative Coping Strategies for Sailors, a Follow-Up Intervention Study.

There have been numerous publications attesting to the expertise of our Navy Nurses, such as in *Advances of Neonatal Care*, *Archives of Psychiatric Nursing*, *Association of Operating Room Nurses Magazine*, *Journal of Cardiac Failure* and professional textbooks. In addition, Navy Nurses have been invited to present innovative practice and research findings at Sigma Theta Tau Nursing Honor Society's

International Nursing Research Congress; the Annual Meeting of the Association of Military Surgeons of the United States; the 18th Annual Pacific Research Conference, and many more. Of prestigious note, two of our Navy Nurses were invited to coordinate and present a symposium entitled "Military Nursing Care: Land, on the Sea and in the Air" with Army and Air Force colleagues at the Biennium Conference for Sigma Theta Tau International focusing on burn care, quality of life and nursing care delivered in austere environments.

It is this personal dedication to the highest clinical proficiency and continuing education that makes us proud members of the military healthcare system today and tomorrow. As the scope and practice of nursing continues to grow, we must make sure that we continue to be closely aligned with Navy Medicine and the Line community.

MID-LEVEL LEADERSHIP/SENIOR LEADERSHIP DEVELOPMENT

The last two priorities consist of improving management and leadership development for mid-level Nurse Corps officers and formalizing the leadership continuum for senior Nurse Corps officers entering executive level positions. Leadership development begins the day our nurses take the commissioning oath as Naval Officers and is continuously refined throughout an individual's career with increased scope of responsibilities, upward mobility, and pivotal leadership roles within the field of nursing and health care in general. Our Navy Nurses are proven strategic leaders in the field of education, research, clinical performance, and health care executive management. To insure we continue this legacy of nursing excellence, it is critical that we identify those leadership characteristics and associated knowledge, skills and abilities that are directly linked to successful executives in Navy Medicine. This information will provide the basis for ongoing leadership development of our mid-grade officers as they advance in their leadership and management positions and experiences.

To meet today's challenges, nurse leaders must be visionary, innovative and actively engaged across joint service and interagency levels to maximize our medical capabilities and achieve new heights of excellence. As one of many examples, a Navy Nurse recently assumed command of the Expeditionary Military Facility at Kuwait, which is comprised of personnel from 22 Navy Medical Commands. Navy Medicine Emergency Management Program nurses are developing a comprehensive strategy to guide our efforts to prevent or deter health consequences of natural or international attacks. Navy Nurses are involved in the multi-faceted development of a Federal Health Care Facility as part of the Veterans Affairs/Department of Defense partnering project. Within the Reserve Component, our dedicated Navy Nurses are in key leadership positions in their units, as well as in their civilian organizations, professional associations and local communities. Of particular note, our nurse leaders in the Navy Reserve Operational Health Support Unit at Jacksonville, Florida attended training at the Air National Guard's Mentoring Conference, prior to developing and coordinating the Navy's Mentoring Initiative. Effective partnerships have resulted in positive mentoring experiences between junior and senior officers, promotions, advancement to leadership positions, and professional development.

CLOSING REMARKS

From World War I to the present War on Terrorism, active and reserve Navy Nurses have answered the call of a grateful nation and created a legacy for all of us. As we near the 100th anniversary of the Navy Nurse Corps, we are most proud of being integral members of the One Navy Medicine Team through an outstanding record of partnering with civilian and military health care teams, ensuring a better tomorrow for all. Our nurses provide the finest care worldwide and make a positive and meaningful difference in the lives of our Sailors, Marines, their dependents and our retired heroes. The basis of our future requires that we align with the mission of our armed forces while adapting to the advances in professional nursing practice. The uniqueness of military nursing is our dynamic ability to seamlessly integrate the critical nursing specialties into the personal needs of the troops on the field and at sea. Indeed, we will continue the exemplary tradition of Navy Nursing Excellence by focusing on interoperability and working side by side with colleagues from each service with personal pride.

I appreciate the opportunity of sharing the accomplishments and issues that face Navy Nursing. I look forward to working with you during my tenure as Director of the Navy Nurse Corps.

Senator STEVENS. General Rank.

STATEMENT OF MAJOR GENERAL MELISSA A. RANK, ASSISTANT SURGEON GENERAL FOR NURSING SERVICES, DEPARTMENT OF THE AIR FORCE

General RANK. Mr. Chairman and distinguished Members of the subcommittee, it is truly my honor to represent the Active duty, Guard, Reserve, and civilian nurses and medical technicians of the United States Air Force total nursing force. This diverse group of professionals partner with the Air Force Medical Service to ensure a fit and healthy force, prevent casualties, restore health, and enhance human performance.

I have personally contacted every Active duty chief nurse and senior medical technician and asked them, "What keeps you up at night?" Their predominant concerns validated my vision to strengthen operational currency and clinical expertise. Today, I will share with you our successes and challenges in expeditionary nursing, clinical skills sustainment, recruiting and retention, research, and future initiatives.

Over the past year, our responsiveness was put to the test and was highly successful in the U.S. Central Command's Area of Responsibility and at home station. We are trained, current, and mobile. Our primary contributions to expeditionary operations are life-saving medical/surgery and critical-care skills, and aeromedical evacuation. Even greater strides have been made ramping up from home station to war front. We credit this to our current inpatient experiences and continuous improvements in predeployment training. We deploy 2,369 total force nursing service personnel to five aeromedical evacuation locations, 10 expeditionary medical support units, and two contingency aeromedical staging facilities (CASF). Total patients evacuated from theater in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) were 33,615 from October 10, 2001 to April 14, 2006. Of that total, over 6,200 were due to battle injuries. Key in the clinical transformation of our aeromedical evacuation system was the shift from transporting stable patients to rapidly moving patients requiring continuous in-flight stabilization, putting critical care nurses in very high demand. Our highly specialized critical care air-transport teams moved 711 critically ill patients last year.

The expeditionary medical group at Balad is currently home to 69 nurses and 97 medical technicians from our total force, the Army, and multinational forces. Nine different surgical specialties are on hand to provide state-of-the-art treatment, including care of massive trauma.

The CASF at Ramstein Air Base safely moved over 15,000 patients to Landstuhl Regional Medical Center. Time and again, the heroic efforts of the integrated healthcare team at Landstuhl came together to save the lives of wounded Americans, coalition forces, DOD contractors, and members of the press corps.

The best way for nurses to maintain currency and be effective in deployed settings is to have recent hands-on experience as inpatient nurses. Recently, I released a policy mandating that nurses working in outpatient and nonclinical roles will complete a minimum of 168 hours on inpatient units annually. Bringing seasoned clinicians back to the bedside will provide a robust, technically ready force and mentorship to the less experienced.

Due to unique deployment missions, we are increasingly using the Center for Sustainment of Trauma and Readiness Skills Training Platform (C-STARS). C-STARS produces medics ready to respond to peacetime or wartime contingencies through intense clinical immersion. The USUHS Graduate School of Nursing incorporated "go to war" skillsets into the curriculum for advanced practice nurses.

At home, Hurricanes Katrina and Rita uniquely challenged our total force. Aeromedical evacuation crews and Expeditionary Medical Support (EMEDS) teams from Active duty, Guard, and Reserve safely moved over 2,600 patients after Katrina, and over 1,200 patients before Rita made landfall. Keesler Medical Center was greatly impacted by Katrina. Their staff saved 130,000 medical records, erected an EMEDs, accounted for personnel, built new staffing requirements, and reopened limited primary care services in less than 1 month after the hurricane.

Nursing is globally engaged, at stateside and overseas locations. Independent-duty medical technicians, Technical Sergeant Steven Yates and Technical Sergeant John Strothenke, from Alaska, deployed in support of the Joint Prisoners of War/Missing in Action (POW/MIA) Account Command Mission, which recovered the remains of 19 service members in last calendar year.

Through the international health specialist program, we gained access to countries that are otherwise inaccessible. Major Stephanie Buffet, currently working for the U.S. Central Command (CENTCOM) surgeon, played a pivotal role in the Air Force's response to medical issues in the ongoing Pakistan earthquake relief efforts.

Continuous global engagement is making recruiting and retaining nurses one of our top priorities, especially with the national nursing shortage. Our accession sources include direct accession, Reserve Officers' Training Corps (ROTC) scholarship, health profession scholarship program, and enlisted to Bachelor of Science in Nursing (BSN) programs. In fiscal year 2005, we assessed 69 percent of our total recruiting goal of 357. Direct accessions, accounting for 82 percent took advantage of the recruiting bonus or the loan repayment program, and will increase for fiscal year 2006. And we thank you.

We are investigating a robust nurse enlisted commissioning program, mirroring the Navy's success, to produce 50 officers from our enlisted force, allowing them to attend accredited bachelor's or entry-level master's programs. In fiscal year 2005, our nurse corps inventory was at 90 percent of authorized positions. Currently, our inventory is a concerning 87 percent.

We continue to monitor our attrition rates, particularly those at the first decision point at the completion of initial obligated service—4 years of commissioned service. To ensure we retain those experienced nurses, we plan to offer a critical skills retention bonus near the end of their initial commitment. We are also partnering with our sister services and Veterans Administration (VA) counterparts to expand training platforms.

In addition to financial and training incentives, the quality of our medical treatment facilities is clearly of importance to recruiting and retaining top professionals. Sustaining state-of-the-art infra-

structure is a top priority for maximizing clinical and operational effectiveness and promoting a safe environment for both staff and patients.

Air Force nurses continue to remain at the forefront of operational research. Crucial areas being examined include deployment health, sustaining competencies, military practice outcomes, recruitment, and retention. None of this would be possible without the enormous support from the tri-service nursing research program, that will have far-reaching implications for our military forces.

Several major events continue to shape our future. The Air Force transitioned to an expeditionary mission, and now deliberately prepares airmen through aggressive force development policies and programs. Through a comprehensive review of the medical group structure, we developed a new flight path to guide our organizational structure and the development of our clinical discipline. The flight path guides more deliberate development, placing the member in the right job at the right time, setting them up for career success and personal satisfaction, while maintaining expertise at the front lines of patient care.

Nursing is already preparing for the many BRAC-related challenges by finding alternative inpatient platforms to train and sustain personnel, and by determining the right composition of Active duty "blue suit", requirements. We continue to evaluate our deployment-drive requirements and use market availability, along with cost data, to recommend appropriate civilian conversions. We plan to target company-grade outpatient and maternal childcare positions, while maintaining Active duty nurses for inpatient platforms. Along these lines, the results of the 2001 Air Force Surgeon General directed Nurse Corps Topdown Grade Review continues to guide our actions, and we strive to balance our company- and field-grade authorizations. We remain optimistic that our course of action will help improve overall promotion opportunity; therefore, increasing retention of experienced nurses. We've successfully increased field-grade requirements for deployment positions and are taking steps to lay in more senior clinicians at home station.

Mr. Chairman and distinguished members of the subcommittee, it is an honor and a privilege to lead the men and women of our Active, Reserve, and Guard nursing services. My objective for this presentation was to provide you a glimpse of the extraordinary men and women that make up nursing services and the exceptional work they are doing daily in the service of their country. I look to the future optimistically and desire your continued support during these exciting times ahead for nursing and our Air Force.

PREPARED STATEMENT

Thank you for inviting me and allowing me to tell our story.
[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL MELISSA A. RANK

Mr. Chairman and distinguished members of the committee, it is truly an honor for me to be here for the first time representing Air Force Nursing Services. We employ a diverse group of professionals to ensure a fit and healthy force, prevent casualties, restore health, and enhance human performance.

The vision for my tenure is to strengthen operational nursing currency and clinical expertise. The Air Force Nurse Corps will focus on our continued development as a clinical discipline to sustain nurses and aerospace medical technicians in an ever-changing, joint interoperable environment.

EXPEDITIONARY NURSING

Our expeditionary medical capability has been proven and Air Force Nursing Services remains in the forefront supporting the war fighter. Globally since the year 2000, we supported 202 worldwide missions and exercises, treated 1.47 million patients, assisted with 2,700 surgeries, and helped train 4,200 foreign medics. Just this past year, we deployed 2,369 nursing service personnel in support of Operations ENDURING FREEDOM and IRAQI FREEDOM (OEF/OIF). These Total Nursing Force members from the Active Duty (AD), Air National Guard (ANG), and Air Force Reserve Command (AFRC) deployed in support of 5 Aeromedical Evacuation (AE) locations, 10 Expeditionary Medical Support Units (EMEDS), and 2 Contingency Aeromedical Staging Facilities (CASF). We are trained, current and mobile.

Survival rates have improved from 75 percent during Vietnam, DESERT SHIELD and DESERT STORM to 90 percent in OEF/OIF in large part due to forward deployed surgical teams and rapid AE. Total patients evacuated from theater in support of OIF and OEF were 33,615 (October 10, 2001 to April 14, 2006). Of that total, 6,243 were due to battle injuries. Key in the clinical transformation of our AE system is the shift from transporting stable patients to rapidly moving patients requiring continuous in-flight stabilization, putting critical care nurses in high demand. Our highly specialized Critical Care Air Transport Teams (CCATT) moved 711 critically ill patients last year.

The 332nd Expeditionary Medical Group in Balad is currently home to 69 nurses and 97 aerospace medical technicians from the Air Force Total Nursing Force, the Army, and multinational auxiliaries. Nine different surgical specialties are on hand to rapidly provide state-of-the-art treatment including care of massive trauma. These teams have responded to numerous mass casualty surges and have many incredible stories to tell.

One story comes from Senior Airman Timothy Woodall, a reservist from the 349th Medical Squadron at Travis AFB California, serving at Balad. One of his most memorable patients is a three-year-old boy who was part of a tragedy that took his mother's life and left him with 30 percent burns to the right side of his body. SrA Woodall, as one of his primary caregivers, delivered some of his medications, assisted with his routine tube feedings, and had the arduous task of changing his bandages. For SrA Woodall, being at Balad has been an enlightening experience, using more of his clinical skills in two months than he has in the past two years. We are delighted to report that the boy has healed very well and gone home.

Gathering wounded service members and transporting them to higher echelons of care are scheduled missions like the ones flown by a Royal Australian Air Force C-130 aircrew with a U.S. Air Force medical team. "The patients we carry on these missions were injured in some way, down range," reports Captain Kristie Harlow, 379th Expeditionary Aeromedical Evacuation Squadron flight nurse. "Our job is to get them where they need to go for treatment, while providing them the care they need." Litters are stacked, bunk-bed style, in the cargo aircraft. The crew and medics wear body armor and Kevlar helmets for most of the 15-hour mission days, even while tending to patients. All on board agree that the Australian hosts, part of the Australian Defense Force's Joint Task Force 633, provide first class accommodations for the patients and the Airmen who care for them.

Some of our personnel have also risked their own lives to save others. Capt. Kevin Polk received the Bronze Star for saving an injured Airman while deployed as a CCATT nurse with the 379th Expeditionary Aeromedical Evacuation Squadron. He had only been in Iraq a couple of days, when the base came under direct mortar attack. Despite being exposed to enemy fire, Captain Polk searched the living quarters for potential victims, where he found an Airman with life-threatening injuries. He stabilized the Airman's condition and assisted with the medical transport of the Airman to a hospital for emergency surgery. The Airman sustained permanent disabilities, but Captain Polk's heroic response was credited with saving his life.

A typical day at the CASF in Balad consists of recovering two to three aerovac missions from the AOR with patients ranging from routine to critical. In addition, approximately 125 patients are prepared weekly for aerovac missions that transport patients from the CASF to Ramstein Air Base Germany, and then back to the United States. Patient support pallets and additional C-17 litter stanchions have increased the number of planes available for AE. The CASF at the 435th Medical Group, Ramstein Air Base, Germany, continued its high operational tempo, safely

moving 15,093 patients between January 1, 2005 and December 31, 2005 to Landstuhl Regional Medical Center (LRMC) for admission and treatment until they are scheduled to travel stateside. Time and again the heroic efforts of the integrated healthcare team at LRMC come together to save the lives of the wounded Soldiers, Marines, Sailors, Airmen, coalition forces, DOD contractors, and members of the Press Corps. In fact, one Marine said, "I knew that if I got to Landstuhl, I would make it." Countless others share this sentiment.

A talented, multiservice nursing leadership team keeps this smooth running engine moving forward, always poised for the next potential wartime patient surge. Senior Air Force nurses are in leadership roles at LRMC. Col Sherry Cox is the imbedded Air Force Chief Nurse, providing guidance and direction to a team of outstanding nurses in various roles in both inpatient and outpatient roles. Her team found that there is a compelling impact on those who care for wounded Americans, allies, and even the enemy. As a consequence of prolonged exposure to caring for those traumatically injured, healthcare workers are at risk for burnout including feelings of detachment, loss of compassion, significant physiological stress symptoms and reduced morale. LRMC has established a formal program to support the staff and encourage the use of healthy stress coping methods. The major aim of the program is to increase awareness at all levels to the potential risk posed by repeated exposure to combat trauma with early identification and intervention.

The Theater Patient Movement Requirements Center (TPMRC) is the pivotal "behind the scenes" agency facilitating the AE of combat injured troops. As part of the TPMRC team, the Senior Flight Nurse Clinical Coordinator, expedited the transfer of six critically burned service members after an Improvised Explosive Device (IED) struck their Bradley Fighting Vehicle. Working around-the-clock with the Joint Patient Movement Requirements Center (JPMRC) and multiple European agencies, the TPMRC expeditiously synchronized the transport of these severely wounded troops by a specialized burn team from Brooke Army Medical Center (BAMC), Texas. In less than 48 hours from the time our heroes landed at Ramstein AB Germany, they were receiving definitive treatment at the Military's "Center of Excellence" for burns, BAMC in San Antonio, Texas.

HURRICANES KATRINA AND RITA

The hurricane evacuations of 2005 uniquely challenged our aeromedical evacuation crewmembers (AECMs). AE units and EMEDS from Air Force Total Nursing Force supported the evacuations from Hurricanes Katrina and Rita while MAJCOM-level staff worked around the clock to coordinate and execute the missions. The ANG represented 25 percent of all military medical personnel deployed to the disaster areas with 901 medics for both hurricanes. Despite complex challenges, the teams ensured the safe evacuation of 2,609 Hurricane Katrina patients. On September 3, 2005, the teams moved 580 litters and 300 ambulatory patients, the largest single day of transports since WWII. Over 1,200 patients were moved in 24 hours before Hurricane Rita made landfall. A tremendous amount of orchestration was required between our AE mission coordinators and civilian counterparts to ensure the needs of a massive number of displaced people were met. AECMs worked extraordinarily long hours and loaded patients until they could practically no longer physically carry a litter.

There are many heroes from Hurricane Katrina and the staff of the 81st Medical Group, Keesler AFB is among them. Lt Col Maureen Koch, Flight Commander of the ICU, and her family were among the thousand or so military, family members, and patients who sheltered in the 81 MDG during Hurricane Katrina. Lt Col Koch's focus was on caring for two ICU's ventilator patients and a pregnant woman requiring an emergency caesarean section. Personnel quickly converted one ICU room into a makeshift operating room and the baby was delivered safely. In addition, the medics accomplished many other unprecedented actions. They saved 130,000 medical records, erected a portable bedded facility, accounted for thousands of personnel after the disaster, built new staffing requirements, and re-opened limited primary care services in less than one month after the hurricane.

ANG personnel assisted with the setup of an EMEDS at Charity Hospital in New Orleans and training of the civilian staff. Additionally, medical professionals from the Mississippi, Alabama, Kansas and Delaware Air National Guards erected an EMEDS in Hancock County, MS. Forty-nine percent of the patients treated were from military organizations (AD, Reserve, Guard) and 56 percent were Non-DOD personnel. The ANG provided 68 percent of all immunizations given in the surrounding area.

Hurricane Rita operations, staged out of Beaumont, Texas were confronted with preparing and transporting a large number of elderly patients with a Category five

storm scheduled to make land-fall in less than 24 hours. Chief Master Sergeant Rodney Christa, a reservist, from the 433 AES, Lackland AFB TX, was appointed to the on-scene Command Element for both hurricane evacuations. Chief Christa stated, "Although the number of patients we had to transport was greater for Hurricane Katrina, Hurricane Rita was more stressful because the storm was bearing down upon us. Time was critical. Hospitals, nursing homes and private citizens were literally driving up by the busload to our doorstep. We had no idea what to expect; we received patients on ventilators, those needing dialysis and newborns. All needed medical care. At one point, I thought we were going to have to leave medics behind to remain with patients and ride out the hurricane. The patients were arriving faster than we could airlift them to safety. With teamwork, we were able to get everyone on the last aircraft available before the winds were too strong to allow us to take-off."

On September 22, 2005, an ANG crew from the 167th AES led by flight nurse, Major Jay Sandy, from Andrews AFB, MD, launched a C-5 Galaxy to Beaumont, Texas, to evacuate 117 incapacitated nursing home and hospitalized patients. During the flight to Dobbins AFB, they experienced several medical emergencies that were rapidly stabilized in-flight due to the highly experienced medical team. The Georgia Civil Defense Team of 100 volunteer physicians, nurses, and other personnel assisted with the offload and management of the evacuees. This mission was successful due to the superior leadership, professionalism, teamwork, and medical expertise of all involved.

CLINICAL SUCCESSES

Air Force Nursing Services is globally engaged, at stateside and overseas locations, in the enhancement of patient care outcomes through outstanding initiatives. In fiscal year 2005, we supported 1.2 million TRICARE Prime enrollees and over 66,000 TRICARE Plus enrollees throughout the world. Currently, we have 19 Air Force hospitals and medical centers and 56 clinics. We would like to share some of our home station clinical successes.

As you well know, the Family Advocacy Program's purpose is to prevent and treat family maltreatment. Mrs. Mary Fran Williamson, a civilian Family Advocacy Nurse at Offutt AFB, led the development of nursing practice guidelines to use for the care of family maltreatment cases and in the prevention of abuse. These guidelines recommend appropriate nursing interventions and were incorporated into the Air Force Parent Support Program, accessible via the internet-based Family Advocacy website.

Our partners in the Reserves spearheaded the first-ever DOD-wide video teleconference on Sexual Assault Answer. Lt Col Susan Hanshaw, a Reserve nurse assigned to the Armed Forces Institute of Pathology (AFIP), serves as the consultant to the Assistant Secretary of Defense for Health Affairs. In this role, she co-authored the DOD policy for sexual assault and directed the AFIP-sponsored Sexual Assault Response Team (SART) Training Program.

In one of our overseas locations, at Kaiserslautern Military Community (KMC), Germany, they are overhauling their primary care services. A unique feature of this endeavor is the establishment of a Women's Health Center, spearheaded by a Women's Health Nurse Practitioner, Major Elizabeth Decker. The goal of the Center is to improve access to care for women throughout the KMC, including active duty, dependents, DOD's teachers and civilian contractors. One highlight will be a specially designed "Comfort Room", specifically to support sexually assaulted victims. It will provide a soothing environment away from the emergency room for privacy and counseling.

On another continent, Independent Duty Medical Technicians (IDMTs), TSgt Steven Yates and TSgt John Strothenke from Eielson AFB, Alaska deployed in support of the Joint POW/MIA Account Command (JPAC) mission, which recovered the remains of 19 service members in the last calendar year. In addition, IDMTs supported forward-stationed detachments in Laos, Vietnam, Thailand and Cambodia by providing influenza vaccines, conducting Self Aid and Buddy Care classes, and giving Avian Flu awareness briefings. JPAC IDMTs assisted active duty physicians in Laos and Cambodia in conducting Medical Civic Action Programs (MEDCAP) for local villagers assessing and treating a wide variety of jungle ailments.

As the Department of Defense expanded its global reach, it became evident that understanding other cultures and languages is paramount. For several years, the Air Force Nurse Corps supported the development of cultural awareness and linguistic expertise through various humanitarian relief and military operations. Through the International Health Specialist (IHS) Program we gained access to countries that are otherwise somewhat inaccessible. Major Stephanie Buffet, an IHS

nurse, currently working for the CENTCOM Surgeon General, played a pivotal role in the Air Force's response to medical issues in the ongoing Pakistan earthquake relief efforts. She advised the Task Force commanders on building healthcare capacity with the Pakistan medical system and served as a liaison with the civilian and host nation response agencies.

A1C Stella Bernard, a medical technician in the Pediatric Clinic, from the 9th Medical Operations Squadron, Beale AFB CA, was a member of a 13-person medical team sent to Asuncion, Paraguay. She served as a Spanish interpreter as well as a medic. During their 10-day mission over 7,800 Paraguayans were treated with medical, dental, and preventive health services. A1C Bernard described this experience as "priceless".

Lt Col Diep Duong, a graduate of an AF-sponsored doctorate degree, directly supported multiple international medical missions. She established personal and professional relationships with senior medical leaders and U.S. defense attaches in Vietnam, Cambodia, and Laos. She led a 5-member multi-service medical team to Phnom Penh, Cambodia. Team members screened and treated 1,205 patients, delivered six babies, completed 263 prenatal visits, filled 2,378 prescriptions and distributed over 2,000 bed nets. An important component of this mission was collaboration between the United States, Cambodian and Cham Muslim health care providers to ensure appropriate and culturally sensitive delivery of health services to local women and children.

Air Force Nursing Services made an impact at the national-level as well. In May 2005, the American Association of Critical Care Nurses (AACN) recognized the CCATT nurses at the 59th Medical Wing for Excellence in Clinical Practice, Non-Traditional Setting. This award reflects the contributions of the entire team from the field medic to the tertiary care centers. In March 2006, the American Academy of Ambulatory Care Nurses presented national level awards to two AF nurses at their annual conference. Major Christine Taylor, from Dyess AFB won the Outstanding Nurse/Clinical Excellence Award and Lt Col Carol Andrews, from Randolph AFB won the Outstanding Nurse/Administrative Excellence Award. The Air Force Affiliate of the National Nursing Staff Development Organization (NNSDO) was awarded the prestigious NNSDO 2005 Affiliate Excellence in Quality Program and competed as a finalist for the Chief of Staff Team Excellence Award.

Our influence is also evident at the state level. A clinical nurse, Captain James Gabriel, received the Governor's Alaska Council on Emergency Medical Service (EMS) Award/Melissa Ann Peters Memorial Award. He orchestrated a benchmark Emergency Medical Technician (EMT) training program, which is now a model for the Interior Alaska Region Emergency Medical Council. Lt Col Roseanne Warner, a Family Nurse Practitioner from Cannon AFB, was the recipient of the American Academy of Nurse Practitioners New Mexico State Award for Excellence.

RECRUITING AND RETENTION

As you can see, Air Force Nursing Services is globally engaged, making recruiting and retaining nurses one of our top priorities especially with the national nursing shortage. On the civilian-nursing front, the Bureau of Labor Statistics reports that jobs for registered nurses will grow 23 percent by 2008. Nurses are entering the workforce at an older age with new graduates averaging 31 years old.

SKILL SUSTAINMENT

Col Florence Valley, Chief Nurse at the 332nd Expeditionary Medical Group, Balad AB, Iraq, stated, "when the Air Force Nurse Corps goes to war it brings inpatient nursing and aeromedical evacuation skills. These are our primary contributions to the war fighter." Great strides have been made to ease the transition from home station to warfront nursing care. For example, Wilford Hall Medical Center (WHMC) and the Air Force Theater Hospital (AFTH) in Balad have similar nursing requirements, which minimizes spin-up time. We credit this to the nurses' current inpatient care experience and to the continuous improvement of pre-deployment training.

I agree that the best way for nurses to maintain currency and to be effective in deployed settings is to have recent hands-on experience as inpatient clinical nurses. Maintaining our basic technical skills while working in areas where the skills are not used regularly, led to an updated policy on nurse utilization. Recently, I released a policy mandating that nurses working in outpatient and non-clinical roles will be required to complete a minimum of 168 hours annually on the inpatient units annually to maintain their skills. We believe that bringing seasoned clinicians back to the bedside will not only provide a more robust technically-ready force, but will also provide a setting of mentorship for our less experienced nurses.

Our senior leaders are already engaged, emphasizing clinical operational currency and expertise. Numerous VA Training Affiliation Agreements (TAAs) allow nurses to rotate to inpatient wards, maintaining their clinical skills. According to Lt Col Martha Johnston, Chief Nurse at the 377 MDG at Kirtland AFB, "The nurses love it!" The 377 MDG plans to expand the program to include the aerospace medical technicians.

Due to the unique missions at Balad, WHMC added the Defense Medical Readiness Training Institute's (DMRTI) Emergency War Surgery Course to their pre-deployment training to familiarize nurses with Balad-specific surgical procedures and care. Additionally, the nursing staff attends the Emergency Nurse's Association's Trauma Nurse Core Course (TNCC), which standardizes the approach to patient assessments. Finally, WHMC nurses attend a burn management course at BAMC.

The criticality of patients seen in deployed areas significantly changed our definition of skills sustainment training requirements. To meet the needs of our deploying nurses, we are increasingly using the Center for Sustainment of Trauma and Readiness Skills (C-STARS) training platform. The goal of C-STARS is to produce medics ready to respond to any peacetime or wartime contingency through intense clinical immersion. Training is augmented by participation in trauma scenarios based on actual wartime medical missions using high-tech human patient simulators programmed to respond realistically to medical care. Not surprisingly, nurses who attend advanced training platforms such as C-STARS report an easier transition to the deployed environment. One of our deployed nurse anesthetists, Major Brent Mitchell believed that without C-STARS training, he wouldn't have been nearly as effective.

The Uniformed Services University of the Health Sciences (USUHS) Graduate School of Nursing (GSN) Master Programs developed academic initiatives for the enhancement of "Go-to-War" Skill Sets of Advanced Practice Nurse. Some of these courses include Advanced Trauma Care for Nurses (ATCN), preparing students to function in operational environments and a Registered Nurse Surgical First Assistant, optimizing surgical outcomes.

The GSN Masters Program 2005 fall enrollment was at an all time high of 140 students. Over the past twelve years, Air Force nurses comprised 41 percent of the overall enrollment and specifically contributed to 43 percent of the Peri-Operative Clinical Nurse Specialist track. Since 1996, 62 percent of the CRNAs were Air Force graduates and we are proud that our Nurse Anesthetists once again had a 100 percent pass rate on the National Certification Exam. The three Air Force Doctoral Studies students are currently preparing for qualifying exams and grant proposals. Colonel Lela Holden, a part time doctoral student, is also moving into the dissertation phase of her program.

RESEARCH

Air Force nurses continue to remain at the forefront of operational research. Their work expands the state of nursing science for military clinical practice and infuses research into evidence-based practice. Lt Col Laurie McMullan, a nurse anesthetist forward deployed with the 447 EMEDS, employed the findings of a Navy research article on the "Effect of Needle Size on Success of Transarterial Block". She performed this short-needle regional anesthetic block on five Army soldiers requiring upper extremity surgical procedures, offering alternative anesthesia with a successful post-operative pain relief. We thank the Navy for their research, which allowed this Air Force nurse anesthetist to provide outstanding combat anesthesia to Army soldiers.

Other crucial areas of research being examined by Air Force nurses include Deployment Health, Sustaining Competencies, Military Practice Outcomes and Recruitment & Retention. Lieutenant Colonel Theresa Dremsa, a nurse at WHMC, is one of the Air Force's leading operational researchers and her current focus is to measure CCATT nurses' preparation for deployment. Her study examines the experiential knowledge of CCATT nurses in the care of critically ill or injured patients in a high-risk deployed setting. The results will be used to guide clinical practice in the future.

As large numbers of deployed members return home we must remain adequately prepared to help these veterans and their families with reintegration. Though return from deployment can be a happy occasion, homecoming can turn into a stressful event for troops and their families who are not alert to the impact of changes that occurred during separation. Unidentified and untreated PTSD puts them at higher danger for maladaptive responses to stress such as alcoholism and domestic violence. Colonel Deborah Messecar, from the Portland ANG, is conducting a study

to explore the experiences of ANG military families with reintegration and identify resources and strategies to assist them.

Disasters around the world over the past year have also emphasized the need to find ways to help affected military families. Research by Colonel John Murray, Consultant to the Air Force Surgeon General for Nursing Research, helped explain the consequences of disasters on children and provided the field with a framework to guide further research and clinical practice.

OUR WAY AHEAD

Several major events continue to shape our future. The Air Force transitioned to an expeditionary mission and now deliberately prepares our Airmen through aggressive Force Development policies and programs. In his 2004 letter "Developing Expeditionary Medics—A Flight Path," former CSAF, Gen John Jumper tasked the AF SG to "complete a comprehensive review of the medical group structure for our garrisoned and expeditionary medical groups." We have since developed a new Flight Path to guide our organizational structure and the development of our clinical discipline. The Flight Path guides more deliberate development for Nursing Services, placing the member in the right job at the right time, setting them up for career success and personal satisfaction while maintaining expertise at the frontlines of patient care.

The results of the BRAC mark a dramatic shift in DOD and Air Force healthcare capitalizing on multi-service markets, joint and interagency facility use, and civilian healthcare agreements. Air Force Nursing Services is already preparing for the many BRAC-related challenges by finding alternate inpatient platforms to train and sustain nursing personnel and by determining the right composition of active duty "blue suit" nursing requirements. We continue to evaluate our bottom-line deployment-driven Critical Operational Readiness Requirements (CORR) and use market availability along with cost data to recommend appropriate civilian conversions. The Nurse Corps plans to target company grade outpatient and maternal-child care positions for potential conversion while maintaining active duty nurses for inpatient platforms and other key career development positions.

Along these lines, the results of the 2001 Air Force Surgeon General-directed Nurse Corps Top Down Grade Review (TDGR) continue to guide our actions as we strive to balance our company grade and field grade authorizations. We remain optimistic that our course of action will help improve overall promotion opportunity therefore increasing the retention of our experienced nurses. We've successfully increased field grade requirements for deploying nurses and are taking steps to lay-in more senior clinicians at home station.

Mister Chairman and distinguished members of the Committee, it is an honor and a privilege to lead the men and women of our active, reserve and guard Nursing Services. My objective for this presentation was to provide you with a glimpse of the extraordinary men and women that make up Nursing Services and the exceptional work they are doing daily in the service of their country. I look to the future optimistically and desire your continued support during the exciting times ahead for nursing and our Air Force. Thank you for inviting me to tell our story.

Senator STEVENS. I thank you very much for your statements. I'm a little bit hesitant to ask questions, in view that I'm sitting here with the father and mother of the nursing corps of the Department of Defense. So they really have put in a lot of time, and, I must admit, a great deal more than I have. I do want to ask a couple of questions, though. I'm told the Army is short about 320 nurses. And you've heard, I believe, the conversation we had with the prior panel about the possibility that we might consider unification. Would unification help your corps at all? Would you tell me, General, and then Admiral and General?

General POLLOCK. Yes, I think that a joint unified command would help us. It provides more opportunities for the nurse corps officers because of the different platforms that we do have across the services. And it will also, I believe, be a retention tool, because there are times during our career that there are issues with our other families, our nonmilitary families, our families of origin, our siblings, where we feel a need to be closer to those families. By ex-

panding the assignment locations, we would be able to offer them more variety across the Nation for locations, and then also retain them.

Senator STEVENS. I know some women that I've talked to in the past don't like to fly. Others would not want to serve on a ship. Would unification give you problems with regard to the platforms that they might have to work on?

General POLLOCK. If I were in charge of planning it? No, sir. Because I think that we've chosen a particular uniform. And that would be our first emotional obligation, was to the organization that we had started with. But by giving people some flexibility, our younger staff are often very curious, and they're looking for new experiences in new locations. And having that as an option, not a mandate, would help us.

Senator STEVENS. Admiral.

Admiral BRUZEK-KOHLER. Thank you, sir. Yes, I think nurses, historically, have been able to informally make sure that the kinds of training and the kinds of experiences they need across the services and with our other agencies—in particular, with the VA and the public health—have always helped us to sustain, maintain, and grow. Having a unified medical command brings down the walls that help us to do that in a more effective and efficient way. I often say that the best retention tool I could have would be offering orders to Tripler to my Navy nurses.

I'm the first one in line to get a set of those orders.

So, absolutely, I think the possibilities for us, as corps chiefs and for all of our nurses, would be greatly enhanced by a unified medical command.

Senator STEVENS. General Rank.

General RANK. Sir, I mentioned in my testimony that there are already opportunities where we are side by side together. We are at Landstuhl with the Army. They are in Balad with us. And we have continued to offer, where they are short; and they have offered to us, where we are short, to work side by side in our inpatient platforms where we are critically manned.

We are on an Air Expeditionary Force (AEF) cycle of 120 days, where we go to the U.S. Central Command Area of Responsibility. I, like my sister from the Navy, would love to be able to keep our unit type code (UTC) together, but find platforms in the Army and the Navy that keep us current. I would love to lay nurses into places like Balboa and into Tripler. We are working, already, on that endeavor, with Walter Reed. And, as I mentioned before, we already have laid in staff for Landstuhl, with an Air Force chief nurse working side by side with the Army.

We are doctrinally different, and we train for care in the air, and we train for contingency air medical staging flight support. The Navy and the Army also are doctrinally different. But I think that we can work through all of our clinical platforms side by side, green, black, and blue together, and know what our heritage was, and work together with our heritage still blue, black, and green.

Senator STEVENS. I hesitate to ask this—I'm the father of three sons and three daughters, so I would ask it advisedly—has there been any reluctance on the part of nurses to be deployed into the war zone?

General.

General POLLOCK. I think there's reluctance always to have new experience. And certainly that is one that they know is very intense. I think that they're more concerned about the length of time that they're deployed, sir, because what they do is different than what the infantry and the armor and the other military members do, because each day that the nurses and medics and physicians are serving in those combat hospitals, every day they're dealing with an injured soldier or marine or airman or sailor. They don't have any relief from that. And as they express it to me, "Ma'am, we're willing to go. We know they need our help, and we want to be there. But a year is just wearing us down." So, I don't think that it's their—that they're afraid to go, because once they're there, they understand how valued they are by that community and how their loving and touching hands make a huge difference, but the duration of time that we're asking them to go now is really very, very hard on them.

Senator STEVENS. Have there been more deployments from any one of the services, as opposed to the other, into the war zone? Which of your services have sent more nurses into the war zone?

General POLLOCK. Sir, I would say that the Army has—we're the primary ground force. It's been a ground operation. We have had some support from both the Air Force and the Navy, but the majority of work is being done by the Army nurses.

Senator STEVENS. Here again, unification might give you a larger reservoir of people to rotate, correct?

General POLLOCK. I would be very grateful if we were able to balance the rotations among all of the specialists that are required, so that people did not need to deploy a second time, until they knew that their colleagues that had the same competency and same skills had also deployed.

Senator STEVENS. Admiral—

General POLLOCK. That would be a huge morale booster.

Senator STEVENS. Pardon me. Admiral, what's your feeling?

Admiral BRUZEK-KOHLER. Well, I'd like to agree that the Army has given us the largest volume of nurses in the battlefield. Navy nurses have—however, if you recall, are with the marines, as well as with our fleet, so our—although not always in war, they are with our sailors and marines throughout the year in many short-term deployments, as well. I'd like to illustrate it simply with a phone call that I made about 2 weeks ago. I was told that one of our Navy nurses is in Iraq and was injured by some shrapnel, not seriously, thank the Lord. When I talked to her, via telephone in Iraq, she was able to convey to me how important it was that she be where she was. She's the mother of five children, and a husband who's Active duty, as well. She had been offered, immediately after her treatment, and was offered by myself, to come home, and she said, without quivering, "Absolutely not."

I will tell you that everywhere I go, our Navy nurses want desperately to serve with our marines and with our sailors. That's why we put the uniform on, that's why we are here. Do we like being away from our families for a year? Absolutely not. Do we understand why that is an important thing that we do? Absolutely.

Senator STEVENS. General.

General RANK. As our personnel get ready to deploy, there is trepidation. It's trepidation about leaving the known, trepidation about what—how safe they'll be while they're there, trepidation about leaving their family behind. But there hasn't been a single nurse or medical technician that hasn't returned and provided an account to me in our Nightingale News every week when we put out our updates to what's happening in the nursing services that when we ask anyone, "What was the highlight of your career?" they tell us, "It was when we deployed. It was when we were far forward. It was taking care of the injured." So, they do return rejuvenated and—with what they've just done, and it is their most memorable experience.

In 2003, 407 of our nurses deployed; in 2004, 261; and in 2005, it was 394. Our inventory is 3,675. Only 11 percent of our nurses have been able to go to the U.S. Central Command Area of Responsibility. Granted, some of these skills are high-demand, low-density, but there is not a nurse, as I move through the Medical Treatment Facility (MTF), that doesn't say to me, "I want to deploy, and I'm ready to deploy." And we have laid in, in our UTCs, as I mentioned in the testimony, more seniority, so that it's not just our captains going, over and over again; now our majors can go, and now our lieutenant colonels can go.

And I would say of our relationship together, give us a mission, give us one of your missions, like we are doing in Balad, and we will do that mission, and stand proud to do that total mission.

Senator STEVENS. Well, thank you all very much. I have another appointment. I'm going to ask the co-chairman if he will continue this hearing.

Thank you very much.

Senator INOUE [presiding]. Thank you very much.

All of the services have not been able to meet their recruiting goals. And I think that's understandable, because the nursing shortage is a national problem. I just read the report of the American Association of Colleges and Nursing that reported last year there was an increase in enrollment for entry-level baccalaureate programs in nursing, by 14 percent; however, at the same time, they turned away 32,000 qualified applicants. With that, we won't be able to solve the problem. Do you have any suggestions as to anything we, in the Congress, can do to work on this national shortage?

General Pollock.

Admiral BRUZEK-KOHLER. I think that one of the most important things that we all need to recognize is the importance of the role of the nurse. We need to market the expertise, the care at the bedside, the care of family that is unique to the profession of nursing. You do not see that in other types of care. I think they need to be incentivized to be able to make that a profession, as well as a part of a lifestyle for those wanting to raise a family or to get an education and further their careers.

This year, in the Navy, we have instituted as many of the opportunities afforded to us with our loan repayment programs, but, most importantly, we have pipeline programs within the Navy, so that we give an opportunity to our enlisted staff to become nurses, and we are depending more and more on that population for the

health and the breadth of the Navy Nurse Corps. I believe that our direct accessions in the future need to be more pointed toward those with specialties, as opposed to our new graduates. Again, when you look at the wartime skill sets, we don't train enough critical care nurses, we don't train enough perioperative nurses. I need to bring them in, I need to get them hitting the deck, and I need to get them providing that kind of care as quickly as possible. So, we need to be able to incentivize bringing in nurses with more seniority in the civilian practice, rather than those who are looking at this as a future, as a new graduate.

Senator INOUE. General Pollock.

General POLLOCK. Thank you, sir.

I think that the profession of nursing continues to struggle, because they've not completed a transition that was started in the early 1970s. Other professions are recognized for their college entry into that profession. And until nursing across the Nation completes that transition, which it started then, we will continue to not be well recognized as professionals. And with the opportunity that men and women have now, they're selecting professions that will provide a better lifestyle and a better income for their families. So, dealing with the lack of respect that nurses have in the Nation is an integral step to solving the nursing shortage.

Another piece is the low salary and high demands that are placed on the faculty members at the universities, because when people have an option of being a faculty member or working in another facility as a nursing executive, because they're master's or Ph.D. prepared, very few are opting to take that lower salary, that lower respect afford in the academic community. They're selecting where they can lead and mentor nurses in other areas.

Those issues must be addressed nationwide in order for us to be successful in the future as nurses.

Senator INOUE. General Rank.

General RANK. General Pollock and Admiral Bruzek-Kohler just said everything I was about to say. I would ask, Senator, if there is any way for us to establish more publicity for healthcare careers at the health affairs and congressional levels. That would certainly help, beyond a recruiting effort, to bring some of the nurses to us. But I ditto what my colleagues have said about the nursing shortage, in that it's pervasive and carries over into our services.

General POLLOCK. Sir, I'd like to make one more comment about that and the need that we will have for those educated nurses with entry at a baccalaureate and proceeding on for a master's and Ph.D. work. The research over the last 5 years strongly indicates that patient safety and patient outcomes are far better the higher the education level of that nurse that's caring for them. So, as we look at the needs and the complexity of the patients that are presenting now, it becomes even more critical that we address the failure of the universities to be able to bring in the faculty that they need so that we can care for the citizens of our country.

Senator INOUE. I've always contended that pay plays an important role in recruiting. It's a fact of life. And there's another factor, in this case, where the nursing profession appears to be female-dominated. And this is a man's world, unfortunately. And the male gets a better pay scale than the woman. Now, in the civilian nurs-

ing community, there are not too many men working as nurses. What is the proportion, in the Army, of men?

General POLLOCK. Sir, the Army Nurse Corps is 32 percent male, compared to less than 5 percent in the civilian community.

Senator INOUE. And for the Navy?

Admiral BRUZEK-KOHLER. Thirty-seven percent, sir.

General RANK. Twenty-five percent male, sir.

Senator INOUE. What can we do to encourage more male participants in the nursing programs? Because then the pay scale will go up?

Those are the facts.

General POLLOCK. I think that some of the public-service announcements that have been done by Johnson&Johnson in their nursing advertisements across the Nation have been focusing on males. It's been relatively easy inside our organizations, because our enlisted soldiers, again, are primarily male. They see what military nurses do, and they make that commitment to then complete their education and be a member of one of our corps. So, getting more of the men out, which all of us are doing through our recruiting efforts, helps to let the other men in the communities know that may have been concerned, "Gee, I'll only be such a small portion of the percentage of nurses," that there really are organizations in which they have a large place.

Senator INOUE. Thank you.

Senator MIKULSKI.

Senator MIKULSKI. Thank you, Mr. Chairman—or Mr. Acting Chairman. I don't know if that's a battlefield promotion you just got here today.

You can see, from Senator Inouye's questions, why we just so admire him and the chair who's serving with him.

Senator Inouye, you should know that not only is Maryland the home of medical medicine, but two of our generals graduated from the University of Maryland School of Nursing. And—

Senator INOUE. Oh, really?

Senator MIKULSKI. General Kohler, I guess we have to give you an honorary something-or-other.

And General Rank actually was born in Frostburg, Maryland, Garrett County, the Switzerland of Maryland. So, there is something—

General RANK. Allegheny.

Senator MIKULSKI [continuing]. Excuse me—Allegheny—there is something that's a magnet here.

I'd like to pick up on the nurse education issue that Senator Inouye raised. And the point that he made, all of the issues about attracting people to the career of nursing are right—respect, pay, et cetera. But I have a little advisory board of the nine deans of nursing of the 4-year programs in Maryland, the dean of the University of Maryland and Johns Hopkins, and then other 4-year programs. And what they, of course, tell me is, they are now turning away—the issue of not being interested is no longer so—they're now turning away people who want to come to nursing. They identify the lack of graduate faculty and the lack of clinical training opportunities, the hands-on that, of course, is the hallmark of the field.

And I think this is a national crisis. We have the civilian crisis, which would transfer to your ability, because you're in a war for talent, in addition to the global war on terrorism, so you're going to the same pool, so it's magnified for all of the stresses that you've just said. So, my question is: What is the role of the military? Because when we want to do an intense program, we tend to do it. What is it we could do? Do you think we could be looking at focusing on training, getting ready for some special accelerated or expanded program to get people to go to graduate school, with the understanding that they would go into nursing education? Should we use USUHS? Should that be the military academy for nursing educators to then train nurses? Should we expand the USUHS model? Should—you know, we graduate about 1,000 midshipmen; how do we graduate 300 to 500 nurses a year? And is USUHS one of the ways of doing this? And also to take out of, as you said, the pipeline, some of your really talented people who want to make not only military a career, but as they transit, say, from battlefield or TRICARE, they would love to be nursing educators. What's your thoughts on that? Is USUHS something, or are there other linkages that the military could have with our civilian sector for nursing education? And should our military bases and military medicine be the source of clinical opportunities for people? So—you tend to go with what you know—so, if your clinical is at Maryland or Mercy Hospital, you tend to stay there, almost like the so-called 3-year girls. You remember that. And—but if they were in the military, that would also be part of your attraction, the way General Taylor and others talked about recruiting. What do you think? Or am I off the wall here?

General POLLOCK. In the past, ma'am, the Army Nurse Corps had run a full baccalaureate program. That program was closed in 1978. That was the Walter Reed Army Institute of Nursing Program. At current strengths, I would not be able to manage that mission and do the other missions that we have, both at home and around the world.

Until we're able to figure out where we can draw the faculty from, even if USUHS was willing—

Senator MIKULSKI. What I'm asking you—

General POLLOCK [continuing]. We wouldn't be able—

Senator MIKULSKI [continuing]. Where could we play a role in developing the faculty to then expand it, where we keep—unless we crack the faculty problem, both in the civilian and in the military sector—and I'm looking at cracking it from the military standpoint, that the military would have its own faculty cadre—

General POLLOCK. Ma'am, I've had a Strategic Issues Working Group working on the education piece for me. What I'd like to do is provide you a written response of—

Senator MIKULSKI. Good, why don't we do that.

General POLLOCK [continuing]. Recommendation—

[The information follows:]

Each year, thousands are denied entry into baccalaureate nursing programs due to faculty shortages. The fiscal year 2005 National Defense Authorization Act recommended the creation of a Nurse Officers to Educators Program to address this issue. A complicating factor related to this issue is a concomitant national shortage of nursing faculty. A 2005 American Association of Colleges of Nursing survey reported 817 faculty vacancies nationwide, with 77 percent of those positions requiring

both classroom and clinical teaching. The study also reported that many schools are not hiring against these vacancies due to budget problems. The Army recommends that the three military Nurse Corps serve as members of a working group to identify solutions to this national crisis.

Senator MIKULSKI. Do the other Generals have a comment on this? And I'm trying to think out of the box, but I don't want to get myself into a new box—

Admiral BRUZEK-KOHLER. Yes, ma'am.

Senator MIKULSKI [continuing]. You know.

Admiral BRUZEK-KOHLER. I think there are—there are many innovative ways to approach exactly what you're asking for. And I agree with General Pollock that we need an opportunity to sit together and provide you some background on the pros and cons to many of those. But you did mention the clinical rotations, and that is one of the major factors. I've spoken with the dean of Marymount not too long ago, and that was one of her biggest concerns, that she was not able to get enough faculty—clinical faculty working in an institution to train her graduate students. So, I think one of the things that we need to work more on, along with our sister service and the VA, is to determine ways that we can better link up our clinical institutions with the surrounding schools of nursing to make sure that we're giving them enough opportunity. Because sometimes it's just a matter of not knowing the need. We have nurse practitioners in most of our ambulatory care clinics. I know for a fact that my nurse practitioners would love to be a mentor to a graduate student who was going on to become a nurse practitioner.

So, I think if we have the opportunity to provide you with some more information, we may come up with some good activities for you.

[The information follows:]

On an annual basis, the Navy Nurse Corps shapes our graduate education training plan based on our health care and operational mission support requirements. Approximately 50 Nurse Corps officers graduate with a Master of Science degree in Nursing from accredited universities each year. On average, one to two Nurse Corps Officers graduates each year with Doctoral Degrees. These Nurse Corps Officers are eligible to serve as faculty in our universities and Schools of Nursing while on Active Duty, and upon retirement. Eighty-eight percent of our Active Duty Nurse Corps Officers with Doctoral degrees serve as faculty after normal working hours. Currently 100 percent of our most recently retired Nurse Corps Officers with Doctoral degrees fill faculty positions in national universities. The majority of Nurse Corps officers with a Master of Science degree in Nursing do not pursue faculty roles in Nursing Education for a variety of reasons. These reasons are in alignment with current literature related to nursing faculty shortages. Navy Medicine currently has a Nurse Corps Leader who serves as the military liaison to the Maryland Statewide Commission on the Crisis in Nursing.

Other opportunities to promote and encourage our nurses to become involved in faculty roles are available in our Military Treatment Facilities (MTF). The Nursing Internship Programs utilize our Bachelor's and Master's degree Nurse Corps Officers as clinical instructors to orient recent graduates and Registered Nurses with minimal clinical experience to the profession of nursing. A large percentage of our MTFs and staff are involved with undergraduate and graduate Schools of Nursing as preceptors and clinical consultants to grow the next generation of nurses.

Many of our Nurse Corps Officers are members and elected officials of Sigma Theta Tau International Honor Society of Nursing in affiliation with their local chapters in support of leadership and scholarship practice. Members are provided resources which encourage advanced practice, academia, administration and research.

At the Uniformed Services University of Health Sciences (USU) in Bethesda, Maryland, several of our Navy Nurse Corps Officers serve as faculty in the graduate

programs for perioperative nursing, family nurse practitioner and certified registered nurse anesthetists. USU is experiencing faculty shortages in light of meeting our primary mission involving the Global War on Terrorism. Presently, the civilian schools of nursing meet our quotas for undergraduate accessions and graduate and post graduate programs. Navy Medicine recommends expanding the Army's Strategic Issues Working Group into a Tri-Service working group as a subcommittee of the Federal Nursing Services Council. It's mission would include opportunities for the services to collaborate with civilian schools of nursing to positively impact the issue of the national nursing faculty shortage.

The issues involving the national nursing faculty shortage are very complex and multi-layered such as aging faculty, faculty salaries and mentoring programs for new faculty. The Navy Nurse Corps is committed to continuing to explore opportunities that would maximize the use of existing resources along with our sister Services and Federal agencies to map the future for the nursing profession.

Senator MIKULSKI. And one of the things that sometimes happens in a clinical situation is, the person who is the clinical supervisor, in addition, say, you know, at Mercy Hospital with Marymount, or Mercy Hospital with Maryland, they can have an adjunct faculty status.

Admiral BRUZЕК-KOHLER. Yes.

Senator MIKULSKI. They like that.

Admiral BRUZЕК-KOHLER. Absolutely.

Senator MIKULSKI. They just like it. It's part of the attraction, as you said, and it's part of that family, "Well, you know, we're military nurses," and, "Mom does this," and, "Mom's on the faculty," or, "Dad's on the faculty."

The other is the promotion within—not the promotion, but the recruitment within, the corpsman who might want to go to nursing school. Like Senator Inouye said, the guys getting into nursing. Are there ways that we could enhance it? In other words, they've signed up for the military. They've signed up for the military lifestyle, and so has their family. So, there's nothing new here. But the opportunity to move within, is this something that we should look at, enhance, expand, help you have other tools——

Admiral BRUZЕК-KOHLER. Yes, to——

Senator MIKULSKI [continuing]. Financial resources?

Admiral BRUZЕК-KOHLER [continuing]. All the above. Yes, to all the above. It is the lifeblood of our nursing services for the Navy. We have the Reserve Officer Training Corps (ROTC)—Navy ROTC program, the STA-21, which is seaman to admiral program, the Medical Enlisted Commissioning Program (MECP) enlisted program. And without those programs, we would never meet our accession goals. They really give us the strength and breadth of our nurses for the future. And these are people who are committed to the Navy. They are not always our corpsmen, they are, across the board, our best and brightest, who want to become a nurse, and go through these programs, and then commit to a long term in the corps. So, we are looking at increasing, in all of those programs, the number of available seats for next year. We hope that we can continue to increase those numbers.

Senator MIKULSKI. You mean, somebody right now who might be working as a medical librarian or in another area in the military wants to come into nursing.

Admiral BRUZЕК-KOHLER. Someone maybe on a ship right as a cyto——

Senator MIKULSKI. Cytologist?

Admiral BRUZЕК-KOHLER [continuing]. A cryptotech—a cryptotech, nonmedically related at all, but had a desire all along to be a Navy nurse, applies to the program, meets the requirements, and is selected, and will become a Navy nurse.

Senator MIKULSKI. General RANK, did you want to say anything?

General RANK. Ma'am, in preparing for testimony, I found an interesting fact about our enlisted corps: 24 percent of our nurses in the Air Force were prior enlisted; 8 percent came from the Air Force and 16 percent from the Army and the Navy.

Senator MIKULSKI. See? They're there. They're there in the military, and they've embraced it. You know, there is a saying, "Mine where there is gold," "Drill where there is oil, as long as it's not off the coast of Ocean City."

And——

General POLLOCK. Ma'am?

Senator MIKULSKI. I just think that this offers opportunities, but they still have to go somewhere to school. And see what we can do about that. I'd like to have further conversations or written materials on it.

The last thing is, has the debt repayment programs made a difference? The reason I like debt repayment is, it means you've already got yourself through school—you know, you start nursing, it might not be for you. So, it means you've not only finished it, but you've passed the boards, you know, you're ready to go. Has this worked?

General POLLOCK. Yes, ma'am.

Admiral BRUZЕК-KOHLER. Yes.

Senator MIKULSKI. Do you like it better than scholarships, or you need a mix?

General POLLOCK. I'd like both. We have a population that likes options and wants alternatives. So, knowing that we can offer some—it's almost a cafeteria plan, some of this and some of this—is really helpful.

Ma'am, I'd like to provide one other piece of information about our enlisted commissioning program. This year, we funded 75 soldiers to complete their baccalaureate degree. So, in 2 years, they'll be available for us. We had 125 applicants, and 122 of them met all criteria. So, as——

Senator MIKULSKI. And why did you only do 75? Is that all the money you had?

General POLLOCK. Yes, sir—yes, ma'am.

Senator MIKULSKI. Well, Senator Inouye, this might be where our biggest pool is for recruitment. And we should look at what the levels are there and welcome thoughts about how maybe——

General POLLOCK. General Kiley——

Senator MIKULSKI [continuing]. This is——

General POLLOCK [continuing]. Has been assisting us——

Senator MIKULSKI [continuing]. An existing pipeline.

General POLLOCK [continuing]. In that——

Senator MIKULSKI. Excuse me?

General POLLOCK. Sorry. General Kiley has been assisting us to obtain more money for that, because he knew that we had those additional candidates ready to go.

Senator MIKULSKI. But I bet we could go to each service, and that would be the case. Am I right, that you have now more than you can fund? But if we fund them, it's a pretty good bet that they'll finish—

General POLLOCK. Oh, yes, ma'am.

Senator MIKULSKI [continuing]. And stay.

General POLLOCK. Yes, ma'am.

Admiral BRUZEK-KOHLER. Uh-huh.

Senator MIKULSKI. Just one last thing. If, then, after they do that, are they still treated like a GS-5, or would they get an accelerated promotion?

General POLLOCK. No, they're treated like officers, and they begin as second lieutenants, the way that the other new graduate nurses are begun.

Admiral BRUZEK-KOHLER. And it's very interesting, when you talk with them. The transition is there, clearly. And the longer you've been an enlisted person, the more of a transition. But once you become a nurse and you're practicing in the field that you've wanted to practice for a very long time, they are a Navy nurse. What is important is that experience as an enlisted—previously enlisted person is what we use then to help teach our other enlisted people, "This is where I came from. This is what you can become." So, they become, again, a very good recruiting tool, as well as educator and mentor for our organization.

General RANK. Ma'am, the other things I would add is the debt repayment program. We love it in the Air Force Nurse Corps, because it's a graduated nurse who has a license in her hand, and she can go right to work immediately. So, we really love that program. And I'm looking at my statistic, that we have 25 percent males, and 24 percent of our enlisted corps is enlisted. So, I'll have to look at those two to see if it's predominantly a male force that came up through the enlisted ranks and now is in our nurse corps.

Senator MIKULSKI. Well, and, of course, then I hope that out of those that are already military nurses, we can think about how to help them become faculty, either in the academic sense of that word or in some way offer the clinical opportunities. And I'll bet it's going to be a bonanza for everybody.

So, let's work together on it, but I think we can make a difference. You already are making a difference. And thank you very much.

Senator INOUE. This has been a very interesting discussion. And while listening to all of you, I couldn't help but recall that a few years ago we decided that cancer was a major scourge. And, as a result, the Government and the Congress established special subsidy programs for medical schools to set up cancer centers for special studies. Now, I think the time has come to declare that the nursing shortage is a national crisis. And, if that's the case, we can do a lot of things that you have suggested, with proper funding from the Congress of the United States. It's just as much an emergency as we find in anything else. So, I thank you very much for your contribution.

And, if I may, I'll use this for a personal note. Since April 1945, nurses have played important roles in my life. And I thank them for giving me the hope and the picture of the future, the good life.

And I'm certain there are thousands, if not millions, of others who have spent time in hospitals who feel the same way.

Admiral BRUZEK-KOHLER. Thank you, sir.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUE. Well, thank you all for your testimony.

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

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL KEVIN C. KILEY

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. Have you modified the training you provide your Army medics and Navy Corpsmen and other military emergency care providers since hostilities began? What is your assessment of emergency care on the battlefield?

Answer. The Army Medical Department has changed the training of Army medics based on lessons learned from Operation Enduring Freedom and Operation Iraqi Freedom. We have incorporated these changes into the Army's Initial Combat Medic training at Fort Sam Houston, Texas and at new Medical Simulation Training Centers at major Army installations. We have also used these lessons to train deploying physicians, physician assistants and nurses.

Some examples of these changes including improving the medic's training in managing patients with hypothermia; the use of tourniquets and hemostatic agents as the primary means of controlling bleeding; the use of endotracheal intubation and nasopharyngeal airway for airway management; and training in medical support to detainee operations.

Feedback on the quality and effectiveness of battlefield emergency care from returning units is very positive. The statistics of battlefield mortality are the lowest in any previous conflict in which our country has been involved. The major causes of death on the battlefield have remained unchanged since the Civil War. These are: penetrating head trauma, massive torso trauma, blast trauma, hemorrhage from extremity wounds, tension pneumothorax, and airway difficulty. Of these injuries, Combat Medics significantly impact extremity hemorrhage, tension pneumothorax, and airway difficulty. Based on data from Vietnam and trauma data from Operation Iraqi Freedom/Operation Enduring Freedom, we employed new training methods that encompass the types of wounds and the danger of the combat environment.

In addition to Soldier Medic training, the Army's Self-Aid/Buddy-Aid skills training for every Soldier has also been revised, also focusing on the preventable causes of death on the battlefield. A new Combat Lifesaver Course incorporates many of the principles used in training Combat Medics. The combination of these training programs allows more medical skills to be available on the battlefield to save Soldiers' lives.

Question. How successful were you in meeting your mission recruiting goals for this past year? Are there any specialties that have seen a drastic decline in retention?

Answer. The Army Medical Department and United States Army Recruiting Command (USAREC) had varying degrees of success in meeting our recruiting goals for fiscal year 2005. We achieved 99 percent of our Medical Corps goal, 84 percent of our Dental Corps goal, 100 percent of our Medical Service Corps goal, 83 percent of our Army Nurse Corps goal, 110 percent of our Veterinary Corps and 151 percent of the Specialist Corps goal for individuals entering on to active duty. For the first time, we experienced difficulty in recruiting to 100 percent of our Health Professions Scholarship Program (HPSP) allocations. USAREC is working hard to ensure that this is not the start of a trend.

Retention of our fully trained force is a priority. While increases in incentives have helped, we still have retention challenges. Specifically, we are closely monitoring Anesthesiology, Pediatrics, Family Practice and Emergency Medicine. We have also seen a decline in Physician Assistants and all Nurse specialties.

Question. What are you as a service doing to try and address these critical shortfalls? How do you carry out the medical mission at home and abroad with a decline in recruiting and retention of specialty medical personnel?

Answer. The National Defense Authorization Act for Fiscal Year 2006 granted temporary Recruiting Incentives Authority for up to four new programs that should assist with the Army recruiting mission. One of these programs, the Recruiter In-

centive Pay (RIP), will provide monetary incentives for AMEDD recruiters to exceed their missions. RIP has been approved and is expected to begin in June 2006, after the mandated 45-day waiting period.

Another new program under review is the Officer Accession Bonus, which includes an additional monetary incentive for AMEDD applicants. This bonus would offer an immediate show of good faith and expedite the acceptance process. This program is expected to begin this summer or at the beginning of fiscal year 2007.

Additionally, we are pursuing a critical skills retention bonus for the physician assistants. We are pursuing incentive special pay for certain nurse specialties. We increased the incentive special pay for nurse anesthetists. We are increasing the nurse accession bonus for fiscal year 2007. We are exploring the increase of special pays for dentists. We utilize professional officer filler information system (PROFIS) personnel to fill shortages/vacancies within deploying units. The TRICARE network as well as temporary contracts are then used to meet the beneficiary mission.

Question. There is growing concern with how the Department monitors and addresses the emotional and mental health of each returning soldier, sailor, airman and Marine from combat. Can you each tell us how you are monitoring and treating those that are at risk for Post Traumatic Stress Disorder?

Answer. The Army Deputy Chief of Staff for Personnel (DCSPER) and the Army Surgeon General (TSG) share responsibility for the prevention and screening for Post Traumatic Stress Disorder (PTSD) for both active and reserve component Soldiers serving in the Global War on Terrorism (GWOT). The DCSPER is responsible for the Deployment Cycle Support Program (DCSP) aimed at Soldiers and family members and TSG has oversight of the Combat and Operational Stress Control (COSC) program aimed at Soldiers serving in GWOT. TSG also exercises command and control over behavioral health services at Army medical centers around the world providing treatment for Soldiers with PTSD.

During pre-deployment, the DCSP provides extensive training to Soldiers and family members on the operational and combat stressors and ways and means to lessen the impact of deployment and traumatic events. DCSP resources available to Soldiers include buddy aid, leadership support, chaplaincy services, primary care and behavioral health services. Family members are instructed on their roles, responsibilities and ways and means by which they may cope more effectively, support their deploying Soldier and seek and receive support and professional assistance. Soldiers are also introduced to COSC concepts and resources to prepare for combat and operational stress. Medical and behavioral health personnel are positioned in theater for forward prevention and care, to do assessments of unit and Soldiers' behavioral health needs, to teach techniques for prevention or reduction of acute stress reactions and to help conserve the fighting strength of the force by providing short term problem focused behavioral healthcare.

Prior to deployment Soldiers receive a pre-deployment assessment which includes a question about mental health. If Soldiers have a positive response to the mental health question, they receive a further evaluation by a clinician. The final recommendation is based on clinical judgment and commander input, which considers the geographical area in which the Soldier will be assigned and the potential environmental/austere conditions.

A face-to-face post-deployment health assessment (PDHA) by trained healthcare provider during the re-deployment process has been in place for several years aimed at identifying and referring Soldiers with PTSD symptoms needing professional assistance. Referrals of these Soldiers for behavioral healthcare have routinely taken place and early intervention to lessen the impact of traumatic experiences has been emphasized.

Beginning in 2006, all active and reserve component Soldiers are receiving a face-to-face post-deployment total health re-assessment (PDHRA) at three to six months post-redeployment. Specific questions on the PDHRA screening aim at measuring the presence and impact of PTSD symptoms. Behavioral healthcare providers will be utilized to further assess the needs of Soldiers and ensure care is offered. If following the re-assessment there are identified healthcare needs, Soldiers will be offered care through by military medical treatment facilities, by Department of Veterans Affairs' medical centers or VET centers, by private healthcare providers through TRICARE, or through community-based healthcare organizations established by the Army.

If a Soldier has post-traumatic stress disorder or other psychological difficulties, they will be further evaluated and treated using well-recognized treatment guidelines. These include psychotherapy and pharmacotherapy. They may be delivered in a variety of venues, to include in theater and garrison, an outpatient or inpatient setting, and individually or in a group.

Question. How do you determine when a service member who has been receiving treatment for PTSD is ready for deployment again? Are once-deployed soldiers, sailors, airmen and Marines being sent back too early?

Answer. The Army uses multiple screening processes to ensure all Soldiers who deploy are capable of performing their duties and do not pose a risk to themselves or other members of their unit.

Prior to deployment Soldiers receive a pre-deployment assessment which includes questions about mental health. If Soldiers have a positive response to the mental health questions they receive further evaluation by a clinician. If the Soldier has symptoms of PTSD on the pre-deployment assessment, the symptoms are evaluated and treated by a mental health practitioner. A fitness for duty assessment is ordered if necessary. The final recommendation on deployment is based on clinical judgment of the treating provider and input from the unit commander.

Research shows that all Soldiers are affected by combat experiences and the most seriously affected are those exposed to frequent direct combat or the injuries sustained in combat. It is likely that multiple deployments will lead to increased symptoms of PTSD. Soldiers with PTSD are identified in multiple ways. They may self-identify, be identified by the post-deployment health assessment, the post-deployment health re-assessment, or be referred by a family member or command. If a Soldier has PTSD or other psychological difficulties, they are further evaluated and treated using well-recognized treatment guidelines. These include psychotherapy and pharmacotherapy. They are delivered in a variety of venues, in theater and garrison, an outpatient or inpatient setting, and individually or in a group.

QUESTIONS SUBMITTED TO VICE ADMIRAL DONALD C. ARTHUR

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. Have you modified the training you provide your Army medics and Navy Corpsmen and other military emergency care providers since hostilities began?

Answer. Yes, the Navy has integrated emergency/trauma training throughout the educational continuum and in a variety of training centers. Please note the examples below:

Naval Hospital Corps School, Great Lakes, IL (NHCS).—This is the first school in the career of a Corpsman. Since 2002, many changes have been made in response to regular communication between Field Medical Service School (FMSS) and NHCS. A variety of lessons and content have been added to the Tactical Combat Casualty Care and Care of the Patient with exposure to Nuclear Explosives courses. The courses have transitioned from group-paced lectures into a 100 percent blended learning environment.

Independent Duty Corpsmen (IDC) Training at Naval School of Health Sciences (NSHS) San Diego, CA.—The IDC program has adjusted its curriculum to enhance the training for medical personnel who perform in an operational/remote environment, often without a medical officer. In the last two years students now attend the Operational and Emergency Medical Skills (OEMS) course which provides training to care for casualties using the principles taught in Advanced Trauma Life Support (ATLS) and addresses the mission of special medical care: prolonged transport times, unique military wounds and the pre-hospital environment. Additionally, the IDC program trauma unit has been revised to incorporate the principles/curriculum of TCCC.

Tactical Combat Casualty Care (TCCC).—Corpsmen and Medics are trained in TCCC in response to evidence based practice used on the battlefield. The USMC has published a Marine Corps Order that all 8404s will now receive TCCC training. The Naval Expeditionary Combat Command (NECC) has adopted the same requirements for their Corpsmen. To help support the NECC and USMC Individual Augmentee (IA) deployment TCCC training, the Naval Medical Education and Training Command (NMETC) has instructed the Naval Operational Medicine Institute (NOMI) to institute a TCCC "Train the Trainer" program. The first training sessions will take place the first week of June 2006 with multiple courses to follow.

Naval Expeditionary Medical Training Institute located at Camp Pendleton, CA (NEMTI).—NEMTI is instructing and updating Fleet Hospital (FH), Expeditionary Medical Facility (EMF) and Battle Skills standards based on requirement-driven training. These training standards are built upon several items: Subject Matter Expert Review, current AOR After Action Reports, Medical Lessons Learned and requirements based upon specific COCOMs, OPLANS, and AOR's. This is also aligned with the Naval Audit Report (2003).

Joint Special Operations Medical Training Center in Fort Bragg, NC (JSOMTC).—Curriculum changes were made to move the Combat Trauma Management module to the Special Operations Combat Medic (SOCM) course to provide the Army Rangers, 96th Civil Affairs Medics, SEAL Corpsman, Recon Corpsman, and Special Warfare Combat Crewman additional trauma training before going to their units. The total curriculum remains the same with minor changes to curriculum information and updates to support feedback and after action reports from the field. The length has remained the same; the frequency of the training has increased from four classes per year to eight beginning this fiscal year.

Marine Aircraft Wings (MAW) Training.—MAWs have instituted training of organic, Medical Augmentation Program (MAP) personnel and Individual Augmentees to serve as Casualty Evacuation Corpsmen. The training which includes trauma care, aviation physiology and aircraft orientation varies from 1–4 weeks. In addition Navy squadrons are augmenting the Army Air Ambulance Mission and have procured Search and Rescue (SAR) Corpsmen and provided them with 4 weeks of Army Flight Medic Training under the auspices of NAVAIRFOR.

Navy Trauma Training Course located at Los Angeles County-USC Medical Center, Los Angeles, CA (NTTC).—This entire program for Corpsmen, Nurses and Physicians was started in the summer of 2002 in support of the increased operational tempo and the need for trauma training. Traditionally Naval Medical Facilities did not treat a sufficient number of trauma cases to provide adequate initial and sustainment training to achieve proficiency. NTTC incorporates a military specific Pre Hospital Trauma Life Support (PHTLS) training for Corpsmen as part of their curriculum.

Question. What is your assessment of emergency care on the battlefield?

Answer. “Emergency care on the battlefield is much improved, so much so that the survival of our combat casualties is vastly better than it was in Viet Nam.” This quote is from the Journal of Trauma, February 2006. (Holcomb JB, Stansbury LG, Champion HR, Wade C, Bellamy RF. Understanding combat casualty care statistics. J Trauma. 2006 Feb;60(2):397–401.)

COMPARISON OF STATISTICS FOR BATTLE CASUALTIES, 1941–2005

	World War II	Vietnam	OIF/OEF
Percent KIA	23.7	21.3	12.5

Question. How successful were you in meeting your mission recruiting goals for this past year? Are there any specialties that have seen a drastic decline in retention?

Answer. The Navy’s Medical Department Recruiting did not meet recruiting goals in fiscal year 2005 for either the Active Component (AC) or Reserve Component (RC) and has had limited success this year to date. The Nurse Corps has been much more successful this year with its student programs and Direct Accessions thanks to the initiatives mentioned below. The Direct Accessions for the Medical Corps, Dental Corps and Medical Service Corps are falling short of the mission recruiting goal this year.

The following specialties have had an increased loss rate over the past few years:

Medical Corps—Preventive Medicine, Psychiatry, Family Medicine, and Occupational Medicine.

Dental Corps—Endodontics, Orthodontics, and Periodontics.

Medical Service Corps—Clinical Psychologists, Pharmacists, and Physician Assistants.

Nurse Corps—Family Nurse Practitioners.

Question. What are you as a service doing to try and address these critical shortfalls?

Answer. Efforts to increase recruitment and retention of qualified health care professionals in Navy Medicine are underway in several directions. This year, the compensation for Health Services Collegiate Program (HSCP) students (used by Dental Corps and Medical Service Corps) increased from E3 to E6 pay, greatly improving the success of that program. Increases in the Dental Officer Multiyear Retention Bonuses were also realized for fiscal year 2005.

The fiscal year 2006 NDAA recently authorized Incentive Special Pay (ISP) for Oral and Maxillofacial Surgeons.

Funding has recently been increased for the Health Professions Loan Repayment Program (HPLRP) which was authorized in 1998. This offers over \$30,000 per year

to be paid directly toward loans incurred for healthcare training. This is used for both retention and recruitment across all medical communities.

Nurse Corps recruiting continues to be impacted by the national shortage of nurses, resulting in strong competition for a finite pool of work force nurses and nursing school students. The primary strategies chosen to recruit and retain our Nurse Corps officers include the following:

- The Nurse Corps Direct Accession Bonus was increased at two levels: \$15,000 (incurring a 3 year obligation) and \$20,000 (with a 4 year obligation).

- HPLRP was offered for the first time this year as both a recruiting and retention tool.

- The Nurse Candidate Program (NCP) accession bonus was increased from \$5,000 to \$10,000, and the monthly stipend increased from \$500 to \$1,000. In addition, NCP has been expanded by twenty openings this year.

Medical Service Corps' increases in HSCP compensation have improved interest. HPLRP awards were offered to an expanded number of clinical psychologists and podiatrists this year and are being used for accessions for the first time. One-year HSCP scholarships are being successfully used to recruit candidates already in training for some of the specialties.

Question. How do you carry out the medical mission at home and abroad with a decline in recruiting and retention of specialty medical personnel?

Answer. We have adopted several measures to respond to this challenging issue. One, we make every attempt to maximize the efficiency of our existing staff. This includes ensuring that our providers are focused on clinical rather than administrative services. Two, we focus the use of support and ancillary staff on the clinical mission. Third, where indicated, clinic hours have been adjusted to meet demand. Fourth, to address shortfalls and meet access standards, we engage in greater use of contract services and network referrals, while at the same time attempting to maintain training programs vital to operational medical readiness.

Question. How do you determine when a service member who has been receiving treatment for PTSD is ready for deployment again? Are once-deployed soldiers, sailors, airmen and Marines being sent back too early?

Answer. We employ numerous methods for screening those at risk for development of PTSD and related conditions. Service members are screened prior to deployment, upon redeployment, and again periodically after returning from deployment. At any point if a service member presents symptoms that indicate the potential need for treatment, he or she is referred to an appropriate mental health or medical provider for complete evaluation and any treatment deemed necessary.

Navy Medicine actively encourages Sailors and Marines to seek care for behavioral healthcare concerns from a variety of sources. Behavioral healthcare services are included on all deployment and redeployment briefs. Navy chaplains provide information on availability of counseling from pastoral and medical sources in Warrior Transition Briefs. Fleet and Family Service Centers and Marine Corps Community Services publish availability of non-medical counseling for behavioral issues.

If after treatment a service member's condition is not judged to have improved such that he or she can be returned to full duty, they are placed in a limited duty status to ensure that they get whatever further treatment is necessary. At this time, we have no evidence that service members are, in general, being returned to a deployed environment too early.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL GEORGE PEACH TAYLOR, JR.

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

MEDICAL RECRUITING

Question. The Air Force plays a critical role in the medical evacuation of troops overseas. With recruiting and retention challenges, are you concerned that the Air Force will be unable to continue meeting the high optempo of meeting the needs of this mission overseas?

Answer. The Air Force Personnel Center (AFPC) places high priority on ensuring critical authorizations for aeromedical evacuation (AE) assignments are filled. Information from AFPC shows all AE authorizations are currently filled and they continually plan ahead to fill projected vacancies. At this time, AE is a voluntary career option. Multiple avenues exist to showcase AE as a positive career broadening opportunity for AF medics. Many AE forces reside in the Reserve Component, and they are actively engaged in recruiting and retention initiatives to ensure continued success in this vital Total Air Force mission.

POST TRAUMATIC STRESS DISORDER

Question. There is growing concern with how the Department monitors and addresses the emotional and mental health of each returning soldier, sailor, airman and Marine from combat. Can you each tell us how you are monitoring and treating those that are at risk for Post Traumatic Stress Disorder?

Answer. The Air Force views the monitoring and addressing of Post Traumatic Stress Disorder (PTSD) and all deployment related issues as a shared community responsibility not just a medical issue. In August 2005, the Air Force standardized this support by adding Chapter 8 Redeployment Support Process to Air Force Instruction 10-403, Deployment Planning and Execution. This instruction outlines the responsibilities of both commanders and helping agencies in supporting deployment members and their families.

Monitoring for PTSD begins with the post-deployment process. Thirty days before returning home, Airmen are given reintegration education by chaplain and mental health staff where reunion/reintegration issues are addressed, as well as mental health concerns that might occur and resources Airmen could pursue to address those concerns. Prior to returning home, the Area of Responsibility (AOR) commander is responsible for contacting the home station command for Airmen who could benefit from support due to personal loss, exposure to danger, or witnessing traumatic events.

As our troops re-deploy, post-deployment assessments are conducted for all Airmen, mainly in-theater, just before they return home, or within five days of re-deploying. Commanders ensure all re-deploying Airmen have completed their post-deployment medical processing immediately upon return from deployment, prior to release for downtime, leave, or demobilization. These are stored in electronic fashion and are available through TRICARE Online to our provider staffs worldwide.

During the post-deployment assessment, each Airman has a face-to-face assessment with a health care provider. This discussion includes discussion of any health concerns raised in the Post-Deployment Health Assessment questionnaire, mental health or psychosocial issues, special medications taken during the deployment, and concerns about possible environmental and occupational exposures. Concerns are addressed using the appropriate Department of Defense (DOD) guidelines such as the Veterans Administration (VA)/DOD Post-Deployment Health Clinical Practice Guidelines and the VA/DOD Clinical Practice Guidelines for Post-Traumatic Stress.

Within seven days of return to their home station, Airmen receive reintegration education by the installation helping agencies where issues that may develop are discussed and resources are identified. These briefings are mandatory for military members while family members are highly encouraged to attend.

To better ensure early identification and treatment of emerging deployment related concerns, at every medical appointment Airmen are asked if their appointment is deployment related.

Airmen complete another screening assessment, the Post-Deployment Health Re-Assessment (PDHRA), within three to six months of return from deployment. Appropriate referrals for care are made as indicated by their responses to the PDHRA questions.

In addition, on an annual basis, every military member receives a Preventive Health Assessment to ensure the required clinical preventive services are received and they meet their individual medical readiness requirements.

As evidenced above, early identification of PTSD and other deployment related concerns is accomplished by the active involvement of commanders and helping agencies who not only train themselves, but also the average Airman on how to recognize distress and match that distress with the appropriate resource. In 2004, the Air Force began to emphasize the concept of being a good Wingman, a person who actively assesses and responds to the needs of his or her fellow Airmen.

Air Force psychologists, psychiatrists, and social workers treat Airmen for PTSD at our Life Skills Support Centers (LSSC). Every installation in the Air Force has a LSSC and military members have first priority for treatment. The frequency and length of treatment is extremely variable, depending upon the symptom intensity, impact on functionality, and a host of other clinical issues.

RECRUITING GOALS

Question. How successful were you in meeting your mission recruiting goals for this past year? Are there any specialties that have seen a drastic decline in retention?

Answer. For fiscal year 2005, the Air Force Medical Service experienced limited success in recruitment of health professionals. The overall recruiting of fully qualified health professionals was 46.12 percent of goal (see chart 1). A fully qualified

health professional is a trained practitioner, fully ready to begin work and with no prior obligation to the Air Force.

CHART 1

Fully Qualified	Fiscal Year 2005 September 30, 2005		
	Req	Recruited	Req Percent
MC	204	29	14.22
DC	104	23	22.12
NC	350	.....	57.14
BSC	81	70	86.42
MSC	35	35	100.00
FQ Total	774	357	46.12

The Air Force Medical Service has been quite successful in recruiting of health care professionals through the Health Professions Scholarship Program (see chart 2). The Health Professions Scholarship and Financial Assistance Programs (HPSP/FAP) are valuable training and force sustainment pipelines, particularly for the Medical Corps and Dental Corps. The overall recruiting success for HPSP was 108.28 percent of goal while the resident Financial Assistance Program (FAP) met 56.41 percent of goal (see chart 3).

CHART 2

HPSP (Scholarships)	Req	Recruited	Req Percent
MC	191	220	115.18
DC	105	107	101.90
NC	7	3	42.86
BSC	23	23	100.00
MSC .....	.....	.....	.....
HPSP Total	326	353	108.28

CHART 3

FAP (Residents)	Req	Recruited	Req Percent
MC	35	21	60.00
DC	4	1	25.00
NC .....	.....	.....	.....
BSC .....	.....	.....	.....
MSC .....	.....	.....	.....
FAP Total	39	22	56.41

The Air Force Medical Service continues to struggle with retention and staffing of multiple required specialties. While retention rates have not declined dramatically in recent years, retention after completion of the initial active duty obligation remains low for many specialties.

RECRUITING AND RETENTION

Question. What are you as a service doing to try and address these critical short-falls? How do you carry out the medical mission at home and abroad with a decline in recruiting and retention of specialty medical personnel?

Answer. The Air Force Medical Service (AFMS) continues to experience challenges in recruiting and retaining physicians, dentists and nurses. Our current monetary incentive strategy includes the Health Professions Scholarship Program (HPSP), accession bonuses, loan repayments, and special pays or bonuses for retention of required specialties. We are also addressing top non-monetary concerns affecting recruiting and retention, such as tour length, deployments, working conditions, and educational opportunities. The AFMS is working closely with Recruiting Service, the personnel community and the Secretary of the Air Force for Manpower and Reserve

Affairs to improve our accessions processes and secure the funding needed to retain health care professionals.

The AFMS optimizes the effectiveness of healthcare delivery via efficient management of well trained members and teams operating smaller, faster, mobile, and modular platforms. The AFMS carries out its medical mission by utilizing personnel resources based on their multiple skill sets and diverse training. Additionally, we develop mutually beneficial working relationships with our Sister Services, TRICARE affiliates and networks, and civilian contract providers.

POST TRAUMATIC STRESS DISORDER

Question. How do you determine when a service member who has been receiving treatment for PTSD is ready for deployment again? Are once-deployed soldiers, sailors, airmen and Marines being sent back too early?

Answer. The decision as to when an Airman who has been receiving treatment for Post-Traumatic Stress Disorder (PTSD) is ready for deployment is a medical decision made between the Airman and their medical provider based on medical expertise and the clinical circumstances. Command and mission constraints do not interfere with this medical decision making process. Airmen are not returned to deployable status before their medical provider has determined they are ready to deploy. Air Force psychiatrists, psychologists, and social workers are highly trained in the assessment and treatment of PTSD, as well as military fitness for duty determinations. These providers are trained in world-class residency and internship programs at medical centers across the United States.

Medical providers communicate medical fitness for duty to the personnel system through the use of medical profiles. Airmen receiving treatment for PTSD who the medical provider determines should not deploy are given a psychiatric S4 profile (nondeployable). Commanders cannot override the profile and Airmen cannot deploy until their medical provider changes this profile. Thus, the military cannot redeploy Airmen until their medical provider determines they are ready.

Factors that influence medical determinations of deployability include the resolution of the member's symptoms, the likelihood of relapse, the risk of recurrence if the member were re-exposed to trauma, the presence or absence of ongoing functional impairment due to the disorder, and the provider's estimation of the member's ability to psychologically tolerate the rigors of deploying to austere and hostile environments. If and when the provider determines the member is again ready for worldwide duty, the profile is changed from S4 to S1, S2, or S3 (all deployable profiles), depending on the clinical circumstances.

QUESTIONS SUBMITTED TO MAJOR GENERAL MELISSA A. RANK

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

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QUESTIONS SUBMITTED TO MAJOR GENERAL GALE S. POLLOCK

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. How successful were you in meeting your mission recruiting goals for this past year? Are there any specialties that have seen a drastic decline in retention?

Answer. Our efforts to achieve the Active Component nurse mission have not been successful since 1999. The U.S. Army Accessions Command (USAAC) achieved 83 percent of the required mission in fiscal year 2005. Unfortunately, USAAC projects that they will only complete 73 percent of mission in fiscal year 2006. As of April 30, 2006, the Active Component is 304 officers below authorized strength. Recruiting is essential as it is through new medical surgical nurse accessions that we then educate into specialties such as anesthesia, critical care, preoperative and OB/GYN nursing.

In fiscal year 2005, the recruiting mission for the Reserve component was 485, only 66 percent of this goal was achieved. Since 2003, accession into the Reserve is an average of 21 percent below mission. In addition, 50 percent of those nurses accessed are not baccalaureate prepared, and are not eligible to remain in the Reserves long-term.

Our active duty retention rate has declined overall to 91 percent in fiscal year 2005. Unfortunately, when we look at the number of specialty nurses, retention failure has lowered their numbers such that operational tempo is significantly increased and data indicates this increased deployment rate is contributing to their exit from the military. This is a problem for preoperative, critical care and emergency room nursing staff as well as the nurse anesthetists.

The Reserve Component retention rate is adversely affected by the failure to recruit BSN nurses and the mandatory release of those who are unwilling to complete their educational requirements to serve as a military officer.

Question. What are you as a service doing to try and address these critical shortfalls? How do you carry out the medical mission at home and abroad with a decline in recruiting and retention of specialty medical personnel?

Answer. We are actively addressing both recruiting and retention to assess critical shortfalls. We recently implemented the "Every Nurse is a Recruiter" initiative to increase participation by all Army Nurses in nurse recruiting. Our AMEDD Enlisted Commissioning Program provides active duty Soldiers the opportunity to complete their BSN and receive an appointment as an Army Nurse. The Health Professions Loan Repayment Program is also available to our officers as both a recruiting and a retention incentive. Data suggests that retention of our officers is largely dependent on three main factors: job satisfaction, education and training, and retirement benefits. To better prepare our new graduates, we are developing an enhanced Nurse Internship Program. We also offer intense entry-level courses in a variety of nursing specialties and our nurse anesthesia program, ranked second in the nation, continues to serve us well. We fully fund many of our nurses to complete graduate or doctoral degrees in nursing or closely related fields. We recently implemented a pilot program to train Registered Nurse First Assistants. Finally, the U.S. Army Medical Command (MEDCOM) utilizes a system called the PROFIS Deployment System (PDS). The PDS helps to ensure equitability of deployments within each specialty of nursing by tracking both who has deployed and the duration of that deployment. All MEDCOM Soldiers are able to volunteer online for deployments, this on-

going opportunity provides an element of predictability for our officers. All of these programs are crucial to our accession and retention efforts.

We utilize a combination of Reserve Component, civilian and contract nurses to augment our deploying staff, but they are often not available. Our retention rate is negatively affected by the increased demand at home station for the nurses who are not deployed in support of OEF/OIF. Whenever we are unable to hire civilian nurses in part due to the hiring constraints of OPM on college graduate nurses or are unable to fill contract positions, our military nurses must serve in their stead in addition to normal work demands. This constant pressure on our junior nurses contributes to their decision to leave the military. Finally, data suggest that increased lengths of deployment negatively impact retention rates. In addition to increasing their incentive pay in fiscal year 2005, implementation of a 180-day deployment rotation policy was a good initial step in stemming the loss of our certified registered nurse anesthetists.

Question. How do you determine when a service member who has been receiving treatment for PTSD is ready for deployment again? Are once-deployed soldiers, sailors, airmen and Marines being sent back too early?

Answer. The Army uses multiple screening processes to ensure all Soldiers who deploy are capable of performing their duties and do not pose a risk to themselves or other members of their unit.

Prior to deployment Soldiers receive a pre-deployment assessment which includes questions about mental health. If Soldiers have a positive response to the mental health questions they receive further evaluation by a clinician. If the Soldier has symptoms of PTSD on the pre-deployment assessment, the symptoms are evaluated and treated by a mental health practitioner. A fitness for duty assessment is ordered if necessary. The final recommendation on deployment is based on clinical judgment of the treating provider and input from the unit commander.

Research shows that all Soldiers are affected by combat experiences and the most seriously affected are those exposed to frequent direct combat or the injuries sustained in combat. It is likely that multiple deployments will lead to increased symptoms of PTSD. Soldiers with PTSD are identified in multiple ways. They may self-identify, be identified by the post-deployment health assessment, the post-deployment health re-assessment, or be referred by a family member or command. If a Soldier has PTSD or other psychological difficulties, they are further evaluated and treated using well-recognized treatment guidelines. These include psychotherapy and pharmacotherapy. They are delivered in a variety of venues, in theater and garrison, an outpatient or inpatient setting, and individually or in a group.

QUESTIONS SUBMITTED TO REAR ADMIRAL CHRISTINE M. BRUZEK-KOHLER

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

MEDICAL RECRUITING GOALS

Question. How successful were you in meeting your mission recruiting goals for this past year?

Answer. Navy did not meet recruiting goals in medical programs in fiscal year 2005 for either the Active Component (AC) or Reserve Component (RC). Navy attainment by program was: Medical Corps—58 percent AC, 60 percent RC; Dental Corps—76 percent AC, 39 percent RC; Medical Service Corps—82 percent AC, 60 percent RC; and Nurse Corps—73 percent AC, 97 percent RC.

Question. Are there any specialties that have seen a drastic decline in retention?

Answer. Within our wartime specialties, shortfalls have been identified in critical care—64 percent manned, peri-operative nursing—89 percent manned, and nurse anesthesia—90 percent manned.

ADDRESSING BILLET SHORTFALLS AND MEETING MISSION

Question. What are you as a service doing to try and address these critical shortfalls?

Answer. Navy is executing a Total Force plan to correct medical personnel shortages through a coordinated effort by the Chief of Naval Personnel, the Surgeon General of the Navy, Commander Navy Recruiting Command and Chief of the Navy Reserve.

We have reemphasized recruiting in critical medical specialties through an expanded bonus program, education loan relief programs, and medical specialty pays. Specific measures we have implemented since fiscal year 2005 include increasing capacity in our most popular accession programs, implementing the Health Profession

Loan Repayment Program, diversifying our accession sources, and increasing the following financial incentives: Nurse Corps Direct Accession Bonus, Nurse Candidate Program Accession Bonus, Nurse Candidate Program Monthly Stipend, and the Certified Registered Nurse Anesthesia Incentive Special Pay. We are continuously evaluating these newly initiated efforts while exploring other options to retain our talent at the 4–10 years of service level.

To combat reserve shortfalls, we have implemented a mobilization deferment process whereby an Active Component (AC) officer transitioning to the Reserve Component (RC) may apply for deferment from mobilization for up to one year. This initiative is aimed at those separating AC officers who have recently deployed and may be hesitant to transition to the RC for fear of immediate re-deployment. Additionally, we are considering an option for Medical Professionals that would permit shorter, predictable mobilization periods to limit “time away from practice,” a common reason for both medical attrition and shortages in accession.

Question. How do you carry out the medical mission at home and abroad with a decline in recruiting and retention of specialty medical personnel?

Answer. Our facilities abroad have priority status and are not affected by medical manning shortfalls.

At home, we have a broad range of options, including contracting for care or referring care to the TRICARE Managed Care Support Contract Network. The TRICARE network is designed to support the military direct care system in times of sudden or major deployment of Military Treatment Facility staff. In addition, Reserve personnel in designated key specialties are utilized when required by Military Treatment Facilities at home.

POST TRAUMATIC STRESS RETURN TO DUTY

Question. How do you determine when a service member who has been receiving treatment for PTSD is ready for deployment again? Are once-deployed soldiers, sailors, airmen and Marines being sent back too early?

Answer. Anyone exposed to the extremely stressful environment of combat is affected by those events. The majority of service members are able to cope with and integrate these events over time and experience no significant or lasting impact. However, a small percentage will need assistance in dealing with their experiences and may ultimately be diagnosed and treated for PTSD or other mental health conditions.

Navy Medicine is committed to providing appropriate mental health care to our Sailors and Marines and to their families. In order to accomplish this mission several continuous programs of education, training, assessment, referral, and professional care have been implemented. These services are provided to service members and their families before, during, and after deployment to an operational theater.

For Sailors and Marines preparing for a deployment, the Department of the Navy (DON) provides a comprehensive program of stress education, health surveillance, and forward identification and management of stress symptoms, including psychiatric conditions such as PTSD. A broad range of services are available to our Sailors and Marines while underway and while in port via our MTFs, psychologists aboard ships, and other non-medical assets such as Fleet and Family Service Centers and chaplains. The Marine Corps' Combat Operational Stress Control (COSC) Office, headed by a Navy psychiatrist with combat experience, is actively engaged in heightening awareness of combat and operation stress, ensuring quick access to care, and strengthening the coping skills of Marines and their families. In theater, members with stress problems receive prompt support from chaplains, medical officers, and mental health providers embedded with the operating forces through the Operational Stress Control and Readiness (OSCAR) program. Upon returning, service members are prepared for reintegration with their communities through the “Warrior Transition” and “Return & Reunion” programs.

Navy Medicine actively encourages our Sailors and Marines to seek care for behavioral health concerns from a variety of sources. We include information on the availability of behavioral health care services on all deployment and redeployment briefs. Our Navy chaplains provide information on availability of counseling from pastoral and medical sources in Warrior Transition Briefs. Our Fleet and Family Services Centers and Marine Corps Community Services assets publish availability of non-medical counseling for behavioral issues.

The stigma associated with seeking mental health care remains a significant issue, both in the military and in society in general. To overcome that barrier, the Navy and Marine Corps team realizes that to overcome that barrier time and education are essential; however, at heart it is a leadership issue. As a result, we educate and indoctrinate our leaders to be aware of potential behavioral health care

concerns and of the availability of medical and non-medical assets to manage these concerns. Two new programs we offer are the "Leader's Guide to Personnel in Distress" with versions for both Navy and Marine Corps.

We continually evaluate service members prior to and immediately following their deployments to determine whether they've suffered any adverse psychological or physical consequences of that deployment using the Pre and Post Deployment Assessment (PDHA) process. Three to six months following deployment, we are instituting screening of each service member with the Post Deployment Health Reassessment (PDHRA). Any service member who identifies emotional or physical concerns related to their deployment is referred for further evaluation and treatment as indicated. If a service member is deemed to have a deployment limiting condition in need of treatment, we would not redeploy that member until appropriate treatment had been rendered and the service member restored to a duty status.

SUBCOMMITTEE RECESS

Senator INOUE. The subcommittee will reconvene on May 10 at 10 a.m., in this room, SD-192, to review the missile defense program for fiscal year 2007.

The subcommittee will now stand in recess. Thank you very much.

[Whereupon, at 12:03 p.m., Wednesday, May 3, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 10.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, MAY 10, 2006

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

The subcommittee met at 10:05 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senator Stevens, Cochran, Shelby, Burns, and Inouye.

DEPARTMENT OF DEFENSE

MISSILE DEFENSE AGENCY

STATEMENT OF LIEUTENANT GENERAL HENRY A. "TREY" OBERING III, UNITED STATES AIR FORCE, DIRECTOR

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. We're pleased to have Lieutenant General Henry Obering, Director of the Missile Defense Agency (MDA), and Lieutenant General Larry Dodgen, Commander of the U.S. Army Space and Missile Defense Command, U.S. Army Forces Strategic Command, and the Joint Functional Component of the Command Integrated Missile Defense (IMD).

General Obering, given your service at the Missile Defense Agency for the last 2 years, we have been acquainted with you and your role, and appreciate your service as Director of the Missile Defense Agency.

General Dodgen, we thank you, again, for coming to appear before the subcommittee, and recognize your multiple command roles and responsibilities.

Since I am late, I am going to put the balance of my statement in the record. I would also like to include the statement for Senator Cochran in the record as well.

[The statements follow:]

PREPARED STATEMENT OF SENATOR TED STEVENS

The committee is pleased to welcome Lieutenant General Henry Obering, Director of the Missile Defense Agency and Lieutenant General Larry Dodgen, Commander, U.S. Army Space and Missile Defense Command, U.S. Army Forces Strategic Command, and Joint Functional Component Command—Integrated Missile Defense.

General Obering, given your service at the Missile Defense Agency for almost two years, we are acquainted with you and your role as Director of the Missile Defense Agency.

General Dodgen, thank you for testifying again before this committee and we recognize your multiple command roles and responsibilities and look forward to hearing your statement today.

We thank the both of you for being here today.

In the face of a growing threat, ballistic missile defense is one of the most challenging missions in the Department of Defense. Recognizing the strategic importance of this mission to the United States, this committee has consistently provided resources for missile defense programs. Unfortunately, we as a nation face multiple threats with limited resources, forcing this committee to make tough choices with respect to our defense priorities. This committee seeks to ensure that our nations limited resources are tightly focused, on countering the most important threats.

General Dodgen and General Obering, we look forward to hearing about the current status of our missile defense capabilities and how the program is proceeding. We will make your full statement a part of the committee's record. Before we begin, let me turn to Senator Inouye, my vice chairman, for his opening remark.

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I join you in welcoming our witnesses today. Given the development of missile programs around the world and the nuclear development efforts by North Korea and Iran, the importance of maintaining a strong missile defense program cannot be overstated. Our nation needs to continue to develop and deploy a missile defense capability.

I look forward to your testimony about the capabilities on which you are working. I appreciate your service, and offer you my support toward achieving a layered system capable of defending our nation, our deployed forces, and our allies against the full range of missile threats.

Senator STEVENS. But I do want to tell you, we do look forward to hearing from you about the status of our missile defense capabilities. I enjoyed very much the event out at Vandenberg, where we did commit part of that base to the National Missile Defense Command. And I look forward to hearing more from you about the future of that command.

Senator Inouye.

Senator INOUE. Well, I thank you very much, Mr. Chairman. I'll follow your leadership, and may I ask that my statement be made part of the record.

Senator STEVENS. Without objection, we'll put your full statement in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Today I am pleased to join our Chairman in welcoming to the committee Lieutenant General Obering and Lieutenant General Dodgen to discuss the fiscal year 2007 budget request for missile defense.

Gentlemen, it has been nearly two years since the President directed the Department of Defense to field an initial missile defense capability. We have been investing close to \$10 billion annually on missile defense to reach that goal, and while there have been multiple successes for the system, we still do not have any of the "shoot-down" systems on alert.

We have placed significant resources and time in the ground-based missile defense system, the Aegis system, and in programs such as Airborne Laser and Theater High Altitude Area Defense. This Committee wants to see these programs succeed. However, each year as we review the budget request, it seems that the Missile Defense Agency is investing more of its resources on new research activities, instead of focusing on getting an operational capability out of the core programs I just mentioned.

Gentlemen, I know that you are committed to proving that the missile defense system works and that it is fielded and fully operational. I am confident that you have the best intentions when you invest in new research programs. However, I am concerned that we might not be able to continue the current rate of spending on missile defense into the future. As such, I want to be sure that the systems we have

been investing in so heavily are deployed and that their funding is not curtailed to pay for new programs.

I thank you both for appearing before the Committee. I hope you will address this concern today during our discussions, and I look forward to hearing your remarks.

Senator STEVENS. And we'll put the statement of each of you in the record in full, as though read.

Senator Shelby, do you have any comments?

Senator SHELBY. Mr. Chairman, I look forward to both generals' testimony here today.

Thank you.

Senator STEVENS. Senator Burns, do you have a comment?

Senator BURNS. I have a statement, and I'd put that in the record, looking forward to their testimony today. And it's a short one, so I think we get on with the business at hand.

Senator STEVENS. Yes, sir.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Mr. Chairman, Lieutenant General Obering, Lieutenant General Dodgen. I would like to welcome you and let you know that we appreciate your professional service to our nation.

We also appreciate your efforts to field a ballistic missile defense system. Your labors are the continuation of years of research and development that began with the Strategic Defense Initiative under President Reagan. When SDI was introduced over 20 years ago there were many doubters who dubbed the program "Star Wars". In the due course of time those doubters were proven to be on the wrong side of history. As it turned out SDI was a definitive factor in breaking the back of our Soviet enemies. As we have seen, many of the technologies that resulted from this effort have seen uses that no one could have predicted. The development and fielding of the Patriot missile is one example of how missile defense technology is critical to our Armed Forces. The Patriot PAC-3 is now the most mature and effective system in our missile defense arsenal.

Today we have a new enemy, and our efforts need to be geared toward facing that enemy in the war that we are now engaged in. Missile defense is an important element of protecting our forces that are forward deployed. The spiral development of Patriot PAC-3 on the land, and the Navy Standard SM-3 missile paired with new long range radars are two examples of technology that can be used in any theater around the world, or re-deployed back to the United States for homeland defense. These tactical systems now have strategic capabilities.

Although, I understand the importance of developing missile defense technology I have concerns that your agency is juggling too many programs; and the result is that we are paying for parallel programs with some redundancies. I look forward to hearing your views about the integration of your programs, and your plan for making the most of our tight budget while we are fighting the global war on terror.

Senator STEVENS. Generals, we put a high value on your activities. And I must say that the progress that's being made is very enlightening, very welcome. So, we look forward to your statement.

General Obering.

General OBERING. Well, thank you. Good morning, Mr. Chairman, Senator Inouye, and distinguished members of the subcommittee. It's an honor to be here today.

This morning, I'll review the progress that we've made in fielding and developing a missile defense capability, our plans for 2007, and our test program.

We structured the Missile Defense Program to meet the current and evolving ballistic missile threats by balancing early fielding with steady system improvements over time. We're requesting \$9.3 billion to support our very intense program of work in 2007. About \$2.4 billion will cover the fielding and sustainment of the system

components. And about \$6.9 billion will be invested in further development and continued testing.

Since I last addressed you, we've made good progress in developing and fielding an integrated layered defense for the United States, our deployed forces, allies, and friends, against ballistic missiles of all ranges and all phases of flight. This is especially true in our long-range defense component.

Last year, following the two test aborts, I chartered an independent review of the Ground-based Midcourse Defense (GMD) Program. The independent review team concluded that we were on the right track, but needed to make adjustments in our quality control, system engineering, and test readiness. I established a mission readiness task force to follow through on these adjustments, and delayed the interceptor deployment in 2005 until we were satisfied with that progress. We are finishing the additional recommended qualification tests and have implemented much stronger engineering accountability, configuration management, and mission assurance processes.

We've had a very successful flight test of our operationally configured long-range interceptor in December, and a very successful flight test generating intercept solutions from our Cobra Dane and Beale radars and their operational configurations, as well. These comprehensive reviews and our recent successes indicate that we should continue interceptor deployment. But I will pause again, if necessary.

We recently emplaced three more ground-based interceptors in Alaska, and plan to have a total of 16 at sites in Alaska and California by December. Current plans support emplacement of 22 interceptors by the end of 2007, and the fielding of 10 interceptors to a European missile field by 2011, which will expand our total available long-range inventory to over 50.

Sensors are the eyes of this system. They detect, track, and discriminate threatening objects and provide critical cuing information to the system. In addition to the Cobra Dane and the Beale radars that I mentioned earlier, this year we completed construction of the very powerful sea-based X-band radar and began integrating it into the system. It is now undergoing tests near Hawaii and will depart this summer for Alaska. We are also deploying the first transportable forward-based X-band radar to our very important ally, Japan, where it will support both regional and homeland defense. In the United Kingdom, we expect the upgraded Fylingdales radar to achieve its initial capability this year, and in 2007 we will deliver a second forward-based X-band radar and initiate a major upgrade of the Thule radar in Greenland.

By placing a third long-range interceptor field in Europe along with forward-based sensors in the region, we will meet two major objectives laid out by the President: Improved coverage of the United States and greatly improved protection of our allies and friends in Europe against a Middle East threat.

The command, control, battle management, and communications infrastructure is the heart, soul and brain of our defensive capability. Without it, we simply couldn't execute the mission. It is a true force multiplier for missile defense. The global command and control foundation that we've established is unmatched in the

world. We need to expand this effort to enable the integrated fire control which will allow us to mix and match sensors and weapons, greatly increasing our capability.

Our aegis ships provide a flexible intercept capability against the shorter range ballistic missiles, as well as the long-range surveillance and track support to the system. This past year, we added 6 more surveillance and track destroyers, for a total of 11, and another engagement cruiser, for a total of two. By the end of 2007, we expect to have 10 engagement ships available, with 33 interceptors delivered.

We also have an aggressive development program of work. In our terminal high altitude area defense, or THAAD, component, we are coming off a very successful test flight last November and are on track to field an initial capability against the short- to medium-range threats in 2008. To lay the foundation for global capability to meet future emerging threats, we plan to launch two space-tracking and surveillance system demonstration satellites in 2007, as well.

And in our very challenging boost-phase defense area, the airborne laser reached all of its knowledge points last year when it achieved a full-duration laser at operational power and completed the initial beam-control/fire-control flight tests. Currently, we're installing the tracking and atmospheric compensation lasers and preparing the aircraft to accept the high-power laser modules in 2007.

In our other boost-phase development activity, the kinetic energy interceptor (KEI), we are focused on demonstrating a mobile, very high acceleration booster that could give us improved capabilities to engage targets in the boost, midcourse, and terminal phases of flight. We've had a number of test successes and project the first flight of this interceptor in 2008. And with our multiple kill vehicle (MKV) system development, we will bolster long-range defenses by improving our abilities to engage multiple targets with a single interceptor.

Now let me quickly turn to testing. The test schedule for this year and next continues at a rigorous pace. We will conduct 38 major system tests in 2006 and 37 major system tests in 2007. We plan two to three more long-range flight tests this year, including intercepts, two intercept flight tests of our aegis standard missile-3, and four flight tests of the terminal high altitude area defense interceptor.

PREPARED STATEMENT

Mr. Chairman, we certainly have our challenges, but I believe the program is on track. The successes that we've had over the past year bear this out. I greatly appreciate this subcommittee's continued support and patience, and I want to thank the thousands of Americans and our allies, both in Government and industry, who are working hard to make missile defense a success.

Thank you, and I look forward to your questions.

Senator STEVENS. Thank you, General.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL HENRY A. OBERING III

Good morning, Chairman Stevens, Senator Inouye, distinguished Members of the Committee. It is an honor to be here today to present the Department of Defense's fiscal year 2007 Missile Defense program and budget. The Missile Defense Agency mission remains one of developing and progressively fielding a joint, integrated, and multilayered Ballistic Missile Defense (BMD) system to defend the United States, our deployed forces, and our allies and friends against ballistic missiles of all ranges by engaging them in all phases of flight. I believe we are on the right track to deliver the multilayered, integrated capabilities that are necessary to counter current and emerging threats.

As was the case last year, our program is structured to balance the initial fielding of system elements with steady improvements using evolutionary development and a test approach that continuously increases our confidence in the effectiveness of the BMD system. This budget balances our capabilities across an evolving threat spectrum that includes rogue nations with increasing ballistic missile expertise.

We are requesting \$9.3 billion to support our program of work in fiscal year 2007. The \$1.6 billion increase from 2006 reflects a return to the annual investment level targeted by the Department for ballistic missile defense and is indicative of the robust phase we are entering in the development and fielding of the integrated layered capability. Approximately \$1 billion of this increase will be applied to fielding and sustainment, and \$600 million to continued development of the Ballistic Missile Defense System. \$2.4 billion of the fiscal year 2007 request covers the continued incremental fielding and sustainment of long-range ground-based midcourse defense components; our short- to intermediate-range defense involving Aegis ships with their interceptors; and the supporting sensors, command, control, battle management and communication capabilities. This increase in funding for fielding and sustainment of nearly a billion dollars from last year reflects the success we have had across the program. About \$6.9 billion will be invested in continued component improvements, system capability development, and testing.

I would like to review our accomplishments, as well as our shortfalls, over the past year, explain our testing and fielding strategies, and address the next steps in our evolutionary ballistic missile defense program.

EVOLVING SECURITY ENVIRONMENT

Proliferating and evolving ballistic missile systems and associated technologies continue to pose dangers to our national security. In 2005 there were nearly eighty foreign ballistic missile launches around the world. Nearly sixty launches last year involved short-range ballistic missiles, approximately ten involved medium- and intermediate-range missiles, and about ten involved long-range ballistic missiles.

North Korea and Iran have not relented in their pursuit of longer-range ballistic missiles. Our current and near-term missile defense fielding activities are a direct response to these dangers. There are also other ballistic missile threats today for which we must be prepared, and there will be others in the mid- to far-term. We must be ready to operate the ballistic missile defense system against new and unexpected threats.

Our potential adversaries continue efforts to acquire ballistic missile systems and technology. Ballistic missiles were used against our forces, our allies and friends during the 1991 and 2003 Gulf Wars. When combined with weapons of mass destruction, they could offer our enemies an attractive counterbalance to the overwhelming conventional superiority exhibited by U.S. and coalition forces during those wars. We can expect that in the future our adversaries could use them to threaten our foreign policy objectives or pursue a policy of terrorism by holding our cities and other high value assets hostage. After all, those who support global terrorism can hide behind the threats posed by offensive missiles carrying highly destructive or lethal payloads. They will use them to try to deny our forces access to a theater of conflict or to coerce a withdrawal of our forces from that theater. Ballistic missiles provide a way for our adversaries to attempt to achieve some degree of strategic equality with us, especially at a time when ballistic missile defense is still striving to catch up with the progress made by ballistic missile offense over the past four decades.

MISSILE DEFENSE APPROACH—LAYERED DEFENSE

We believe that layered defenses integrated by a robust command and control system, will improve the chances of engaging and destroying a ballistic missile and its payload in-flight. This approach to missile defense also makes the effectiveness of countermeasures much more difficult, since countermeasures designed to work in

one phase of flight are not likely to work in another. It is much harder to overcome a complex, multilayered defense. Layered defenses, a time-honored U.S. approach to military operations, provide defense in depth and create synergistic effects designed to frustrate an attack.

With the initial fielding in 2004 of the Ground-based Midcourse Defense components, the Aegis long range surveillance and track ships, and the first integrated command, control, battle management and communications (C2BMC) suites, we made history by establishing a limited defensive capability for the United States against a possible long-range ballistic missile attack from North Korea and the Middle East. With the cooperation of our allies and friends, we plan to evolve this defensive capability to make it more effective against all ranges of threats in all phases of flight and expand the system over time with additional interceptors, sensors, and layers.

Since we cannot be certain which specific ballistic missile threats we will face in the future, or from where those threats will originate, our long-term strategy is to strengthen and maximize the flexibility of our missile defense capabilities. As we proceed with this program into the next decade, we will move towards a missile defense force structure that features greater sensor redundancy and sensitivity, interceptor capability and mobility, and increasingly robust C2BMC capabilities. In line with our multilayer approach, we will expand terminal defense protection and place increasing emphasis on boost phase defenses.

We are effectively employing an evolutionary acquisition strategy to field multiple system capabilities while maintaining an aggressive test and development program. The Missile Defense Agency continues to evolve and refine desired capabilities, based on warfighter need and technology maturity, through sound risk management. Our goal continues to be one of fielding the best capabilities possible, on schedule, on time, and within cost, in order to address current and emerging threats.

COMPLETING THE FIELDING OF BLOCK 2004

Since I last appeared before this committee, we have made a number of significant accomplishments to complete initial fielding of the Block 2004 capability. We have also fallen short in some areas. When we rolled this program out in 2002, we set out to deploy 10 Ground Based Interceptors in 2004 and another 10 in 2005. A booster motor plant explosion in 2003, which had a major impact across the missile defense program, and the need to step back and undertake a mission readiness review of the Ground-based Midcourse Defense program following two test failures caused us to miss our fielding mark. I delayed the Ground-Based Interceptor deployment in 2005 and made changes based on the recommendations of the mission readiness review. I believe we are now back on track, but I will pause again if necessary. We recently emplaced three more Ground-Based Interceptors in silos at Fort Greely, Alaska, for a total of nine, and two at Vandenberg Air Force Base in California. This progress is critical because we expect the Ground-based Midcourse Defense element to be the backbone of our national missile defense capability for years to come. Today we continue with interceptor fielding and plan to emplace additional Ground-Based Interceptors, for a total of sixteen by December of this year.

This past year we also added a second Aegis engagement cruiser and delivered additional Standard Missile-3 interceptors to our evolving sea-based architecture to address short- and medium-range threats in the midcourse phase of flight. We did not advance as rapidly as we hoped. We needed to resolve technical issues associated with the third stage rocket motor and the solid divert and attitude control system to take full advantage of interceptor performance designed to pace the threat. However, we are close to the 10 to 20 sea-based interceptors we projected for delivery in our initial program. Right now, I am comfortable with where we stand in our sea-based interceptor deployment plans. We will continue to grow our inventory of Standard Missile-3 interceptors for deployment aboard Aegis ships and, by the end of 2006, outfit three Aegis destroyers and one additional cruiser with this engagement capability. So, in addition to providing surveillance and tracking support to the integrated ballistic missile defense system, Aegis provides a flexible sea-mobile capability to defeat short- to intermediate-range ballistic missiles in the midcourse phase.

In our sensors program, we upgraded the Beale Early Warning Radar in California. The Beale radar complements and works synergistically with the surveillance and tracking capabilities of the fully operational Cobra Dane radar in Alaska, and together they will help us defend against the longer-range threats coming out of East Asia. The Beale radar will play an instrumental role in tests this year to

demonstrate the system's ability to intercept intercontinental-range missiles using operationally configured assets.

This past year we added six more Aegis Long-Range Surveillance and Track destroyers to our force, for a total of eleven. These ships provide much sought-after flexibility in our architecture, giving us more time to engage enemy missiles and improving the performance of the entire system.

We are making good progress in integrating the Sea-Based X-band radar into the system. It is the most powerful radar of its kind in the world and will provide the system a highly advanced detection and discrimination capability. This past January the radar completed its long journey from Texas, where it underwent extensive sea trials and high-power radiation testing in the Gulf of Mexico, to Hawaii. This spring its voyage continues to Adak, Alaska, where it will be home-ported and put on station.

This past year the Forward-Based Radar, our transportable X-band radar, successfully acquired and tracked intercontinental ballistic missiles in tests conducted at Vandenberg Air Force Base. We are now preparing to deploy the radar to provide precision track and discrimination capabilities, which will improve regional and homeland missile defense capabilities.

We also completed subsystem checkout of the Fylingdales radar in the United Kingdom and achieved high-power radiation. We conducted the necessary operator training at that site and are now in the middle of completing an important series of ground tests that are necessary to verify this system's capability, tests that had been deferred on the recommendations of the Mission Readiness Task Force. We expect to complete testing at Fylingdales later this year.

We have an extensive command, control, battle management and communications infrastructure to support all these elements, and we are ready to provide complete operations and maintenance support to the warfighter. We have taken the first step in integrating the BMD system, which is necessary to establish an affordable and effective global, layered defense. We have installed hardware and software at the United States Northern Command (NORTHCOM), United States Strategic Command (USSTRATCOM), and United States Pacific Command (PACOM). C2BMC capabilities include basic deliberative crisis planning and common situational awareness at these Combatant Commands. In addition, we now provide common situational awareness directly to the President of the United States and the Secretary of Defense to aid in decision-making. In addition to fielding these suites, we also completed five major software release upgrades this past year, each improving the capability of the command, control, battle management and communications system.

It is this global connective capability that allows us to combine different sensors with different weapons. For example, we are developing the Aegis BMD system so that it can support a ground-based interceptor launch by sending tracking information to the fire control system. A forward-deployed radar can cue and pass tracking information on to, for example, a Patriot Advanced Capability-3 unit, or a regionally deployed Terminal High Altitude Area Defense battery, or a Ground-based Mid-course Defense or Aegis BMD engagement ships. In other words, we want to be able to mix and match sensor and interceptor resources to give the system more capability by expanding the detection and engagement zones. Our ability to integrate all of the weapons and sensors into a single package that will use interceptors in the best location to make the kill gives us a critical multiplier effect.

We work closely with U.S. Strategic Command and the Combatant Commanders to certify missile defense crews at all echelons to ensure that they can operate the ballistic missile defense system. We have exercised the command, fire control, battle management and communication capabilities critical to the operation of the system.

We also are continuing to exercise the system to learn how best to operate it, and we have demonstrated our ability to transition smoothly from test to operations and back. In our exercises and tests, we have worked through a number of operational capability demonstrations in order to increase operational realism and complexity, certify crews and safety procedures, and demonstrate the operational viability of the system. The Missile Defense Agency will continue to coordinate with the warfighter to implement developmental upgrades and improvements in the system to maximize system capability. This is very important since we will continue to improve the capabilities of the system over time, even as we remain ready in the near-term to take advantage of its inherent defensive capability should the need arise.

BUILDING CONFIDENCE THROUGH SPIRAL TESTING

We have consistently pursued a comprehensive and integrated approach to missile defense testing and are gradually making our tests more complex. Missile defense testing has evolved, and will continue to evolve, based on results. We are not in a

traditional development, test, and production mode where we test a system, then produce hundreds of units without further testing. We will always be testing and improving this system, using a testing approach that cycles results into our spiral development activities. This approach also means fielding test assets in operational configurations. This dramatically reduces time from development to operations in a mission area where, until now, this nation has been defenseless.

Last year, following the two launch aborts of the interceptor for the Ground-based Midcourse Defense element, I explained that we had several concerns with quality control and reliability; but we did not view the failures as major technical setbacks. In response to those failures, I chartered an independent team to review our test processes, procedures and management. The team concluded that the Ground-based Midcourse Defense program met the challenge of providing an initial defensive capability but found deficiencies in systems engineering, ground qualification testing, flight test readiness certification, contractor process control and program scheduling. The independent review team recommended that the Missile Defense Agency reorient the missile defense program to strengthen its emphasis on mission assurance.

I established a Mission Readiness Task Force under Admiral Kate Paige to implement the corrective actions needed to ensure a return to a successful flight test program. The task force identified steps to strengthen our systems engineering and quality assurance processes and provide the reliability and repeatability necessary for operational success. As a result, we undertook a comprehensive review of these system processes at each step along the way. We are also undertaking the necessary ground and flight qualification tests to retire the risks uncovered by the independent review team and the Mission Readiness Task Force. To strengthen our test program, I diverted four long-range interceptors slated for operational use into testing, with the intent to replace them in 2007 if our test program was successful. Last year, I asked the committee to have patience, knowing that the system's basic functionality was not at risk. As a result of our aggressive actions, I believe that mission assurance and system reliability are now on track.

We finished the year strongly with a string of test successes across the board. These successes continue to build confidence in our spiral development approach. In a major step forward, in September 2005, we flew a threat representative target across the operational Cobra Dane radar and generated an intercept solution using the long-range fire control system. We then flew the operational configuration of the long-range interceptor in December 2005 and put the kill vehicle through its paces. We not only achieved all of the test objectives for that flight, but we also accomplished many of those objectives we identified for the next flight test scheduled for this spring. Last February, we exercised an engagement sequence that used the Upgraded Early Warning Radar at Beale Air Force Base in California to provide tracking information to a simulated long-range interceptor from an operational site at Vandenberg. Based on the many tests we have conducted to date, including three successful flight tests of the operational long-range booster now emplaced in Alaska and California, we maintain our confidence in the system's basic design, its hit-to-kill effectiveness, and its inherent operational capability. We will continue to test this system to ensure it will remain mission ready.

We continue to work closely with the Director, Operational Test & Evaluation, Operational Test Agencies, and Combatant Commanders to characterize the effectiveness and readiness of the system at every stage in its development and fielding. This year the fielded BMD system will undergo ever more challenging and operationally realistic testing.

We will begin the important next step of testing our long-range ground-based defense with more operationally robust flight tests as a part of the integrated ballistic missile defense system. With the next tests involving the Ground-Based Interceptor, we will step up testing complexity and involve operational crews, operational interceptor launch sites, and operational sensors. These tests will involve an operationally configured interceptor launched from Vandenberg that will attempt to acquire and intercept a target missile launched out of the Kodiak Launch Complex in Alaska. With the last two tests in this series, we will demonstrate the ability of the system to perform more refined acquisition and discrimination functions and the ability of the exo-atmospheric kill vehicle to divert toward the target and intercept it. We also plan to use tracking data from the Sea-Based X-band radar when it is available to feed its data into system tests and operations. In 2007, as we return our focus to fielding long-range interceptors, we plan one system intercept test and one flight test, both of which will further demonstrate the operationally configured interceptor.

In our sea-based midcourse defense element, we have continued to ratchet up the degree of realism and reduce testing limitations. This past November, for the first time, we successfully used a U.S. Navy Aegis cruiser to engage a separating target carried on a threat-representative medium-range ballistic missile. A separating tar-

get is more challenging to engage because it can fly faster and farther than the boosting missile. In order to increase operational realism, we did not notify the operational ship's crew of the target launch time, and they were forced to react to a dynamic situation. We are planning two more Aegis interceptor flight tests in 2006. Last March, we conducted a very successful cooperative test with Japan involving a simulated target to demonstrate the engagement performance of a modified SM-3 nosecone developed by the Japanese in the United States/Japan Joint Cooperative Research project. One of the upcoming U.S. Aegis intercept tests will again involve a separating warhead. In 2007 we plan to conduct two tests of the sea-based interceptor against short and medium-range targets.

Flight-testing involving the redesigned interceptor for the Terminal High Altitude Area Defense (THAAD) began last November when we successfully demonstrated the separation and operation of the production booster and kill vehicle. This year we will conduct four more tests to characterize performance of the new missile and the ability to integrate it into the BMD system. Later this year we will also conduct the first intercept test high in the atmosphere. In 2007 we plan to conduct four intercept tests as part of our THAAD flight test program.

Also planned in 2007 are two Arrow system flight tests and one Patriot combined developmental and operational test. The command, control, battle management, and communications infrastructure will be exercised in all of our system level tests.

Ground tests, wargames and modeling and simulation help demonstrate interoperability, assess performance and specification compliance, and develop doctrine, tactics, techniques and procedures. In 2007 we will continue with our successful ground-testing, which involves warfighter personnel and test hardware and software in the integrated system configuration to demonstrate system connectivity and interoperability. Upcoming tests will verify integration of the sea-based, forward-based, and Fylingdales radars. The funds we are requesting also will support additional capability demonstrations and readiness demonstrations led by the warfighting community.

COMPLETING THE NEXT INCREMENT—BLOCK 2006

To keep ahead of rogue nation threats, we continue to hold to the fielding commitments we made to the President for Block 2006, which include investment in the necessary logistics support and command, control, battle management and communications infrastructure. In 2006 and 2007, we will build on the successes we had in 2005 to improve protection against a North Korean threat, provide protection against a threat from the Middle East, expand coverage to allies and friends, increase countermeasure resistance, and improve protection against short-range ballistic missiles. We are also planning to field more mobile, flexible interceptors and associated sensors to meet threats from unanticipated launch locations.

For midcourse capability against the long-range threat, the Ground-based Midcourse Defense (GMD) element budget request for fiscal year 2007 of \$2.7 billion will cover continued development, ground and flight testing, fielding and support. This is about \$125 million more than we budgeted for fiscal year 2007 in last year's submission. The risk-reduction work prescribed by the Mission Readiness Task Force has caused us to reduce the number of interceptors fielded in 2007. This request includes up to 4 additional ground-based interceptors, for a total of 20 interceptors in Alaska by the end of 2007, their silos and associated support equipment and facilities as well as the long-lead items for the next increment. The increase in fiscal year 2007 funding from last year to this year is attributed, in part, to increased sustainment, logistics and force protection requirements, as well as to other needs associated with preparing the system for operations. This budget submission also continues the upgrade of the Thule early warning radar in Greenland and its integration into the system.

The Royal Air Force Fylingdales early warning radar in the United Kingdom will be fully integrated for missile defense purposes by fall 2006. It will provide sensor coverage against Middle East threats.

As part of our effort to make the system more robust, improve defense of our allies, and address threat uncertainties, we are continuing discussions with our allies in Europe regarding the deployment of radars and a third site for Ground-Based Interceptors. Later this year we will be able to give greater definition to this important evolutionary effort.

To address the short- to intermediate-range threat, we are requesting approximately \$1.9 billion to continue development and testing of our sea-based midcourse capability, or Aegis BMD, and our land-based THAAD terminal defense capability. System tests will involve further demonstrations of the sea-based interceptor, and we will continue enhancing the system's discrimination capability. We will continue

Standard Missile-3 improvements. We added approximately \$49 million to the fiscal year 2007 request for Aegis BMD from last year to this year to address the Divert and Attitude Control System and other aspects of the system, including the development of a more capable 2-color seeker for the SM-3 kill vehicle. We will continue purchases of the SM-3 interceptor and the upgrading of Aegis ships to perform the BMD mission. By the end of 2007 we will have three Aegis engagement cruisers, seven engagement destroyers, and seven Long Range Surveillance and Track destroyers. These sea-based sensors and weapons will improve our ability to defend the homeland and our deployed troops and our friends and allies. In fiscal year 2007 we will initiate work with Japan for follow-on SM-3 development in order to increase its range and lethality. We also will continue the THAAD development effort that will lead to fielding the first unit in the 2008–2009 timeframe with a second unit available in 2011.

We will continue to roll out sensors that we will net together to detect and track threat targets and improve discrimination of the target set in different phases of flight. In 2007, we will prepare a second forward-based X-band radar for operations. We also are working towards a 2007 launch of two Space Tracking and Surveillance System (STSS) test bed satellites. These demonstration satellites will perform target acquisition and handover and explore approaches for closing the fire control loop globally for the entire BMD system. In fiscal year 2007 we will undertake initial satellite check-out and prepare for tests involving live targets. We are requesting approximately \$380 million in fiscal year 2007 to execute this STSS activity, and \$402 million for the Forward-Based Radar work.

For the ballistic missile defense system to work effectively, all of its separate elements must be integrated by a solid command, control, battle management and communications foundation that spans thousands of miles, multiple time zones, hundreds of kilometers in space and several Combatant Command areas of responsibility. C2BMC allows us to pass critical information from sensors to provide input for critical engagement decisions. Combatant Commanders can use the C2BMC infrastructure to enhance planning and help synchronize globally dispersed missile defense assets. These capabilities also can provide our senior government leadership situational awareness of ballistic missile launches and defense activities.

This C2BMC capability allows us to mix and match sensors, weapons and command centers to dramatically expand our detection and engagement capabilities over what can be achieved by the system's elements operating individually. We cannot execute our basic mission without this foundation.

With this year's budget request for \$264 million for the C2BMC activity, we will continue to use spiral development to incrementally develop, test, and field hardware and software improvements. We will press on with the development of the initial global integrated fire control to integrate Aegis BMD, the forward-based radar, and Ground-based Midcourse Defense assets. We plan to install additional planning and situational awareness capabilities to facilitate executive decision-making among the Combatant Commanders.

The Missile Defense Agency is committed to delivering the best capabilities to the warfighter in a timely manner, and warfighter participation and input is a critical part in the engineering process. Today, the Army National Guard's 100th Missile Defense Brigade, Air Force's Space Warfare Center, and Navy ships in the Pacific Fleet are on station and operating the system. Our fiscal year 2007 request continues to fund critical sustainment and fielding activities and ensure that system developers have financial resources to support fielded components. We will continue to work collaboratively with the Combatant Commanders and the Military Services as the system evolves to define and prioritize requirements. Exercises, wargames, and seminars continue to be important collaboration venues. We will also continue to support training activities to ensure operational readiness, combat effectiveness, and high-level system performance.

MOVING TOWARD THE FUTURE—BLOCK 2008 AND BEYOND

There is no silver bullet in missile defense, and strategic uncertainty could surprise us tomorrow. So it is important that we continue our aggressive parallel paths approach to building this integrated, multilayered defensive system. There are several important development efforts funded in this budget.

In executing our program we continue to follow a strategy of retaining alternative development paths until capability is proven—a knowledge-based funding approach. That means we are setting specific targets, or knowledge points, that the development efforts have to reach within certain periods of time. Knowledge points are not reviews, but discrete activities in a development activity that produce data on the most salient risks. The approach involves tradeoffs to address sufficiency of defen-

sive layers—boost, midcourse, terminal; diversity of basing modes—land, sea, air and space; and considerations of technical, schedule, and cost performance. This is fundamental to how we execute the development program, because it enables us to make decisions as to what we will and will not fund based upon the proven success of each program element.

For example, we are preserving decision flexibility with respect to our boost phase programs until we understand what engagement capabilities they can offer. We have requested approximately \$984 million for these activities in fiscal year 2007. This past year the revolutionary Airborne Laser (ABL) reached its knowledge points when it achieved a full duration lase at operational power and completed initial flight tests involving its beam control/fire control system. The program's knowledge points for 2006 include flight testing of the lasers used for target tracking and atmospheric compensation. This testing, which will test the entire engagement sequence up through the point where we fire the laser, will require use of a low-power laser surrogate for the high-power laser. Once we have completed modification of the aircraft which has begun in Wichita, Kansas, we will start installation of the high-power laser modules in 2007. This will provide us with the first ABL weapon system test bed and allow us to conduct a campaign of flight tests with the full system. In addition to installation of the high-power lasers, we will continue integration, ground, and flight test activities in fiscal year 2007 to support ABL's low-power beam control/fire control and battle management systems. We will be working towards a lethal demonstration of the weapon system against a boosting ballistic missile in 2008.

We still have many technical challenges with the Airborne Laser. Yet the series of major achievements beginning in 2004, when we achieved first light and first flight of the aircraft with its beam control/fire control system, gives me reason to be optimistic that we can produce an effective directed energy capability. An operational Airborne Laser could provide a valuable boost-phase defense capability against missiles of all ranges.

The Kinetic Energy Interceptor (KEI) is a boost-phase effort in response to a 2002 Defense Science Board Summer Study recommendation to develop a terrestrial-based boost phase interceptor as an alternative to the high-risk Airborne Laser development effort. Last year we focused near-term efforts in our kinetic energy interceptor activity to demonstrate key capabilities and reduce risks inherent in the development of a land-based, mobile, very high acceleration booster. It has always been our view that the KEI booster, which is envisioned as a flexible and high-performance booster capable of defending large areas, could be used as part of an affordable, competitive next-generation upgrade for our midcourse or even terminal interceptors. A successful KEI mobile missile defense capability would improve significantly our ability to protect our allies and friends.

This past year we demonstrated important command, control, battle management, and communications functions required for a boost intercept mission, including the use of national sensor data for intercept operations in the field. The key knowledge point for this program is the demonstration of a very high acceleration booster. We began a series of static firing tests of the first and second stages of the booster and had a successful firing this past January. We plan a flight test to verify the new booster in 2008.

Development of the Multiple Kill Vehicle (MKV) system will offer a generational upgrade to ground-based midcourse interceptors by increasing their effectiveness in the presence of multiple warheads and countermeasures. We are exploiting miniaturization technology to develop a platform with many small kill vehicles to engage more than one object in space. This effort will supplement other innovative discrimination techniques we are developing for use in the midcourse phase by destroying multiple threat objects in a single engagement. In 2005 we made progress in the development of the MKV seeker, but resource constraints and technical shortfalls have caused a delay in this development effort. We are now planning to conduct the hover test in 2009. Our first intercept attempt using MKV is now scheduled for 2012. We are requesting \$162 million in fiscal year 2007 to continue the MKV development effort.

INTERNATIONAL PARTICIPATION

The global nature of the threat requires that we work closely with our allies and friends to develop, field, and operate missile defenses. We have made significant progress in fostering international support for the development and operation of a ballistic missile defense system capable of intercepting ballistic missiles of all ranges in all phases of flight. We have been working closely with a number of allies

and friends of the United States to forge international partnerships. I would like to highlight a few of our cooperative efforts.

The Government of Japan continues to make significant investments toward the acquisition of a multilayered BMD system, with capability upgrades to its Aegis destroyers and acquisition of the Standard Missile-3 interceptor. We have worked closely with Japan since 1999 to design and develop advanced interceptor components. This project culminated in the flight test of an advanced SM-3 nosecone earlier this year and ended this phase of our joint cooperative research. Additionally, the Missile Defense Agency and Japan have agreed to co-develop a Block IIA version of the SM-3 missile, which will significantly improve the kinematics and warhead capability. We also have agreed to deploy an X-band radar to Japan, which will enhance regional and homeland missile defense capabilities. In addition, Japan and other allied nations continue upgrading their Patriot fire units with Patriot Advanced Capability-3 missiles and improved ground support equipment.

In addition to the Fylingdales radar development and integration activities, we are undertaking a series of cooperative technical development efforts with the United Kingdom. Newly installed situational awareness displays in the United Kingdom also are indicative of our close collaboration with our British allies in the missile defense area.

Last year we signed an agreement with Denmark to upgrade the radar at Thule and integrate it into the system. This radar will play an important role in the system by providing additional track on hostile missiles launched out of the Middle East.

We will continue to expand cooperative development work on sensors and build on our long-standing defense relationship with the government of Australia. In April 2005 we concluded a Research, Development, Test and Evaluation agreement to enable collaborative work on specific projects, including high frequency over-the-horizon radar, track fusion and filtering, distributed aperture radar experiments, and modeling and simulation.

We are continuing work with Israel to implement the Arrow System Improvement Program and enhance its capability to defeat longer-range ballistic missile threats emerging in the Middle East. This past December Israel conducted a successful launch and intercept of a maneuvering target using the Arrow missile. The United States and Israel are co-producing components of the Arrow interceptor missile, which will help Israel meet its defense requirements more quickly and maintain the U.S. industrial work share.

We also have been in discussions with several allies located in or near regions where the threat of ballistic missile use is high for the forward placement of sensors, and we continue to support our North Atlantic Treaty Organization (NATO) partners in conducting a feasibility study to examine potential architecture options for defending European NATO population centers against longer-range missile threats. This work builds upon ongoing work to define and develop a NATO capability for protection of deployed forces. We have other international interoperability and technical cooperation projects underway and are working to establish formal agreements with other governments.

CLOSING

Mr. Chairman, I want to thank this committee for its continued support of the Missile Defense Program. When I appeared before you last year, we faced numerous challenges. Over the past year, the dedicated men and women of the Missile Defense Agency and our industrial partners met these challenges head-on and overcame the difficulties we experienced in 2004 and early in 2005. The result was that in 2005 we made significant progress. We had a series of successful tests that are unparalleled in our development efforts to date. In 2006 and 2007 I am confident that we will continue this success. I am proud to serve with these men and women, and the country should be grateful for their unflagging efforts.

There have been many lessons learned, and I believe the processes are in place to implement them as we field follow-on increments of the system. I also believe that our program priorities foster long-term growth in multilayered and integrated capabilities to address future threats. There certainly are risks involved in the development and fielding activities. However, I believe we have adequately structured the program to manage and reduce those risks using a knowledge-based approach that requires each program element to prove that it is worthy of being fielded.

Thank you and I look forward to your questions.

Senator STEVENS. General Dodgen.

STATEMENT OF LIEUTENANT GENERAL LARRY J. DODGEN, COMMANDING GENERAL, U.S. ARMY SPACE AND MISSILE DEFENSE COMMAND/U.S. ARMY FORCES STRATEGIC COMMAND, UNITED STATES ARMY

General DODGEN. Thank you, sir.

Mr. Chairman, Senator Inouye, and members of the subcommittee, thank you for your ongoing support of our military and for the opportunity to appear before this distinguished panel.

This subcommittee continues to be a great friend of the Army and the missile defense community, particularly in our efforts to field missile defense forces for the Nation and our allies. I appear before this subcommittee in two roles. The first is as the warfighting member of the joint missile defense team. I am the Commander of the Joint Functional Component Command for Integrated Missile Defense, or JFCC-IMD, a part of United States Strategic Command. The JFCC is a joint user representative working closely with the Missile Defense Agency, services, and combatant commanders to ensure that our national goal of developing, testing, and deploying an integrated missile defense system is met.

The second is as an Army commander for missile defense and a proponent for the ground-based midcourse defense system. In my role as the JFCC-IMD commander, I directly support the U.S. Strategic Command (USSTRATCOM) commander in planning the global missile defenses. The JFCC is truly joint, manned by Army, Navy, Air Force, and Marine Corps personnel, and is headquartered at the Joint National Integration Center at Schriever Air Force Base, Colorado.

This arrangement allows us to leverage the existing robust infrastructure and our strong partnership with the Missile Defense Agency to execute the IMD mission. In the past year, the JFCC-IMD has aggressively executed USSTRATCOM's global mission to plan, coordinate, and integrate missile defense. In collaboration with geographical combatant commanders, we are developing the IMB plans that integrate theater and national assets to provide the best protection. STRATCOM, in partnership with MDA, is setting the stage to evolve the ballistic missile defense system (BMDS) beyond its current capabilities to provide a more robust missile defense for the homeland, deployed forces, friends, and allies.

I would now like to highlight the Army fiscal year 2007 budget submission for air and missile defense (AMD) systems.

The President's budget, presented to Congress on February 6, includes approximately \$1.57 billion with which the Army proposes to perform current Army AMD responsibilities and focus on future development and enhancement of both terminal phase and short-range AMD systems. The Patriot system remains the Army's mainstay theater air and missile defense system and our Nation's only deployed land-based short- to medium-range ballistic missile defense capability. Today's Patriot force is a mixture of configured units. To maximize our capabilities and better support the force, the Army is moving toward updating the entire Patriot force to the PAC-3 configuration.

The medium extended air defense system, or MEADS, is a cooperative development program with Germany and Italy to collectively field an enhanced ground-based air and missile defense capa-

bility. The MEADS program will enable the joint integrated air and missile defense community to move beyond the critical asset defense designs we see today. MEADS will provide theater-level defense of critical assets and continuous protection of a rapidly advancing maneuver force as part of a joint integrated AMD architecture.

As I believe you are aware, the Patriot/MEADS combined aggregate program (CAP) has been established. The objective of the CAP is to achieve the objective MEADS capability through incremental fielding of MEADS major end items in the Patriot. Patriot/MEADS CAP is an important capability that will operate within MDA's BMDS. The Patriot and PAC-3 CAP research development and acquisition budget request for fiscal year 2007 is approximately \$916 million. This request procures 108 PAC-3 missiles, purchases spares for the system, and reflects the necessary Patriot development to keep the system viable as we pursue development of the CAP capabilities.

The fiscal year 2007 President's budget also includes a \$264 million request for joint land attack cruise missile defense elevated netted sensor system, a program developing unique lightweight fire-control and surveillance radars to detect, track, and identify cruise missile threats. With the program funding, we expect first unit equipped occurring by 2011. Surface launched advanced medium range air to air missile (SLAMRAAM) will provide a cruise missile defense system to maneuver forces within an extended battle space and a beyond-line-of-sight engagement capability critical to countering the cruise missile and unmanned aerial vehicle threats we foresee in the future.

I appreciate having the opportunity to speak on these important matters, and I look forward to addressing questions you and other members of the subcommittee may have. I also respectfully request that my written statement be submitted for the record.

Thank you, Mr. Chairman.

Senator STEVENS. The statement has been included in the record, General.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL LARRY J. DODGEN

INTRODUCTION

Mr. Chairman, Senator Inouye, and Members of the Committee, thank you for your ongoing support of our military and for the opportunity to appear before this distinguished panel. This Committee continues to be a great friend of the Army and the missile defense community, particularly in our efforts to field missile defense forces for the Nation and our allies. I consider it a privilege to be counted in the ranks with Lieutenant General Obering as an advocate for a strong global missile defense capability.

I appear before this committee in two roles. The first is as an Army Commander for missile defense and a proponent for the Ground-based Midcourse Defense (GMD) System. The second is as a soldier in the Joint Missile Defense Team and Commander of the Joint Functional Component Command for Integrated Missile Defense (JFCC-IMD), a part of the United States Strategic Command (USSTRATCOM), and the joint user representative working closely with the Missile Defense Agency (MDA), other services, and Combatant Commanders to ensure that our National goals of developing, testing, and deploying an integrated missile defense system (IAMD) are met.

Mr. Chairman, as I reported last year, Army soldiers are trained, ready, and operating the GMD System at Fort Greely, Alaska, and the Joint National Integration

Center (JNIC) at Schriever Air Force Base in Colorado. Just a couple of years ago, we activated the GMD Brigade in Colorado Springs, Colorado, and a subordinate GMD Battalion at Fort Greely. These soldiers, as part of the Joint team, are our Nation's first line of defense against any launch of an intercontinental ballistic missile toward our shores. I am proud to represent them along with the other members of the Army's Air and Missile Defense (AMD) community.

USSTRATCOM JFCC-IMD

The JFCC-IMD was established in January 2005 as one element of USSTRATCOM and reached full operational capability on early in 2006. This organization complements the capabilities inherent in other USSTRATCOM JFCCs and Joint Task Forces (JTFs) which plan, coordinate, and integrate USSTRATCOM's other global missions of Space and Global Strike, Intelligence Surveillance and Reconnaissance (ISR), Net Warfare and Global Network Operations, and the newest element, the USSTRATCOM Center for Combating Weapons of Mass Destruction (WMDs).

The JFCC-IMD is manned by Army, Navy, Air Force, and Marine Corps personnel. It is headquartered at the JNIC at Schriever Air Force Base, Colorado. This arrangement enables us to execute the IMD mission by leveraging the existing robust infrastructure and our strong partnership with our collocated MDA team.

In the past year, USSTRATCOM, through the JFCC-IMD, has aggressively executed its mission to globally plan, coordinate, and integrate missile defense. In collaboration with geographic Combatant Commands, we are developing IMD plans within a regional area of operations in the context of USSTRATCOM's global mission instead of individual theater plans.

Based on guidance from the Commander, USSTRATCOM, we have also developed plans to take existing MDA assets, currently in test and development status, and rapidly transition them, in an emergency, to an operational warfighting capability. This allows USSTRATCOM to provide additional critical IMD capabilities to the Combatant Commands in times of crisis. Examples of this capability include early activation and deployment of the AEGIS SM3 Missile and the sea-based and Forward Based X-band Transportable (FBX-T) Radar to operational locations in the Pacific region, where, by the end of 2006, they will join a global network of radars. USSTRATCOM initiated planning efforts to integrate the capabilities of all the JFCCs to support the "New Strategic Triad," as it determines the next steps needed to fulfill our commitment to an integrated missile defense capable of defending the United States, its deployed forces, friends, and allies.

JFCC-IMD works closely with the other JFCC elements of USSTRATCOM and the Combatant Commands to make Offense-Defense Integration, ISR, and the other mission areas integral aspects of how we fight, to ensure the optimal application of limited resources.

The IMD community, led by the USSTRATCOM Commander and his Unified Command Plan Authority, has conducted numerous capability and readiness demonstrations, integrated flight and ground tests, and Combatant Command exercises to develop and validate the operators' tactics, techniques, and procedures. As we work toward our system's future operational capability, increased warfighter involvement in the testing and exercising of the Ballistic Missile Defense System (BMDS) ensures both the viability of the defense and the confidence of its operators.

USSTRATCOM, through the JFCC-IMD, is leading the planning of global missile defenses with the development of the global IMD Concept of Operations (CONOPS). The CONOPS relies on the development and coordination of engagement sequence groups (ESGs) and the advocacy of desired global missile defense characteristics and capabilities.

USSTRATCOM-developed global IMD CONOPS serves as a roadmap for the warfighting community to guide the development of more detailed IMD planning and execution. These CONOPS contains two fundamental principles. First, the geographic component commanders execute the IMD fight within their Areas of Responsibility (AORs). Second, multi-mission sensors are centrally tasked by USSTRATCOM Commander to optimize their use in forming ESGs.

As a key requirement for IMD planning, the identification of ESGs as the optimal pairing of sensor and weapon capabilities required to provide active missile defense for the designated defended area is critical. The ESGs are a tool the IMD community uses to help operate the BMDS by balancing operational necessity with the realities of ongoing research, development, and testing in the near term. As more elements and components are made available, ESGs will serve to optimize our global missile defense system.

The USSTRATCOM commander represents all the component commands as the advocate for IMD. He executes this responsibility at two levels. First, for those elements already deployed, Headquarters, USSTRATCOM J8, in collaboration with the JFCC-IMD, conducts the Warfighter Involvement Process (WIP) to evaluate the adequacy of the current capabilities of the BMDS. This process can encompass anything from identifying simple human interface changes or modifications to developing refined planning tools. These needs are prioritized by USSTRATCOM for review and approval and are provided to MDA for consideration. The second level of advocacy focuses on future capability needs. These future elements and components will provide additional capabilities that enable a more robust, reliable, and capable system.

The critical element that ties the entire BMDS system together is the Command and Control Battle Management Communications, or C2BMC. C2BMC is an essential evolutionary component of the BMDS that will greatly enhance both planning and execution capabilities. C2BMC contributes to all phases of BMD from optimizing planning to synchronizing the automated execution of the BMDS. Upgrades to the Command, Control, Battle Management, and Communications System will extend situational awareness capability to Pacific Command and European Command by the end of 2006.

As our planning processes have matured over the past year, JFCC-IMD's innovative use of new collaborative planning capabilities in major combatant command exercises has demonstrated the effectiveness of distributed crisis action planning. JFCC-IMD was able to support the Combatant Commands with development of new defense designs and optimized locations for BMDS in exercises such as USSTRATCOM's GLOBAL LIGHTNING and PACOM's TERMINAL FURY.

Through our partnership with MDA, the Services, and the warfighters at the Combatant Commands, USSTRATCOM is setting the stage to evolve the BMDS beyond its current capability to that of providing more robust missile defense for the homeland, deployed forces, friends and allies. We are actively engaged with MDA and the Services in the development and deployment of BMDS elements and components ensuring a layered, multi-phase operational capability for the Combatant Commands.

AIR AND MISSILE DEFENSE—AN OVERVIEW OF THE FISCAL YEAR 2007 ARMY BUDGET SUBMISSION

In addition to deploying a GMD system, MDA, the Services, and the Combatant Commanders are focused on improving Theater Air and Missile Defense (TAMD) capabilities within the context of the evolving BMDS in Integrated Air and Missile Defense (IAMD) Joint Integrating Concept. Both GMD and TAMD systems are vital for the protection of our homeland, deployed forces, friends, and allies. Air and missile defense is a key component in support of the Army's core competency of providing relevant and ready land power to Combatant Commanders.

I would now like to focus on the Army's fiscal year 2007 budget submission for Air and Missile Defense (AMD) systems. The President's Budget, presented to Congress on February 6th, includes approximately \$1.57 billion with which the Army proposes to perform current Army AMD responsibilities and focus on future development and enhancements of both terminal phase and short-range AMD systems. In short, the Army is continuing major efforts to improve the ability to acquire, track, intercept, and destroy theater air and missile threats.

The Army, as part of the Joint team, is transforming its AMD forces to meet the increasingly sophisticated and asymmetric threat environment encountered by the Joint warfighter. The Army has the lead to conduct the IAMD Capabilities Based Assessment. This analysis will comprise the front end of the Chairman of the Joint Chiefs of Staff Joint Capabilities Integration Development System. The study will identify key joint, agency and combat command IAMD capability gaps and will recommend doctrine, organization, training, materiel, leadership and education, personnel and facilities (DOTMLPF) transformation actions. The document is envisioned to fulfill time-phased IAMD needs across the range of military operations.

INTEGRATED AMD SYSTEM OF SYSTEMS

The Army is transforming its Air Defense Force from its current separate systems architecture to a component-based, network-centric, IAMD System of Systems (SoS). The IAMD SoS program focuses on systems integration, common battle command and control, joint enabling networking, and logistics and training, to ensure operational requirements, such as force protection, lethality, survivability, transportability and maneuverability are achieved. The IAMD SoS program will employ an evolutionary acquisition strategy consisting of a series of increments leading to the

objective capability. This SoS approach calls for a restructuring of systems into components of sensors, weapons and Battle Management Command, Control, Communications, Computers, and Intelligence (BMC4I) with a standard set of interfaces among these components using a standardized set of networks for communication.

Technology insertions to the IAMD SoS will continue throughout each increment as high-payoff technologies mature and are ready for integration. Incremental development of the IAMD SoS allows the Army to field new or improved capabilities to warfighters faster, by producing and deploying systems and components as the technologies mature. Funding in the proposed fiscal year 2007 President's Budget supports the first steps in achieving an IAMD SoS architecture.

AIR AND MISSILE DEFENSE BATTALIONS

As part of Air Defense Transformation, the Army is creating composite AMD battalions. These battalions address capability gaps, which permit us to defeat cruise missiles and unmanned aerial vehicles (UAVs) while maintaining our ability to defend critical assets from the ballistic missile threat. The composite AMD battalions will capitalize on the synergies of two previously separate disciplines: short-range air defense and high-to-medium altitude air defense. The current plan is to organize eight battalions as PATRIOT-pure units, five battalions as AMD battalions, and create one battalion as a maneuver AMD battalion which will soon be our first pure SLAMRAAM Battalion. This transformation is underway.

Within the context just provided, allow me to briefly discuss each of the programs that support the Army's AMD Transformation.

TERMINAL PHASE BALLISTIC MISSILE DEFENSES

The PATRIOT/Medium Extended Air Defense System (MEADS) capability is designed to counter theater ballistic missile threats in their terminal phase in addition to cruise missiles and other air-breathing threats. Combining these systems with the Theater High Altitude Area Defense (THAAD) System capability being developed by MDA with a planned fielding in fiscal year 2009, brings an unprecedented level of protection against missile attacks to deployed U.S. forces, friends, and allies well into the future.

PATRIOT/PAC 3 and MEADS Overview

Mr. Chairman, since the combat debut of the PATRIOT AMD System during Operation Desert Storm, the Army has continued to implement a series of improvements to address the lessons learned. During Operation Iraqi Freedom (OIF), we saw the debut of the improved PATRIOT Configuration-3 system, including the effective use of the Guidance Enhanced Missile and the PATRIOT Advanced Capability 3 (PAC-3) Missile. PAC-3 is the latest evolution of the phased materiel improvement program to PATRIOT. Combining developmental testing and operational data, this program has enabled the development and deployment of a new high-velocity, hit-to-kill, surface-to-air missile with the range, accuracy, and lethality necessary to effectively intercept and destroy more sophisticated ballistic missile threats. Today's PATRIOT force is a mixture of PAC-2 and PAC-3 configured units. To maximize the full advantage of the PAC-3 capabilities, the Army is moving toward pure-fleeting the entire PATRIOT force to the PAC-3 configuration.

As I highlighted last year, PATRIOT saved many lives when defending against Iraqi ballistic missile attacks during OIF. However, there were some operational deficiencies. The Army has undertaken steps to correct them and address lessons learned. The Army has pursued two thrusts—identification and execution of a \$41.6 million program for nine specific OIF fixes and continued aggressive participation in joint interoperability improvements in situational awareness. All funded OIF fixes are on schedule to be completed by the end of fiscal year 2007, pending any materiel release issues.

The PATRIOT system remains the Army's mainstay TAMD system and our nation's only deployed land-based short-to-medium range BMD capability. The current PATRIOT force must be maintained through sustainment and recapitalization efforts until 2028, until the MEADS begins fielding, projected to begin in 2017.

MEADS is a cooperative development program with Germany and Italy, to collectively field an enhanced ground-based AMD capability. The MEADS program, which supports the President's goal for international cooperation in missile defense, will enable the joint integrated AMD community to move beyond the critical asset defense designs we see today. MEADS will provide theater level defense of critical assets and continuous protection of a rapidly advancing maneuver force as part of a Joint IAMD architecture. Major MEADS enhancements include 360-degree sensor coverage, a netted and distributed battle manager that enables integrated fire con-

trol, and a strategically deployable and tactically mobile, AMD system. While the PAC-3 missile is the baseline missile for the international MEADS program, the Missile Segment Enhancement (MSE) missile is being developed to meet U.S. operational requirements. MSE will provide a more agile and lethal interceptor that increases the engagement envelope.

Combined PATRIOT/MEADS Approach

With the approval of the Defense Acquisition Executive, the Army embarked on a path to merge the PATRIOT and MEADS programs, establishing the PATRIOT/MEADS Combined Aggregate Program (CAP) with the objective of achieving the MEADS capability through incremental fielding of MEADS major end items into PATRIOT. PATRIOT/MEADS CAP is an important capability that will operate within MDA's BMDS. It is in fact, the number one Army priority system for defense against short and medium-range Tactical Ballistic Missiles and air breathing threats (i.e. cruise missiles and UAVs). The PATRIOT/MEADS CAP will be capable of operating within a joint, interagency, and multinational interdependent operational environment. It will provide wide-area protection at strategic, operational, and tactical levels.

PATRIOT/MEADS CAP will also provide BMC4I, introduce lightweight deployable launchers, upgrade the PAC-3 missile, and eventually provide the full MEADS capability to the entire force. The MEADS system offers a significant improvement in the ability to deploy strategically while maintaining tactical mobility. The system uses a netted and distributed architecture with modular and configurable battle elements, which allows for integration with other Army and Joint sensors and shooters. These features and capabilities will allow MEADS to achieve a robust 360-degree defense against all airborne threats. By establishing the CAP, the joint integrated AMD architecture has become more robust. First, MEADS enhancements are integrated into the existing system. Second, as lessons are learned from the present missile defense capability, they will be incorporated into the MEADS follow-on system. We are confident that this path will provide our service members, allies, friends, and the Nation with the most capable AMD system possible.

The Army and the entire missile defense community continue to strive to improve our nation's missile defense capabilities. The PATRIOT and PAC-3/MEADS CAP research, development, and acquisition budget request for fiscal year 2007 is approximately \$916.5 million. This request procures 108 PAC-3 missiles, purchases spares for the system, and reflects the necessary PATRIOT development to keep the system viable as we pursue development of PAC-3/MEADS CAP capabilities.

CRUISE MISSILE DEFENSE

In the world today, there exists a real and growing threat from land attack cruise missiles. Cruise missiles are inherently very difficult targets to detect, engage, and destroy because of their small size, low detection signature, and low altitude flight characteristics. When armed with a WMD warhead, the effect of a cruise missile could be catastrophic. It is clear that the required systems and capabilities necessary to counter this emerging threat need to be accelerated to field a cruise missile defense (CMD) capability as soon as possible. The Army's CMD program is an integral piece of the Joint Cruise Missile Defense architecture, and we are proud of our contributions to this effort. Critical Army components of the Joint CMD architecture are provided by the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor (JLENS), the Surface-Launched Advanced Medium Range Air-to-Air Missile (SLAMRAAM), the Patriot MSE missile, and an integrated fire control capability. We are also working closely with the Joint community to assure development of doctrine that synchronizes our military's full capabilities against the cruise missile threat.

JLENS Overview

JLENS brings a critically needed capability to address the growing CM threat. To support an elevated sensor, the JLENS program is developing unique lightweight fire control and surveillance radars to detect, track, and identify CM threats. JLENS will support engagements using the SLAMRAAM/Complementary Low Altitude Weapon System (SLAMRAAM/CLAWS), Navy Standard Missile, and PATRIOT/MEADS weapon systems. JLENS uses advanced sensor and networking technologies to provide precision tracking and 360-degree wide-area, over-the-horizon surveillance of land-attack cruise missiles. The fiscal year 2007 JLENS funding request of \$264.5 million supports development of a full JLENS capability, with the first unit equipped by 2011.

SLAMRAAM Overview

SLAMRAAM will provide a CMD system to maneuver forces with an extended battlespace and a beyond line-of-sight, non-line-of-sight engagement capability critical to countering the CM threat, as well as UAV threats. SLAMRAAM uses the existing Joint AMRAAM missile currently used by the Air Force and the Navy, thereby capitalizing on the Joint harmony that the Department of Defense (DOD) is striving to achieve. The Army and the Marine Corps are also executing a joint cooperative development for SLAMRAAM/CLAWS to meet the needs of soldiers and Marines in Homeland Defense as well as overseas deployments. The fiscal year 2007 funding request of \$49 million supports the scheduled Initial Operational Capability (IOC) target of 2011.

Sentinel Radar Overview

The Sentinel Radar is an advanced, three-dimensional, phased array air defense radar and a critical component in the Army's ability to conduct air surveillance for the maneuver force. Sentinel is a small, mobile battlefield radar that supports the joint air defense sensor network in detecting cruise missiles, UAVs, and helicopter threats, thereby contributing directly to the overall Single Integrated Air Picture (SIAP) and supporting multiple Homeland Defense missions. Its Enhanced Target Range and Classification (ETRAC) radar upgrades will enable it to support engagements at extended ranges and reduce the time required to perform target classification. Additionally, these upgrades support next generation combat identification for friendly air, thereby reducing the possibility of fratricide and providing an enhanced positive friendly and civil aviation identification capability. The fiscal year 2007 funding request of \$17.6 million provides for joint identification and composite sensor netting development efforts, four ETRAC system upgrade kits, and development and integration of improvements to support joint interoperability.

AIR, SPACE, AND MISSILE DEFENSE COMMAND AND CONTROL

The Army is increasing its command and control capabilities on the battlefield. The Army's Air and Missile Defense Commands (AAMDCs) will help integrate TAMDC operations, by integrating, coordinating, and synchronizing Joint attack operations, active defense, passive defense, and C4 operations in the theater, and also globally tie into our JFCC-IMD.

Concurrent with the creation of AMD composite battalions, the Army has developed, and is now in the process of fielding, air defense airspace management (ADAM) cells throughout the force. ADAM cells will perform four missions: plan AMD coverage, contribute to third-dimension situation awareness and understanding, provide airspace management, and integrate operational protection. With an emphasis on receiving and sharing the Joint air picture from multiple sources and assets through the battle command network, ADAM cells will provide commanders with situational awareness as well as the traditional friendly and threat air picture, enabling commanders to effectively manage their aerial assets. ADAM cells are already being fielded to the Army to meet modularity requirements, with two ADAM cells at the Division Headquarters and one to every Brigade in the Army, to include both the active and reserve forces. This high-priority system has been supported through supplemental appropriations to this point. The fiscal year 2007 funding request of \$49.5 million provides 15 ADAM Cells for the active and reserve components.

Also in the past year, the Army activated the 94th Air and Missile Defense Command, supporting the U.S. Pacific Command (USPACOM) theater of operations. With the 94th AAMDC activation, there are three Army AMD Commands; two in the active component and one in the reserve component. The 94th AAMDC, designed for Joint and multinational operations, will provide for missile defense in the Pacific theater and will assist in planning theater-level air and missile defenses. The 94th AAMDC will provide the PACOM commander with a more robust theater-based capability. Moreover, the unit's presence in the Pacific adds depth, because its capability will be readily available to the warfighting commander.

The Joint Tactical Ground Stations (JTAGS), forward deployed today in European Command (EUCOM), Central Command (CENTCOM), and PACOM, are providing assured missile warnings to Combatant Commanders and assigned forces through a direct downlink from space-based infrared assets into the joint theater communications architecture. In addition to protecting the deployed force, these systems alert the BMDS architecture and enhance attack operations. The fiscal year 2007 funding request of \$24.9 million sustains the forward deployed JTAGS units supporting Joint warfighters and postures the Army to participate with the Air Force in a future ground mobile system compatible with the Space-Based Infrared System

(SBIRS) and follow-on sensors. The planned Multiple Mission Mobile Processor (MP3) Program is being restructured due to the delays in the SBIRS schedule.

COUNTER-ROCKET, ARTILLERY, MORTAR (C-RAM)

A significant danger in OIF/OEF today is posed by insurgents employing indirect-fire tactics of quick-attack, low-trajectory, urban-terrain-masked rocket, artillery, and mortar (RAM) strikes against U.S. forward operating bases in Iraq. To combat this threat, the Army developed C-RAM, an integrated solution of capabilities to provide warning and intercept of RAM threats. C-RAM provides a holistic approach to the Counter-RAM mission. Horizontal integration across the core functions—command and control, shape, sense, warn, intercept, respond and protect—is providing an integrated modular and scalable capability. This capability provides timely warning of mortar attacks, intercept and defeat of incoming rounds, and accurate location of insurgent mortar crews, enabling a rapid, lethal response. C-RAM takes advantage of existing systems and capabilities, combining them in a SoS architecture to support the warfighter on today's battlefield. The current C-RAM solution is truly Joint, in that it uses fielded systems from the Army, Navy and Air Force along with a commercial-off-the-shelf (COTS) system. C-RAM has been supported through supplemental appropriations. The Army will request funding for continued C-RAM fielding in the upcoming supplemental request, and the C-RAM program will be included in the Army's POM beginning in fiscal year 2008.

DIRECTED ENERGY INITIATIVES

The Army continues to explore directed energy capabilities for weapon system development and integration into Army Transformation applications. High Energy Laser (HEL) systems have the potential of being combat multipliers, meeting air and missile defense needs in the future and enhancing current force capabilities, such as addressing the RAM threats. The ability of a HEL system to shoot down RAM targets has been repeatedly demonstrated, with mature chemical laser technologies proven by the Tactical High Energy Laser (THEL) program.

Meanwhile, the Army's fiscal year 2007 science and technology funding request of \$32.8 million supports HEL technology development focused on solid state laser technologies that will offer electric operation and compatibility with the Future Combat System (FCS) by the year 2018. The Army is participating in a Joint high-powered solid state laser program with the Office of the Secretary of Defense High Energy Laser Joint Technology Office and the other Services to pursue several candidate solid state laser technologies with the operating characteristics necessary for weapon system development. In fiscal year 2007, while leveraging the Joint program, the Army is initiating a HEL Technology Demonstrator (HELTD) that will, by fiscal year 2013, have the ability to shoot down RAM threats as a stepping stone toward deployment of HELs in a FCS configuration. Ultimately, HELs are expected to complement conventional offensive and defensive weapons at a lower cost-per-shot than current systems.

CONCLUSION

Mr. Chairman, the Army, a full contributing member of the Joint team, is relevant and ready, fighting the war on terrorism, deployed in Southwest Asia and elsewhere, and deterring aggression throughout the world, while transforming to meet future threats. With its responsibilities for GMD and PATRIOT/MEADS, the Army is an integral part of the Joint team to develop and field the BMDS in defense of the Nation, deployed forces, friends, and allies. In my role as the Joint Functional Component Commander for Integrated Missile Defense, I will continue the development of a Joint BMDS capability to protect our warfighters and our Nation. The Army has stepped up to the land-attack cruise missile defense challenge by aggressively developing the joint, integrated, and networked sensor-to-shooter architecture necessary to defeat the emerging threat. The fiscal year 2007 budget proposal continues the transformation of the Army's ASMD Force to support the Army's Future Force, the Joint Integrated Air and Missile Defense System, and our global BMDS, building on the ongoing success of our theater AMD force in Operation Iraqi Freedom. Transformation will continue to define the characteristics of the emerging ASMD force and determine how it can best support the Future Force operating in a Joint, interagency, and multinational environment.

I appreciate having the opportunity to speak on these important matters and look forward to addressing any questions you or the other Committee members may have.

MISSILE DEFENSE FLIGHT TESTING

Senator STEVENS. General Obering, the Graham panel recommended intensifying the flight and ground testing of your systems. And I am told that the Inspector General pointed out there were some issues concerning network communications security. Now, it seems that you have changed the confidence in the deployed system at both Greely and Vandenberg. As I understand it, and staff tells me, your plans call for only one ground-based missile defense interception in this year we're in now, 2006. Is that right?

General OBERING. Sir, we have three more flight tests that we have planned. We know that two of those will be before the end of the calendar year 2006, based on our current projections.

Senator STEVENS. That's calendar 2006—

General OBERING. Yes, sir.

Senator STEVENS. One will be over in—

General OBERING. Yes, Chairman. One, most likely, will slide into the early part of calendar year 2007. We will be flying against targets in all of those flights. This next flight that will occur to—the mid part to the latter part of July, we will have a target, but the interceptor's not that primary objective of that mission, because this will be the first time that we are able to match the radar, the Beale operational radar, with the kill vehicle characterization, the seeker characterization. So, while an intercept could occur, it's not the primary objective. We will fly against a target later this fall which—in which an intercept will be the primary objective, and then we will also fly against a target in the third flight test, which, as I said, will probably move on into 2007.

Senator STEVENS. General Dodgen, is this system on alert right now?

General DODGEN. Mr. Chairman, currently the system is not on alert, however, we do have some capability that we can reach and put up at the Nation's disposal, if called.

Senator STEVENS. Well, what unit has operational control, then, if it's not on alert?

General DODGEN. I command the unit, sir, at Colorado and at Alaska, as an Army commander, and they are operationally under the commander of Northern Command, who is charged with our homeland defense.

Senator STEVENS. Well, then, operationally, General Obering, are you satisfied with the number of interceptors and the various assets you have, surveillance and capabilities? Is this system ready now?

OPERATIONAL READINESS

General OBERING. Senator, if we had to use the system in an emergency, as I've said before, I fully—I believe that it would work, based on what we have done to date in our testing, and that the previous testing we conducted with the actual intercepts using a prototype of the kill vehicle that we did in the 2000 to 2002 time-frame, that the recent tests that we conducted this past year do nothing—I mean, do a lot more to bolster our confidence in the system, as well, because we actually flew the operational configuration of the interceptor that we have in the silo, and we also, for the first

time, used the actual track information from an operationally configured radar—in this case, Beale—as part of our flight test. And that—the results of those tests were actually much more encouraging than we had originally even planned. The accuracy of that radar track and the ability of the system to accept that met all of our expectations. So, I feel confident that the system would work, if necessary. And, as General Dodgen can tell you, all of the operators have been trained and certified, and are ready, in that regard.

Senator STEVENS. General Dodgen, you mentioned upgrading all of the Patriots to PAC-3 level. Is that funded?

General DODGEN. It is not funded, Mr. Chairman.

Senator STEVENS. In this budget?

General DODGEN. It is not funded in this budget.

Senator STEVENS. When do you intend to budget—fund it?

General DODGEN. The reason it was not funded in this budget is, that we just did a recent review of our worldwide posture of the Patriot system, a review of Iraqi Freedom, and also the timeline to MEADS, which is the system of the future where we want to go. When we did this review with the chief, it became clear that our operational requirements overseas and the ability to operate succinctly and from different places, we needed the “pure fleet.” In other words, we needed to take our last three battalions and bring them to Config-3, where we were holding those battalions in Config-2 until MEADS came on. So, the chief made a decision a couple of months ago that we needed the “pure fleet,” and told us to do that by 2009. So, you’ll begin to see that in the next budget cycle that we submit.

Senator STEVENS. Thank you.

AIRBORNE LASER

General Obering, we’re pleased with the report on the airborne laser. Is there enough money in this bill, the request of—for 2007, to meet the key milestones you have to meet, in terms of that program?

General OBERING. Yes, sir. And what we are shooting for there, of course—we will roll the aircraft out, here, in about 1 month, with the tracking lasers installed and the atmospheric compensation lasers installed. We will begin a series of ground testing this summer, and then we go to flight testing in the fall with that aircraft, where we will use, initially, a surrogate of the high-energy laser to make sure that we’ve got the jitter and the beam control completely addressed. Then we plan to take the high-energy laser modules and move them on the aircraft, beginning in 2007, and shoot toward a lethal shoot down of a boosting missile in the 2008 timeframe. So, yes, sir, what we have funded in the program will get us to that.

Senator STEVENS. Well, you call for funding a second aircraft, modification of the 747. Is that in this budget, too?

General OBERING. Yes, sir. The—across our future year defense plan (FYDP), it is. We have not allocated the long-lead items for that second aircraft yet, because what we want to do is make sure that we were able to take all the results of this testing that we’ll be doing in the next 2 years, and fold that into the design of that second aircraft. So, we want to make sure we’ve gotten all of the

lessons learned, and we need basically what we call a design turn between that and the procurement of the second aircraft.

Senator STEVENS. But do you have enough money in this budget, now, to meet the needs for that second aircraft, as far as the program is concerned that you have scheduled for this fiscal year?

General OBERING. Based on the schedule that we have laid out, yes, sir, we have enough money to do that.

Senator STEVENS. Thank you very much.

Senator Inouye.

Senator INOUE. General Dodgen, we are very much encouraged by your success on the Aegis Missile Defense Program. Six out of seven intercepts is quite an impressive record. Assuming that the success continues, I would assume that it will be deployed. And, when that happens, who will be in charge—the Navy or will it be a national asset?

General DODGEN. Of the SM-3 missile, Senator? The vision right now is that the Navy will man that system, and it'll be aboard the fleets. Currently, there are some missiles in Pacific Command (PACOM). JFCC is actually planning the command-and-control relationships with the combatant commander to bring that capability into the family of ballistic missile defense systems. So, we're very encouraged by its performance. It has regional reach in its capabilities against these threats, combined with the Patriot system, and ultimately when the THAAD gets here, it'll be a tremendous combination of capabilities that we'll have in PACOM and in our other combatant commander regions.

TERMINAL HIGH-ALTITUDE AREA DEFENSE PROGRAM

Senator INOUE. You've mentioned terminal high-altitude area defense (THAAD). It's been very successful recently. You're going to be finishing your testing at White Sands. Where do you go from there?

General DODGEN. Well, the testing done by the Missile Defense Agency, actually we are somewhat constrained, as I understand, by the testing that we do at White Sands, so we'll need more battle space in order to test against the threats we perceive for THAAD. And so, we'll go into the Pacific test range to do those things that we need to. General Obering could probably elaborate on that a little more, sir.

General OBERING. Yes, sir. We have a very aggressive program on track right now in our testing there. We will finish up the White Sands testing and then move out to the Pacific missile test range. Everything that we can see is on track. In fact, we have—the next flight will be tomorrow, of that system. And we're very encouraged by the progress that we've made to date.

KINETIC ENERGY INTERCEPTOR PROGRAM

Senator INOUE. General Obering, 3 years ago your agency began the kinetic energy interceptor program. This is a multibillion dollar program that began as a boost-phase program. Over the last few years, the program has shifted. We have heard that it does everything from boost to midcourse to land and sea based, and it could be the replacement for the interceptors at Greely and Vandenberg.

Can you straighten out the record and tell this subcommittee what MDA's intentions are for the KEI program?

General OBERING. Yes, sir. The KEI program started, as you said, 3 years ago, and it started at the recommendation of the Defense Science Board, because they felt that the airborne laser program, while it was very high payoff with respect to its directed energy, it was also very high risk from a technical perspective. And so, they recommended that we have a backup basically for the—for that program. So, what that indicated is that we needed a very, very high acceleration booster to be able to reach out in that boost phase, that very quick boost phase, to intercept the boosting threat missile. As we got into the program and we realized what that capability entails, that means that with that high acceleration, you also have a much-expanded footprint in a terminal role, for example, and you could also apply that in the midcourse, as well.

So, what we're trying to do is be good stewards of the taxpayers' money. If we're developing this very high acceleration booster for the boost phase, could it be applied in other phases, as well, in other uses? The only thing you have to change is, you have to—you have to make sure that you integrated a different seeker as part of the kill vehicle. So, that's what we were looking for as—how could we exploit as much as we can of this capability?

So, as it exists today, it is, in fact, still an alternative for our boost-phase defense. And if it pans out—and it—we will know in fiscal year 2008, when we have planned for the first flight of that very high acceleration booster—if it pans out, then it could be applied to the other phases, as well. So, we're trying to keep an eye for the future to make sure that we have all of our bases covered. But what we're trying to do is take advantage of that very high acceleration.

The other advantage it has is, it is a mobile missile. It is canisterized, and it is mobile. It is designed to be both land based and sea based. And, there again, you could take advantage of that mobile capability to be able to augment or bolster your overall ballistic missile defense system where you may need it worldwide. So, this is a system that you could fly into a location, for example, and provide long-range protection—coverage against long-range threat missiles and very high speed missiles. And so, it became very attractive from that perspective.

But to make sure we've set the record straight, as you say, it is still our boost-phase defense alternative. We're still focused on the knowledge point in 2008, and then we will preserve our flexibility to determine what we would like to do, based on the achievement of those knowledge points.

Senator INOUE. Is the funding request sufficient to keep this on track?

General OBERING. Yes, sir. The President's budget request is sufficient to keep this program on track.

COUNTERMEASURES

Senator INOUE. One of the most difficult challenges facing the program is developing methods to overcome enemy countermeasures. There have been suggestions that we are building a very

expensive system that can be foiled by an inexpensive countermeasure. How do you respond to that?

General OBERING. Well, first of all, Senator, the system that we're fielding today does not have a robust capability against very complex countermeasures, as we have stated in the past. However, the systems and the components that we're bringing online this year, for example, and the work that we have, being able to net together the sensors, and the algorithms that we've developed to install those in these sensors, get us very far down that path to be able to meet that very complex threat.

In addition, we have a very important program that we call the Multiple Kill Vehicle Program. And what that does is, it takes a single interceptor and enables it to destroy multiple credible objects, so that you can handle the much more complex countermeasures and the much more complex threats suites that we may face in the future. And so, we are very much appreciative of that, the challenge that that represents. We, by the way, have probably these nations' leading experts in countermeasure, in counter-countermeasure technology. We have a very robust countermeasure test program. We actually fly missiles with very complex countermeasures on them, and we test our radars' and our sensors' capability to discriminate and to sort through those. And that's all part of this program. We want to make sure that we are not fielding a system that will only work against very simple threats, that we are, in fact, keeping an eye toward the future and keeping an eye for the robustness of this. And I'm very encouraged by what we have done in that area.

Senator INOUE. And your funding request is sufficient to carry out this program?

General OBERING. Yes, sir, as long as we get the President's budget request, especially for the Multiple Kill Vehicle Program, which is that catchall, so to speak.

Senator INOUE. Mr. Chairman, may I request that my other questions be submitted?

Senator STEVENS. Yeah. I'd appreciate it if you'll respond to the questions that are just submitted to you in writing.

Senator INOUE. Thank you very much.

General OBERING. Yes, sir.

Senator STEVENS. Senator Shelby.

Senator SHELBY. Thank you.

GROUND-BASED MIDCOURSE DEFENSE QUALITY CONTROL

General Obering, a recent Government Accountability Office (GAO) missile defense report raised some doubt about the quality of the GMD kill vehicles. What actions have you taken to ensure that our ground-based midcourse interceptors are highly reliable?

General OBERING. Well, Senator, first of all, we have revamped the way that we are doing quality control across the program, and especially for the GMD, the EKV program.

Senator SHELBY. It's paid off, too, hasn't it?

General OBERING. Yes, sir, it has. In fact, the initial report—or the reports that I've got back as recent as just a couple of weeks ago about the changes that have been made now in the production

facilities, for example, in Tucson and other areas, are very, very encouraging. We think that we've gotten over the hump there.

What it primarily had to do with, by the way, is making sure that we had accountable engineering processes being applied, and we had folks accountable for the individual tail numbers that were going through the facility, and that we also had a much stronger supply-chain management approach to be able to control the quality of the vendors and the suppliers, and all of that is in place. We've also deployed more than 24 mission assurance representatives across the Nation in these facilities, working day to day with the contractors. And so, in fact, I've had at least one CEO of a major defense corporation say that our mission assurance program is the best he'd ever seen, and he's actually incorporating that as part of his own internal documents.

KINETIC ENERGY INTERCEPTOR PROGRAM

Senator SHELBY. I'm glad to hear that.

General Obering, the MDA budget request of \$9.3 billion not only supports fielding missile defense capabilities, as you well know, but also funds the development of advanced technologies to make missile defense more robust and more effective. I believe our national defense needs to fully fund technology development in order to remain in front of the threat. One program currently threatened with cuts in the 2007 budget, as I understand it, is the Kinetic Energy Interceptor Program. Would you address how KEI makes missile defense more robust? And what is the impact to the ballistic missile defense system if this program isn't fully funded?

General OBERING. Well—yes, Senator—

Senator SHELBY. To you both.

General OBERING. Yes, Senator. As I mentioned earlier, that is our program, which is an alternative to the airborne laser program. While both of those programs are currently on track, we won't know until we reach the knowledge point, in 2008, as to whether we can actually lethally shoot down a boosting missile with the airborne laser, and whether we can attain the very high acceleration that we need out of that KEI program. So, if we were to sustain the cuts that have been proposed for the KEI program, it removes that flexibility, number one, and it prematurely forces us to—

Senator SHELBY. You need that flexibility, do you not?

General OBERING. Yes, sir, because I can't tell you right now with confidence that the airborne laser could be an operational system. We may be able to technically shoot down a missile, but it may not be operationally viable, and we have a long way to go there. And it's making great progress, but I would not like our options limited too prematurely at this point.

Senator SHELBY. How much more money would you need for this, with this particular program?

General OBERING. Well, Senator, the President's budget request for 2007, I think, is about \$386 million for the KEI program, and we need all of that.

Senator SHELBY. Need all of it.

General OBERING. Yes, sir.

MULTIPLE KILL VEHICLE FUNDING

Senator SHELBY. The multiple kill vehicle, as both of you know well, an initiative to provide increased effectiveness against potential countermeasures during midcourse engagement. It's presently under development. The 2007 request of \$164 million is a considerable increase from the 2006 request of \$82 million. General, will you be able to execute the funding of this requested increase? And what progress in MKV do you expect to realize in 2007? I think this is progress here, but what do you plan to do with it?

General OBERING. Yes, sir. Well, we actually have laid a divert and attitude control system test in the 2007 timeframe for that program—again, a key knowledge point for the program. We have transitioned and moved the management of that program, by the way, from the Washington area down to the Huntsville area, in terms of how we're executing that management. And so, I have no doubt that we'll be able to fully leverage the money that we've requested to be able to get us to—the next knowledge point is a hover test of that vehicle in 2009. And, again, as I mentioned with Senator Inouye, it is very, very important to be able to address emerging threats that we may be faced with in the future.

Senator SHELBY. Thank you.

General Dodgen, the 2007 budget request includes proposed funding for long lead items necessary for GMD interceptors 41–50. From your warfighter perspective, General, what would these additional interceptors provide, in terms of an increased ballistic missile defense capability? Is this request warranted? Do you need it?

General DODGEN. Senator, I think they're very much warranted. I think the missile count, as strategically located as Fort Greely is—

Senator SHELBY. Absolutely.

General DODGEN [continuing]. To go east and west—

Senator SHELBY. Sure.

General DODGEN [continuing]. It's all about how many rounds you have in the ground, and the reach of those particular rounds. And our shot doctrine calls for us to use potentially more than one interceptor against a warhead. And so, we potentially could use every one of those rounds.

Senator SHELBY. That's just smart, isn't it?

General DODGEN. It is smart. We have, in addition to that, our joint capability-mix studies played those full inventories of munitions and verified that we'll need every one of those rounds for the threats that we'll be facing.

Senator SHELBY. Well, you can't afford to be too thin when you're defending something, can you?

General DODGEN. That's correct, sir.

Senator SHELBY. Thank you, Mr. Chairman. I might have some additional questions for the record.

Senator STEVENS. Thank you very much.

Senator Burns.

Senator BURNS. Thank you, Mr. Chairman.

I want to dwell on just a little bit of the development of the entire system and where we're going and to complete the mission. I've had an opportunity to visit facilities, as you well know, and also

it appears to me, when we dwell on the development, I think, of the Patriot, the PAC-3, in the—and the Navy SM-3. We're not only developing a tactical weapon, but now—we have a weapon now that could probably go strategic as this develops out.

I have some concerns about it, because I'm from Montana, and if you guys miss, you put us into business—

Senator STEVENS [continuing]. Up there. And so, we're—as those—these systems—can you comment on how you're using these multiple parallel paths, really, to create a competition or synergy for our ground-based terminal missile system programs, because we understand that competition does create a certain synergy, and how those two programs play out? General Obering, I—yes.

LAYERED DEFENSE

General OBERING. Yes, sir. Well, first of all, we are designing the system so that we have layers of defense that work together, so we can take a sea-based interceptor, like the SM-3, and the radar with the aegis program, and integrate that into the long-range defense system that is based in Alaska, California, and, of course, Colorado Springs. And so, it is designed to work together to be able to integrate these capabilities and greatly expand the detection and engagement zones over what we would have individually.

Now, what you're referring to in the multiple paths is that—for example, with airborne laser and the kinetic energy interceptor, we have options that we can execute within the boost phase—in the boost phase, for example, to be able to make sure that we don't have all our eggs in one basket. And that's why I think it would be premature to cut either one of those programs until we get to those knowledge points.

We also have laid in several midcourse capabilities against the long range and the Aegis, for example, with the shorter-range threats. We have planned and have funded in the budget the ability to engage the longer-range threats with the sea-based interceptor and the midcourse, as well. That's our SM-3 block-2 capability. So, where we can, we like to make sure that we have options and flexibility. And we also are integrating all of these capabilities together to ensure that we get the most that we can out of the system.

Senator BURNS. Well, you were going down the path where each one of them sort of had their niche.

General OBERING. Yes, sir.

Senator BURNS. General Dodgen could probably address that.

General DODGEN. Sir, I would add to that by saying, operationally, what we're doing is divorcing sensors from their normal role as a system and using them across all the systems we have so that multiple sensors can shoot different interceptors. When you do that, first of all, you probably don't need as many systems. That's what the joint capability-mix study is telling us. And, second of all, you bring great flexibility in the ability to adjust the system for a particular threat and in a regional fight. So, we definitely plan to integrate the SM-3 missile onboard ships, with THAAD, and with Patriot in the regional fight, and some of those same sensors will be feeding the GBM system that's at Fort Greely and gaining great

significance to that. And we're about dealing with the command and control to make that all work succinctly for the future.

ARROW PROGRAM

Senator BURNS. Let's talk about sharing of technology a little bit. I think most of us are pleased with the success of the Israeli Arrow, that missile in this past year. In fact, they had a pretty successful shoot the other—about 1 month ago, I understand. This subcommittee has funded that technology development with the Israeli Missile Defense Agency, and we're pleased that their system is really improving its capability, in light of recent developments in Iran. We—you know, it may play a larger role than we really think right now.

Would you care to comment on the benefits of funding the Arrow program to your agency? And how has the sharing of technology—has it enhanced what we're trying to do here?

And either one of you can—

General OBERING. Yes, sir. Well, first of all, we've learned an awful lot collaboratively together, working with the Israelis. We have a series of exercises that we execute with them on an annual basis that we learned even more. It played out very well in Operation Iraqi Freedom, where we actually had integrated and combined the Arrow system with the Patriot system to be able to provide coverage during the Operation Iraqi Freedom. But we've also, as you say, enjoyed the technology benefits. We've actually been able to incorporate some of the developments on the Arrow program back into other interceptor programs within the Missile Defense Agency. We continually do that. We continue to look at their advances in software, advances in human/machine interface, and those types of things, to see what advantages that we can take. So, it very much is a collaborative effort. And, of course, we need that even more so in the future as we expand the opportunities for missile defense cooperation. And we have several countries that are very much interested across the world, and that continues to grow almost on a weekly basis.

Senator BURNS. Well, I've had the opportunity to visit not only what they're doing there, but also what we're doing down in the South Pacific, General. And we stopped in down there in—now, let's follow up on that. How positive has it been with our North Atlantic Treaty Organization (NATO) friends? What—and especially fielding the Joint Tactical Ground Station, the JTAGS—have we had the same kind of cooperation with our NATO friends?

General DODGEN. Of course, I command the JTAGS, and—

Senator BURNS. Yes.

General DODGEN [continuing]. Right now they're positioned with the combatant commanders to provide early warning for those forces. And we have a JTAGS located in Stuttgart with European Command (EUCOM). That early warning has been provided to our allies in some regard. And so, there is a great deal of cooperation there.

Senator BURNS. Are they holding up their share of the funding?

General DODGEN. Well, the funding's totally United States at this particular time, but I think I'm encouraged by the fact that NATO is beginning to step up their missile defense efforts, and, to

the most part, start to study and actually come forward with some recommendations as to what they want to field. They're certainly not where we are in missile defense, I would say, but they're certainly talking with us at the military level.

Senator BURNS. Well, I get the feeling, you know—we're really stretched for money, you know, in funding some of these programs, and I'm starting to ask myself, Why should we be funding their programs? The American taxpayers should know why we're doing that. Is there a reason? Because it is costly.

General OBERING. Senator, if I could address, from a different geographic area, Japan, we have entered into a co-development program pending Japanese approval, for a block-2 SM-3. And that is a—an equal share in the costing of that, which is great for us, and great for Japan, because we are able to get that capability, basically, at half the investment to the United States. So, that is, I believe, the model, and is something that we are very much interested in, in other programs, as we proceed in the future, too, to be able to leverage our allies.

General DODGEN. I would add to that, that certainly other NATO nations have the Patriot system, like we do. And we have a great operational cooperation with them in their systems, in their force. Germany and The Netherlands and now the Greeks all have Patriot, and Spain is procuring a system. In addition to that, we're partners in MEADS with the Germans and the Italians to develop the next generation. But those are the short-range terminal systems, and cooperation in the longer-range systems is something that will be forthcoming, I believe.

Senator BURNS. Well, the reason I asked the question is because we have—at the present time, we are facing an enemy that offers none of those kind of weapons that would endanger our security, both to our troops that are deployed, in the Middle East or wherever, or our domestic security. And so, we have to look at those. Should we be funding these systems, when basically we're in support of boots on the ground, so to speak? I come from a different mentality. I served in the Marine Corps, and so my mentality is the support for the troops that's on the lines, so to speak. And so—

MISSILE DEFENSE

General OBERING. Senator, one thing I'd like to address there is, this missile defense, as you started out your statement, about the overall system—

Senator BURNS. Yes.

General OBERING [continuing]. It is designed not just to defend the United States, but also our deployed forces. And, as you know, they are deployed worldwide. And, as these ballistic missile threats continue to proliferate, I think it's important that we do provide that protection, whether they be from the shorter-range missiles, as well as the longer-range missiles, because, as we say, as we see this threat evolve, they will reach those capabilities. And that's why we're trying to expand out the umbrella of our defensive coverage to be able to give ourselves that flexibility and to prevent a nation—a threat nation from either coercing or threatening our al-

lies or ourselves, so we can do something about the ballistic missiles that could be married with a weapon of mass destruction.

Senator BURNS. Well, I think the American taxpayer would thank you for that answer. I agree with you, but those are questions that come up, you know, when we talk about the security or the support of our troops on the ground. I have concern for those men and women, because they are really standing in harm's way. I thank you for your answer.

General OBERING. Thank you, Senator.

Senator BURNS. Thank you, Mr. Chairman.

Senator STEVENS. Senator Cochran, do you have questions, sir?

Senator COCHRAN. Mr. Chairman, thank you very much. And let me join you and other members of the subcommittee in welcoming our witnesses to the hearing today.

We have a genuine need for continuing to support a strong, robust, workable missile defense system across a broad range of threats that we see that are present today and that are evolving for future concern—and give us concerns for the future, as well. These are big, complicated, challenging jobs that you have, and we appreciate the dedication and the efforts that you are making to discharge your responsibilities and help carry out these important activities in the development and deployment of missile defense systems. So, thank you. That's the first point I want to make.

Second, it appears that we are making good progress in developing technologies, improving old technologies, in helping stay ahead of the curve. And I think that investment of dollars is very important. We need to be careful not to waste money. And you realize that. We're concerned about keeping spending under control, making sure we're getting what we pay for.

And, in that connection, I was interested in your observations about some of the programs I know that you've already talked about, the airborne laser and some of the other programs, maybe the kinetic energy interceptor, which are still under development, but with hope that we can deploy systems of this type to help ensure that we have the best possible protection.

COMMAND AND CONTROL

Now, one thing that I was curious about is the command and control infrastructure. You're developing an integrated ballistic missile defense system, but the infrastructure of command and control is very important. I wonder what your assessment—of this is at this point. General Obering, could you give us an update or an overview on the progress you are making in integrating command and control capability for missile defense?

General OBERING. Yes, sir, be happy to.

First of all, I have to say that I am extremely pleased with the progress that we have made in that area. If you stop and think about it, there's no other mission area that I'm aware of where you have to get simultaneous situational awareness across as many as 11 time zones or more, across the various combatant commanders and the geographic commanders, again, simultaneously, do the deconfliction and to the battle management that will have to be done in the missile defense arena, which is a—very much of a challenge.

But, in fact, we have tackled that. We have rolled out a capability that is currently not only here in the National Capital but also at Omaha, at STRATCOM, at U.S. Northern Command (NORTHCOM) in Colorado Springs, out at PACOM, in Hawaii. We have plans to also continue to expand into EUCOM and U.S. Central Command (CENTCOM) and to give those capabilities—those commanders that capability, as well. And so, from a command and control perspective, I think the program is very much on track.

We have requested—the money we have requested in the President's budget is important for that work. It is important to continue that, because that is the heart and soul and the brain of the system. We can't do the necessary integration, as General Dodgen mentioned, of the sensors and the interceptors that we mentioned earlier, without that capability. And this is truly a force multiplication effect. For example, if we can integrate a land-based radar using this command and control and battle management capability with sea-based interceptors, you cut down on the number of ships that you need to provide protection for a given defended area dramatically. And that same effect happens over and over again through the system, where you can do this mixing and matching of sensors with weapons. And so, we think that it is very, very important.

So, I think that the money that we've asked for this in the President's budget for 2007 is very much—is very important and very critical to the program.

General DODGEN. Senator, could I add to that?

Senator COCHRAN. Yes, please.

General DODGEN. The command and control for the initial capability that we fielded in Fort Greely, Alaska, what we've called limited defensive operations, very mature tactics have been taught through, the foreign doctrine is there, the command and control through Northern Command is there. What we're about now in a JFCC is expanding that globally through the other combatant commanders. And what we do is, we understand the new capabilities, such as the sea-based SM-3 capability and when the THAAD comes on. We bring the warfighters in from PACOM and EUCOM. We fight the system in games. We develop a concept of how we're going to operate. We validate that concept. And then we feed those means in which we want to operate in terms of functionality to MDA, so that they can produce the command and control battle management communications (C2BMC) terminals that will populate the geographical combatant commanders. That process is just starting to go globally. And the funding will put that functionality into those command and control terminals that we'll use to fight the global fight.

Senator COCHRAN. That leads me to my next question, which is about international cooperation. It's important for us to maintain a spirit of cooperation in order for us to deploy radars and other capabilities around the world that make the whole system work. At Fylingdales, for example, we have the radar there that England has permitted us to continue to use. Are there any other examples of problems that we're having in the international area?

General DODGEN. Sir—

General OBERING. Well, sir, in terms of the overall—not only situational awareness, but the willingness to cooperate and to collaborate in missile defense, I have seen that dramatically increase just in my tenure as director of the Missile Defense Agency.

To give you just one little anecdotal metric there, we cohost a missile defense international conference every year. The last one was held in Rome, last September. We had over 1,000 delegates at this conference. We had more than 20 nations represented there. And we see an upswell of interest and of cooperative effort across the board. We have countries, like you said, the United Kingdom, who are working with us and hosting radar sites and allowing us to be able to use that information with respect to the missile defense system. We have countries like Japan who are investing their own money, significant amounts of it, over \$1 billion a year, in missile defense, and are working with us not only procuring systems from us, but also co-developing new systems with us. And so, across the board, I see a dramatic increase in that collaboration and that cooperation.

But I think it's only reasonable, in light of what we see happening with the threat. We know that there is a lot of activity, nearly 80 missile launches last year around the world in the threat communities. We know that this proliferation continues. We know it is a weapon of choice. When you marry it with a weapon of mass destruction, the ballistic missile becomes a convenient delivery vehicle, whether you're talking about short range or long range. And so, I think it's not only important, I think it's critical that we get this continued international development and cooperation.

EXPENDABLE LAUNCH VEHICLE PROGRAM

Senator COCHRAN. One of the essential parts of this entire process is maintaining intelligent satellites and launching these satellites. You have the Evolved Expendable Launch Vehicle Program, which has produced a couple of families of capability. These have had only a few initial launches. But you were hoping to reduce the overall cost by agreements with commercial customers who are likewise interested in these capabilities. Tell us what the status of that is and what you foresee as the need, in terms of budget requirements, funding of this Expendable Launch Vehicle Program.

General OBERING. Senator, I don't have the Expendable Launch Vehicle Program. If you're referring to—I have the Multiple Kill Vehicle Program. I also have the space tracking and surveillance system programs. But the Expendable Launch Vehicle Program is an Air Force-run program. We benefit, obviously, from launch services that could be provided for our space satellites when we are getting ready to deploy those and getting ready to put those up.

Senator COCHRAN. So, this is not a part of your budget request.

General OBERING. No, sir.

Senator COCHRAN. I understood that \$937 million is being requested in the budget for the Evolved Expendable Launch Vehicle Program.

General OBERING. No, sir, not for Missile—

Senator COCHRAN. But that's not—

General OBERING [continuing]. Defense.

Senator COCHRAN [continuing]. Your budget—

General OBERING. No, sir.

Senator COCHRAN [continuing]. Request. That's Air Force——

General OBERING. It's not mine, sir.

Senator COCHRAN. Okay.

Thank you very much, Mr. Chairman.

Senator STEVENS. Thank you, sir.

X-BAND RADAR SECURITY

General, the radar—the X-band radar, Shemya—or, no, the radar at Shemya, and the sea-based X-band radar, are going to be part of this system. I'm—as you know, I'm fairly interested in that. They're going to be, obviously, targets now. Would you care to discuss the security situation of those targets, or would you like to do it in closed session?

General OBERING. Any details of that, Senator, I'd prefer to do that in closed session. But I will tell you that we do have what we consider to be adequate security and force protection measures that we've employed on those—on the platform, on the sea-based X-band radar. We have security arrangements that we've—that we have procured for the Cobra Dane radar, as well. I am working with General Dodgen and STRATCOM and the combatant commanders, because the force protection responsibilities, especially in an operational environment, fall under the combatant commanders' responsibility—area of responsibility. And we're working with them to make sure that we have what is considered to be adequate force protection for the future, as well.

But I would prefer the details of that to be in a closed session, if you don't mind.

Senator STEVENS. Well, we'll respect that, of course. We'll look forward to having a closed session, discussing some of these activities later this year.

General Dodgen, when is this X-band radar going to transition to operational status?

General DODGEN. It will do that later this year. I believe—I don't know what the exact month—is it December? It's going to leave Hawaii and go through some more trials up in the Adak region. Primarily, the software build that we're going to put into the GMD fire control (GFC) system will allow this radar to be used by the interceptors, will be tested and validated in those particular times. So, it won't just be the platform that'll be tested. It will be the command and control system that's going into the GFC now that will be tested by the operators and when I say the “operators,” I mean the soldiers at Fort Greely, Alaska, will verify this system. And all that'll be done before it's actually placed into the system on alert later this year.

SEA BASED X-BAND

General OBERING. And, Senator, if I may, we have had the radar in the vicinity of Hawaii for the past several months. We have been doing some corrosion control work on the platform. And then, we motored it off the coast to begin the radar calibration test, and we actually—I got a report this morning that we've completed that activity. So, we'll be coming back in, and then we'll be making our

way—after a thorough review of readiness, we'll be making our way up to Adak, Alaska, in the next month or so.

Senator STEVENS. Well, I want to chat with you about it. I've been invited to participate in something in August pertaining to that X-band radar, and I was surprised, because I didn't expect it to be in our waters until later this year.

General OBERING. No, sir. It will be up in Alaska, should be there this summer, and then we will—

Senator STEVENS. It will be there this summer?

General OBERING. Yes, sir. And then, we will use the remainder of the time to complete its integration from that—from the location near Adak into the system, do the full checkout using those satellite transponders, et cetera. And then we'll be available for operations this year, as General Dodgen said.

Senator STEVENS. You intend it to be in Adak sometime this summer?

General OBERING. Yes, sir.

Senator STEVENS. Do you know a time—any timeframe for that?

General OBERING. I will take that for the record and get back to you, but I believe it is in the latter part of July.

[The information follows:]

The SBX is currently scheduled to depart the Hawaii Operational Test Area upon completion of X-Band Radar Calibration testing, and will arrive at its loitering location 50 nautical miles off Adak, AK in late summer.

The MDA Mission Readiness Task Force, at Lieutenant General Obering's request, recently chartered an independent review team consisting of retired Navy and Coast Guard admirals, senior naval architects, and semi-submersible oil rig experts, to assess SBX operational viability with a focus on operations in the Bering Sea. The agency will implement some of the recommendations in the Hawaii region as well as perform low-level repairs and maintenance required from calibration testing prior to departing for Adak.

XBR calibration is scheduled to be completed in August, 2006.

Senator STEVENS. Well, that fits in with the request I have had, then. Thank you.

I was surprised. I didn't think it was going to be there that early.

Well, gentlemen, I want to tell you that I, personally, am very pleased with everything I've heard about this, and I'm very pleased with the activities of the National Missile Defense Support Group that's out there, with Ricky Ellison. And I congratulate you on the way your information is being disseminated throughout the country about the importance of the program and how it's proceeding. I really think it meets up with the basic expectations we've had.

I will tell you that we'd like to talk to you a little bit later about some of the aspects of this program. I think that it would be best to do that in that closed session we're talking about, in terms of how this money is going to be allocated.

Do you, Senators, have any further questions?

Well, we do thank you very much. And, again, we congratulate you. I think the decision to deploy these missiles while they're still in the development phase, has proven to be a wise decision, and we'd look forward to your keeping us advised on the schedule of further developments in the system.

I failed to ask you about the Kodiak connection. Do you have anything scheduled with regard to the Kodiak launching system during this year?

General OBERING. Yes, sir. In fact, the targets that I mentioned earlier that we will be flying in our next series of tests next week, those targets will be launched from Kodiak. And I have to tell you that we've been very, very pleased with the performance and cooperation there.

Senator STEVENS. That's proved to be a very good place for that activity, and we're delighted that you're there.

And we do thank you for your testimony. And——

Senator Shelby.

Senator SHELBY. I just want to add something to what you said. I think General Obering and General Dogden both, their respective commands, Mr. Chairman, are showing real leadership and resourceful for the Nation. And this ought to be recognized.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. You're right, and I'm particularly pleased, as I said, with the transparency. I think everywhere I go, people have asked about it, and they've been stimulated by the appearances that you and so many members of your command have made throughout the country. So, it's very good to have that kind of transparency in a program like this.

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

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL HENRY A. "TREY" OBERING III

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. Over a year ago, the Graham panel recommended intensifying your flight and ground testing, while recently the Inspector General pointed out issues with your network communications security. How has your confidence in our deployed system, including the interceptors Fort Greely and Vandenberg, changed? Your plan calls for only one ground based missile defense intercept test in fiscal year 2006; are you comfortable with that level and rate of testing?

Answer. The Missile Defense Agency's confidence in our deployed BMDS is growing. If the deployed system were called upon in an emergency we believe that it would work based on the testing we have conducted to date. Recent tests conducted over the past year bolster our confidence as we have successfully flown the operationally configured interceptor. We hope to gain further confidence in our system's capability when we conduct an intercept flight test with an operationally configured GBI later this year.

We are successfully executing our plan of continued laboratory and distributed asset testing at the component and system level, and are conducting a regimented flight test schedule with well-defined entrance and exit criteria in accordance with the recommendations of the Independent Review Team (IRT) and the Mission Readiness Task Force (MRTF). We have instituted a stringent pre-mission ground test program prior to our Ground Based Midcourse Interceptor flight test missions which allows us to fully exercise the ground components at Fort Greeley and Vandenberg prior to a flight test event. In addition, we have successfully demonstrated the ability to launch, fly and separate the Ground Based Midcourse Interceptor's Exo-atmospheric kill vehicle, thereby validating the modifications we made after previous flight tests. We have also recently conducted live tests of other key BMDS assets demonstrating the system's ability to detect and track live targets in flight using operational sensors, operational networks, and our operational battle management and fire control nodes.

Our disciplined path to returning to a flight program required specific technical criteria to be met before the flight test could occur. This approach limited us to one intercept flight test in fiscal year 2006, but provided us with key insights to bolster confidence in each and every subsequent event. We plan to maintain this strategy as we strive to increase the flight test tempo in subsequent years, improve integration of Information Assurance (IA) Controls, and believe that this strategy helps bal-

ance the technical risks with additional confidence that comes from testing in more stressful intercept environments.

Concerning the Department of Defense Inspector General (DOD IG) report on the Ground Based Midcourse Defense Communications Network (GCN), MDA is confident that the GCN will continue to perform safely, securely, and efficiently when called upon to defend this nation, our friends and allies against missile threats. The IG recommendations are matters that need attending to, and are being appropriately addressed.

GROUND-BASED MISSILE DEFENSE

Question. I'm pleased that the airborne laser has made technical strides during the last year. Will this program have the funding to meet its key milestones in 2007?

Answer. The program has sufficient funding to accomplish the projected milestones in 2007. ABL is a high-risk/high-payoff program based on cutting edge technology in developing and integrating advanced optics and lasers on a flying platform. The program has made significant progress by successfully demonstrating long-duration lasing at lethal power levels in ground tests and completing flight testing of the integrated beam control/fire control and battle management systems on board the ABL prototype aircraft. The program is following a very aggressive schedule to complete both ground and flight tests of the beacon and tracking illuminators (including demonstration of atmospheric compensation) before the end of CY 2006, and completion of low power system testing in CY 2007, while the high energy laser component is refurbished in preparation for installation on board the aircraft in CY 2007. All these efforts are leading up to a lethal shoot-down of a ballistic missile in the 2008 timeframe.

Question. Fielding Aegis and Ground Based Midcourse Defense are priorities for this committee. Can you assure this committee that the Missile Defense Agency has adequate resources allocated to the testing, fielding and operational aspects of the current system before embarking on the development of new capabilities?

Answer. I share your views on the importance of fielding the Ground-based Midcourse and Aegis BMD elements of the Ballistic Missile Defense System (BMDS).

In fiscal year 2007 we plan to continue the incremental fielding and sustainment of Ground-based Midcourse Defense interceptors; additional SM-3 missiles and upgrades to Aegis BMD ships; and the supporting sensors, command, control, battle management and communication capabilities required to integrate these interceptors into the BMDS. We have been steadily increasing the operational realism of Aegis BMD flight tests leading to deployment of a certified tactical capability later this year. In Aegis BMD, the Navy's Operational Test and Evaluation force is conducting concurrent testing as part of Aegis BMD flight test missions. We will also be pursuing a comprehensive and integrated approach to increasing the operational realism of our GMD and BMDS flight tests as well as making our ground testing program more robust. At the same time, we are not wavering from our commitment to sustaining these systems once they are in the field.

The resources included in our fiscal year 2007 President's Budget request, as well as throughout the FYDP, are adequate to support our fielding, sustaining and testing commitments. Currently, we are fielding missile defense assets about as fast as we can and I can assure you that our budget request represents an appropriate balance between providing near term missile defense capabilities and preparing for the emerging threats of the future through our evolutionary development programs.

Question. The radar at Shemya and the sea based X-Band are key elements of the ground based missile defense system. As such, they are likely high value targets in the initial phases of an attack. Does the Missile Defense Agency plan to protect these assets from our adversaries? Can you provide us that plan in a classified session?

Answer. The overall protection strategy for the Cobra Dane Radar on Shemya Island, Alaska and the Sea-Based X-Band (SBX) is based upon an assessment of the current threat, the application of security measures to deter identified threats and appropriately protect the radar and personnel, and the Combatant Commanders planned response to actual threats.

Cobra Dane

U.S. Strategic Command (USSTRATCOM) Strategic Directive 538-2, "Global Ballistic Missile Defense Systems (GBMDS) Physical Security Program" directs protection standard at the SSL-A level. This specifies protection commensurate with assets for which loss, thefts, destruction or compromise would cause great harm to the strategic capability of the United States. Cobra Dane does not currently meet all SSL-A protection requirements. Remoteness of the asset, severe weather conditions,

and cost vs. risk are considerations being evaluated towards a decision to properly updated existing security. MDA is working with USSTRATCOM and Pacific Air Forces (PACAF) to conduct a security assessment and develop a risk mitigation plan to identify security systems suitable for the Eareckson environment, including enhanced security for the Cobra Dane radar.

SBX

SBX is currently protected as a System Security Level-A asset in accordance with DEPSECDEP direction, as implemented by U.S. Strategic Command (USSTRATCOM) Strategic Directive 538-2. USSTRATCOM has endorsed MDA security and force protection measures as consistent with 538-2 for SSL-A.

Geographic Combatant Commands (GCC) are responsible under the Unified Command Plan (UCP) for force protection oversight of SBX-1 when operating in their area of responsibility. While MDA is responsible for antiterrorism/force protection (AT/FP) of the vessel, the GCC is responsible for responding to attacks by adversaries during increased threats/wartime. Based on the Force Protection Condition (FPCON) and current intelligence, GCCs will direct assigned forces or request additional forces to protect the SBX operations, as required.

Question. Your agency is in the initial development stages of the Kinetic Energy Interceptor, which appears to offer improved performance during boost and ascent phase engagements. For commonality, supportability, and cost have we examined all avenues of improvements, or modifications, to the existing ground based interceptors to provide this capability?

Answer. The Missile Defense Agency did examine the possibility of improving or modifying the existing Ground-Based Interceptor to enable boost and early ascent phase defenses prior to starting the Kinetic Energy Interceptors program in 2003. What we and multiple industry teams determined is that a mobile, fast-burning, high acceleration booster capability is required to meet boost/ascent phase mission requirements. The Kinetic Energy Interceptor booster has approximately three times the acceleration of a Ground Based Interceptor with a similar payload volume and weight capacity. The Kinetic Energy Interceptor is also half the weight of a Ground Based Interceptor; its physical size (length and diameter) is constrained to allow rapid transport on a C-17 aircraft and future integration on a sea-based platform. The only way to achieve this mobile weapon capability is to design, develop, integrate and test new booster motors. The development of this unique booster vehicle capability is the primary focus of the Kinetic Energy Interceptors program through the 2008 booster flight knowledge point.

Question. What milestones and testing events need to occur prior to announcing an initial operating capability of the ground-based missile defense system?

Answer. Today, the Ballistic Missile Defense System (BMDS) could provide a limited defense if called upon as the initial set of capabilities necessary to defeat an incoming ballistic missile have been fielded and demonstrated. These capabilities are currently in a "shakedown period" under which our crews are gaining valuable experience in their operations, and should some threat arise, we could transition from a test phase to an operational phase in a matter of hours. MDA is working with the warfighters to ensure they are ready to operate the system when directed as well developing the capability to operate and test the BMDS concurrently.

A Secretary of Defense decision to put the system on a higher level of alert will be based on a number of factors. These factors include: the advice he receives from the Combatant Commanders, and other senior officials of the Department; our confidence in the operational procedures we have developed; demonstrated performance during both ground and flight tests; modeling and simulation; and the threat.

Question. If the third stage rocket motor is removed from the ground-based interceptor, can it do boost phase intercept? What would its capabilities and characteristics, including size and mobility, be in comparison to the Kinetic Energy Interceptor?

Answer. [Deleted].

VALUE OF TEST RANGES TO MISSILE DEFENSE AGENCY (MDA)

Question. White Sands is perhaps the most unique installation in all of DOD and, when combined with Fort Bliss (most of which is located in New Mexico) and Holloman Air Force Base, it gives the Department a highly valuable venue for combining operations and testing.

Can you describe the value MDA places on its access to an installation like White Sands with its enormous geographic size and unrestricted airspace?

Answer. MDA values access an installation like White Sands Missile Range (WSMR) for testing of Ballistic Missile Defense (BMDS) elements due to its geographic size and airspace. However, WSMR is not well suited for MDA test engage-

ments across multiple time-zones which are necessary to increase confidence in the whole BMDS. We continue to integrate theater and regional missile engagement capabilities into the Ballistic Missile Defense System with a strategic engagement capability demonstrated for Block 04. With its size and airspace, WSMR will contribute to the success of the BMDS in future testing involving PATRIOT integrated with Command Control Battle Management and Communications (C2BMC) and the Theater High Altitude Area Defense system (THAAD). PATRIOT testing is required to assist in maintaining the Limited Defensive Capability of the BMDS as well as the development of future Blocks of the BMDS.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

VALUE OF TEST RANGES TO MISSILE DEFENSE AGENCY (MDA)

Question. Does this access provide the type of realistic testing environment needed to collect accurate data for your systems?

Answer. Yes, at the developmental testing level, but not as much for operational testing:

Airborne Laser (ABL).—WSMR is well suited for firing the laser in flight at diagnostic missiles during beam characterization, and for some test sorties where active laser operation is not required.

THAAD.—For ground testing, THAAD will conduct a total of 26 activities comprised of tests, demonstrations and New Equipment Training/Collective Training. These activities will exercise the Launcher, Radar, and Fire Control and Communication components of the THAAD element, at WSMR and other ranges, from 2007 through 2011.

PATRIOT Advanced Capability (PAC)-3.—In fiscal year 2007 and fiscal year 2008 there will be a total of two BMDS tests that use the Army's PATRIOT tests at WSMR. The first test, set for the second quarter fiscal year 2007, will bring C2BMC and THAAD Hardware-In-the-Loop (HWIL) to exercise the latest PATRIOT and C2BMC software. MDA will collect data on communications between THAAD and PATRIOT and will test PATRIOT's ability to receive C2BMC engagement-coordination direction. For the second test, set for the first quarter fiscal year 2008, MDA will bring C2BMC and THAAD HWIL to the PAC-2 Guidance Enhancement Missile (GEM) P6X-2 test to accomplish the same objectives. It should be noted that the Army will be conducting PATRIOT tests at WSMR in addition to MDA specific tests.

Question. How will White Sands contribute to the success of the Ballistic Missile Defense System in the future?

Answer. In Block 06 and beyond, the MDA has planned engagement sequences that include THAAD engagement on its X-band radars and on system-level tracks. The WSMR flight campaigns will contribute to proving key functionality and interfaces as the BMDS extends to integrated, layered, worldwide-defensive capabilities. Accordingly, the MDA testing program includes THAAD flight tests and Patriot flight tests to demonstrate early interoperability, then integration with the BMDS. The C2BMC element will participate in these flight tests to demonstrate the situational awareness and planning functions that are needed to conduct regional missile defense operations.

Question. A range-wide environmental impact statement has not been completed for WSMR in more than ten years. Would the Missile Defense Agency benefit from such an EIS?

Answer. A decision to conduct a range wide EIS at the Army's White Sands Missile Range would be made by the Army and White Sands Missile Range, and any value to the Missile Defense Agency would be indirect. The Missile Defense Agency (MDA) coordinates test planning at White Sands Missile Range with the Army, and as new missile tests are identified to meet our testing goals, and as the proponent of those tests, the Missile Defense Agency would initiate the necessary level of compliance with the National Environmental Policy Act for the specific action. Current planned Missile Defense Agency testing at White Sands Missile Range is compliant with the National Environmental Policy Act.

Question. What does the Missile Defense Agency need from White Sands Missile Range and New Mexico?

Answer. THAAD returned to flight testing in 2005, and the second flight test of five at WSMR occurred on May 11, 2006. The THAAD program currently plans to conduct three additional flight tests at WSMR over the rest of this year and into fiscal year 2007 before moving future testing to the Pacific Missile Range Facility (PMRF) at Barking Sands, HI, where we can conduct tests of more challenging engagement scenarios.

WSMR provides support for many other MDA flight tests via our Pacific Range Support Teams (PRST) which are teams composed of staff from multiple DOD ranges to support broad ocean area tests, and to specific MDA dedicated mobile test assets. We need the WSMR team to continue their outstanding support of our MDA PRST, providing critical mobile equipment and expertise to remote locations around the Pacific. While the WSMR geography seems substantial for tactical systems, MDA systems must demonstrate their capabilities on both a broader theater and global scale. This large-scale testing will require us to use large areas within the Pacific oceans.

MDA and DOD continually seek more commonality of testing processes and tools across the Major Ranges and Test Facility Base, to enable more efficient and flexible testing in the future. WSMR's continued support of these activities is crucial.

The C2BMC element participates in THAAD and PATRIOT testing from WSMR to achieve early demonstrations of element interconnectivity and data message transfer during live fire events. This interconnectivity testing is made easy by WSMR's SIPRNET on-range connectivity and ease of set-up and troubleshooting.

MDA's programs take advantage of a substantial amount of infrastructure and technical expertise from across New Mexico. Some of the other areas include: Holloman High Speed Test Track and WSMR for lethality and survivability testing; Kirtland Air Force Research Labs and the ABL program office support to our Directed Energy activities; and Sandia National Labs for support to our FT targets, threat analyses, survivability, among others.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL LARRY J. DODGEN

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

BALLISTIC MISSILE DEFENSE SYSTEM

Question. Given that the system spans multiple departments, commands and areas of responsibility, can you describe the current operational control of the system? Is the system currently on alert, if not when do you project that it will be?

Answer. The operational control of current Ballistic Missile Defense System (BMDS) begins with the Secretary of Defense (SECDEF) who retains direct control of the current capabilities. These capabilities are in a Research, Development, Test and Evaluation (RDT&E) status managed by the Missile Defense Agency (MDA). However, in an emergency, operational capabilities are available today and upon direction from the SECDEF, control transitions to an operational status. The operational control is executed by a combination of Geographic Combatant Commanders (GCCs), e.g. Commander STRATCOM, Commander NORTHCOM, and Commander PACOM. Control processes have been vetted by the GCCs in readiness exercises that verified necessary warfighter tactics, techniques and procedures to operate the system. MDA and GCCs continue to add capability to BMDS that remain in an RDT&E status until the SECDEF decides to place all or parts of the BMDS into a 24/7/365 mode of operation.

Question. I understand the 2007 budget cut the advanced procurement for the second aircraft. The airborne laser program calls for a fleet of modified 747 aircraft. How comfortable are you with the overall concept of operations provided the laser's range, aircraft on station time and deployment options?

Answer. The Ballistic Missile Defense Concept of Operations has been vetted during developer (Missile Defense Agency) and warfighter (Geographic Combatant Commanders) exercises. In many of these exercises, use of current simulation resources to depict Airborne Laser (ABL) capabilities as part of the larger Ballistic Missile Defense System (BMDS) is exercised. Operator's tactics, techniques and procedures are refined as we learn more about how each element and component of the BMDS interacts in a dynamic, operational context over a range of potential adversarial operations. Once ABL technology and potential deployment advances, we will be able to better assess the state of ABL's concept of operations within the overall BMDS.

Question. Operationally, to meet the current ballistic missile threat, are you comfortable with the number of interceptors, surveillance assets, and capabilities at your disposal? When will the Sea Based X-Band Radar transition to operational status, and who will operate it?

Answer. As you are aware, the system continues to evolve within the Research, Development, Test and Evaluation (RDT&E) arena but, if necessary, it can provide an operational capability now. While we now have an operational capability, continuous assessments indicate that we need both present as well as programmed assets to defeat the evolving ballistic missile threat. Provided that planned assets are field-

ed, I am comfortable that the Nation will possess an effective global missile defense system. The Sea Based X-band radar (SBX) continues to undergo a series of sea trials and sensor calibration activities prior to moving to its area of operations later this year. Currently, the SBX is operated by a combination of Missile Defense Agency (MDA) provided contractors and security personnel. Negotiations are continuing with the Services to ensure long-term operations of the SBX.

Question. Given uncertainty in the international community to support our missile defense efforts, what are the risks to the forward deployment concept?

Answer. Capabilities of the Ballistic Missile Defense System (BMDS) remain in a Research, Development, Test and Evaluation (RDT&E) status under direct control of the Secretary of Defense. Limited, rudimentary capabilities are spread over a number of geographic areas that include the domains of friends and allies who are forthcoming in support of our forward deployment needs. To date, it appears there is a legitimate interest by additional friendly and allied entities to provide support necessary for stationing and operation of additional deployable elements and components and therefore, greatly mitigate any risks there may be. In fact, as countries like North Korea and Iran continue to develop and market ballistic missiles, there is a corresponding increase in international support for missile defense. Many elements and components are rapidly deployable from friendly and allied operating areas serving as forward basing for support and sustainment of BMD assets in adjacent operating areas. Sea and airborne BMDS elements and components are rapidly relocated to compensate for any loss of any ground stationing issues that may arise in any particular scenario. In addition, many friends and allies continue to make their own BMDS asset contributions fully integrating regional BMD architecture.

SUBCOMMITTEE RECESS

Senator STEVENS. We will stand in recess until Wednesday, May 17, when we will hear testimony from the Secretary of Defense and the Chairman of the Joint Chiefs.

Thank you very much, gentlemen.

[Whereupon, at 11:05 a.m., Wednesday, May 10, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 17.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, MAY 17, 2006

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

The subcommittee met at 10:14 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Specter, Domenici, Bond, McConnell, Shelby, Burns, Inouye, Byrd, Leahy, Dorgan, Durbin, and Feinstein.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY

STATEMENT OF HON. DONALD H. RUMSFELD, SECRETARY OF DEFENSE

ACCOMPANIED BY:

TINA JONAS, COMPTROLLER

GENERAL H. STEVEN BLUM, CHIEF, NATIONAL GUARD BUREAU

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much. We had a vote that held us up. We appreciate your courtesy of being with us this morning.

We are going to hear from the Secretary of Defense, Donald Rumsfeld, and the Chairman of the Joint Chiefs of Staff, General Peter Pace. They are joined by Secretary of Defense Comptroller, Tina Jonas. We're pleased to have the Department-level witnesses here before us, and we look forward to your testimony.

Today we want to discuss the fiscal year 2007 budget request for your Department. The budget request is \$423.2 billion in discretionary budget authority for the whole Department for the fiscal year 2007. As we review the Department's request, we do so ever mindful of those patriotic warriors who are fighting for our freedoms every day.

Mr. Secretary, General Pace, we're going to make your full statements a part of our subcommittee records. Let me turn first to the co-chairman of our subcommittee, and then we'll see if anyone else wishes to make opening remarks.

Senator Inouye.

Senator INOUE. Because of the time constraint, sir, I put my statement in the record.

Senator STEVENS. Thank you very much. I have also received a statement from the chairman of the full committee, Senator Cochran which I will insert into the record.

[The statements follow:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Good morning Mr. Secretary. I want to join our chairman in welcoming you and General Pace as the subcommittee continues its Defense Department hearings on the fiscal year 2007 budget request.

During our hearings this year we received testimony from the military departments, the Guard and Reserves, the Missile Defense Agency, and the Surgeons General.

Next week we will conclude our hearings as we take testimony from members of the general public.

As we have listened to the testimony of officials in your Department, it is clear that they support your budget request.

DOD budgets are at record high levels, so it stands to reason that funding levels in the request should be sufficient to meet all the needs of the Department.

However, we find a number of areas where surprising shortfalls remain.

In health care, your budget assumes savings in excess of \$800 million for assumed legislative changes to increase beneficiary co-payments and efficiencies. Both House and Senate authorizing committees have rejected your proposals, so we now have a shortfall in this area.

We learned when the Navy testified that it had assumed significant "risk" in its readiness accounts. Its ship operating budget is woefully underfunded.

We are aware that the Air Force has used financial gimmicks to support a sustained production of the F-22, while the planned termination of the C-17 fails to take into consideration the need for more aircraft due to its overuse in Iraq.

The Army has insufficient funds to keep its M-1 program on track and is assuming a great deal of risk in its base operations funding.

So even in these times of record budgets we see that problems still exist. Add to that record high fuel prices and we know that our fiscal year 2007 Defense appropriations bill will require some major readjustment from the budget that you submitted.

Gentlemen, I am sure you know how much we appreciate your services. Managing this Department, especially in these challenging times requires duty above and beyond the call.

We thank you very much.

Mr. Chairman, thanks to you for inviting our witnesses today, and I look forward to their testimony.

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to welcome Secretary of Defense Rumsfeld and the Chairman of the Joint Chiefs of Staff, General Pace here today.

I join you in praising the efforts demonstrated by our military forces serving around the world. The state of Mississippi has over 500 of its servicemembers deployed in Iraq, Kuwait, and Afghanistan, and is proud to be supporting the Global War on Terrorism. Last month, I talked with troops in Anbar province. They were motivated, their morale was great and they seemed focused on their mission.

As you know we are in the process of working through the differences between the House and Senate Emergency Supplemental Appropriations bills which contain funding for the operations in Iraq, Afghanistan and the Global War on Terrorism. I am working hard to ensure differences are worked out and funding is provided as soon as possible, so our troops have the resources necessary to accomplish their mission.

It would be helpful for us to know how soon the Supplemental funds will be needed for the Global War on Terrorism and what impact there would be from any delay in receipt of this funding.

I thank you for your leadership of our military as they defend our national security interests. I am sure your insights about the fiscal year 2007 budget request for the Department of Defense will be helpful to us in our appropriations process. Thank you for your assistance to the committee.

Senator STEVENS. Senator Bond.

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

And, as I mentioned to the Secretary and the chairman, we are extremely proud of the job that our military is doing in Iraq and Afghanistan. They don't seem to get credit for doing a great job, but we want our men and women in uniform, and the civilians who are working with them, to know that we appreciate the fact that they've been assigned a tough mission, they're doing it, and we appreciate it.

Thank you, sir.

Senator STEVENS. Senator Burns.

Senator BURNS. I would just ask unanimous consent that my full statement be made part of the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Mr. Chairman, Secretary Rumsfeld, General Pace welcome.

First of all, I would like to thank you for your exceptional service to our nation. I think it is important to remember that the strain that this nation took on September 11th was one that you felt personally, we speak of heroes in our Armed Forces, I would submit that there are a number of great American heroes before us today.

Our country has responded to the challenges faced by September 11th and we have sent a message to those who attack innocent civilians that we will not be victimized by terror. We will stand.

Our young men and women serving overseas are a testament to that stand. There has been a great deal of talk about the path to war, and the justification. Much of the dissent over the decision to go to war in Iraq has been shown to be false by the declassification of thousands of pages of documents which detail Saddam Hussein's efforts to mislead the international community, and hide his efforts to develop WMD. It is a shame that this evidence goes seemingly unnoticed in the media.

But, beyond that debate; I believe that it is important to remember that Americans, Iraqis, and our Allies are facing terrorists in Iraq today. Terrorists who believe that Iraq is the keystone to what they view as the beginning of a global jihad. If we lose in Iraq it will embolden our enemies. Enemies that seek nothing less than global war and conquest of everyone opposed to their radical agenda. I believe that we need to remember that we are fighting al Qaeda in Iraq, and if we don't defeat them there, we will be fighting them here.

Victory in Iraq will be a victory of the Iraqi people. The Iraqis will overcome oppression and terrorism and defeat those who would seek to divide their nation. We need to support that emerging democracy, and we need to support the democratic voice of the Iraqi people who have voted their desire to build one Iraq.

Our forces have been engaged around the world in the fight for democracy. I would like to take a moment to discuss our efforts to ensure that our young men and women and their families deployed around the world have a chance to participate in our democracy.

As you know, my colleagues and I are concerned about military voting. 17 Senators from both parties including a number of Senators who sit on this committee sent a letter to your office in March expressing our support for fixing the military voting process. As you know, we have a number of concerns about the effectiveness of the military process.

A major part of the problem is getting ballots to our service men and women in remote locations. I look forward to working with you to implement the Interim Voting Assistance System (IVAS) in order to be able to solve a portion of this problem by emailing blank ballots to our service members.

In a recent report the GAO has cited concerns about the Federal Voting Assistance Programs (FVAP's) efforts to quantify military voter turnout. Low survey response rates, a lack of analysis of respondents, and a failure to conduct a sampling error analysis are all cited in the report. What this means is that the FVAP office cannot really tell us how many of our military service men and women voted, or what percentage of their votes were counted.

On the other hand the Election Assistance Commission estimates that 18 percent of military votes were not counted in 2004, another survey indicates the percentage may exceed 25 percent. Whether one in four military voters is disenfranchised or one in five: either way, this is unacceptable.

In addition the Election Assistance Commission is still waiting on the FVAP to provide a report of electronic voting efforts in the 2004 election. Without the results of this report it is difficult to determine how to move forward with the development of electronic voting initiatives.

I am certain that you share my concern that our young men and women serving overseas have the right to vote. I look forward to speaking with you on the subject in the near future.

Senator BURNS. And about the only thing I want to highlight this morning is—and I'll ask no questions on it, but I want the Secretary and the chairman to be aware that we're trying to install a new Federal Voting Assistance Program in the military and trying to get most of the ballots to our fighting men that are scattered around the world, and to get those ballots back, and to be counted. We seem to think that this is a very important part of their participation in this great country.

And we'd like to also acknowledge the great job that they're doing over there—and everywhere, in fact. And it's, I think, because we have great leadership here. And I thank you for coming this morning.

Thank you, Mr. Chairman.

Senator STEVENS. Mr. Secretary, are there other witnesses you'd like to have identified for the record? I know you've got an array with you, but we're pleased to hear your comments.

Secretary RUMSFELD. Thank you, Mr. Chairman. I would like to identify General Steve Blum, the Chief of the National Guard Bureau, who is also here with us.

Senator STEVENS. Thank you very much.

General, nice to have you here.

Pleased to have your statement, sir.

SECRETARY'S OPENING STATEMENT

Secretary RUMSFELD. Thank you, Mr. Chairman, Members of the subcommittee. We appreciate this opportunity to meet with you on the President's budget request for 2007 for the Department of Defense.

TRANSFORMATION

Yesterday, I met with a quite different gathering, the graduating class of the Virginia Military Institute (VMI). Many of them will be putting on the Nation's uniform and see service overseas in the months ahead. They'll join nearly 200,000 other talented young people who are slated to join the U.S. military this year, folks who could be something different, something easier, not to mention something safer, and for better pay, but who have chosen, instead, to raise their hands and step forward to defend our country.

The U.S. military that they are entering today is profoundly different from the force that existed when they applied to college 5 years ago. Our armed forces are in the process of transforming, and I want to highlight just a few of the significant shifts that have taken place and that are reflected in this budget.

First, the changes to our global posture. When I returned to this post in 2001, the U.S. military, though smaller, was arranged and operated much the same as it was when I was Secretary of Defense some 30 years before. In addition, U.S. forces were located around the globe in roughly the same places they were some 50 years ago,

when Soviet armored divisions were poised to cross the Fulda Gap and South Korea was then an impoverished nation devastated by the Korean war.

In a major overhaul of our country's global posture, thousands of U.S. troops and their families are returning to home bases in the United States, the first of some 170,000 servicemembers and dependents worldwide who will be affected over the next decade.

Just 3 or 4 years ago, the Army consisted of 48 deployable combat brigades organized within divisions, their basic building block since World War I. In the past, sending one brigade overseas required stripping out key headquarters and support elements from its parent division, essentially ending, or at least reducing, that division's ability to respond to any other contingencies.

Today, the service is well along in reorganizing into a more expeditionary force of 70 modular brigade combat teams across the Army's Active and Reserve components. These more agile, lethal, and more autonomous units can deploy and fight quickly with enough of their own firepower, armor, logistics, and administrative assets to protect and sustain themselves over time. Furthermore, as a result of reorganizing and rebalancing skills and positions across the force, tens of thousands of soldiers have been shifted from the institutional army, the "tail," which trains, supports, and administers the force, to the operational Army, that portion of the service that's organized, trained, and equipped to deploy and fight.

The effect of these initiatives by the Army is that a relatively modest increase in the overall size of the Army is leading to a significant increase in the deployable "boots on the ground," or "teeth," the on-call combat power for our Nation's defense.

NATIONAL GUARD

Five years ago, the Army Reserve and National Guard were configured as a strategic reserve to be called upon maybe once in a generation in the event of a major conflict on the scale of World War II. They were chronically undermanned, underequipped, and underfunded. For example, of the 34 Army National Guard combat brigades on paper, only 15 were even called "enhanced brigades" and supposedly ready for deployment. But even those brigades, year after year, were partly hollow and underequipped, and had to be augmented with people and equipment from other units before they could be deployed. Looking forward, instead of having only 15 so-called enhanced brigade—combat brigades, the Army Guard, aided by some \$21 billion in new funding that will replenish equipment and accelerate modernization, we'll have 28 brigade combat teams that will be fully manned and fully equipped, like their active duty counterparts.

We will see their flexibility with the President's proposal to temporarily increase the supporting role the Guard is already playing to secure our Nation's borders. The Department of Homeland Security is in the lead role, but Guard units may provide assistance, such as mobile communications, transportation, logistics training, and construction.

Military forces will not be involved in apprehension or detention of illegal immigrants. The up to 6,000 guardsmen and guardswomen proposed for this effort represent less than 2 percent

of the total National Guard force of some 400,000 plus. And, for the most part, they will be deployed during their 2 or 3 week “active duty for training” period. As such, this will not only not adversely affect America’s ability to conduct the war on terror or respond to other domestic emergencies, it will actually provide useful, real-life training for the members of the National Guard.

OPERATIONS AND MAINTENANCE

Further, in 2001, when I came back to the Department, the military had 132 unmanned aerial vehicles of all types and sizes. Today, it has more than 3,000. In 2001, prior to September 11, the Army had less than 500 up-armored Humvees. Today, it has more than 12,000.

Next, some 20,000 positions that previously had been performed by uniformed military personnel are today being performed by civilians, thereby freeing up 20,000 U.S. servicemen and servicewomen for truly military tasks and assignments, and thousands of additional positions are currently slated to be converted from military billets to civilian billets over the next 5 years.

NAVY

As for the Navy, a few years ago three out of four ships in the U.S. Navy were not deployable at any given time because of long maintenance and training cycles, which was the product, really, of a peacetime culture and a peacetime mindset. By applying advanced research and development, innovative maintenance and training, and a variety of cost-savings initiatives, the Navy leadership has changed the way our fleet operates and deploys. Today, the percentage of the fleet routinely at sea has increased by more than 50 percent. The Navy then was able to deploy only three carrier strike groups, and surge to two within 30 days; today, it can have six and with the ability to surge one additional carrier strike group within 90 days.

A word about special operations forces, very briefly. In the past, those forces were largely limited to augmenting conventional operations and training foreign militaries. Since 2002, the special operations command (SOCOM) has grown by 6,000 troops, its budget has nearly doubled. They’ve come a long way from the time when, as General Pete Schoomaker—he used to lead that unit—put it, “The special operations forces were more like a sports car that was never driven for fear of denting the fender.”

We’ve overhauled both the way we plan for contingencies and the way we deploy forces. The Department’s deployment process was governed previously by a somewhat inflexible cold war process that was really designed for total peace or total war—lever on, lever off, with very little in between. The Department has worked aggressively to overhaul the planning process so that contingency plans can be better kept up to date to reflect more current assessments.

MEETING NEW CHALLENGES

The military has undertaken the historical changes I’ve mentioned while fighting wars in Iraq and Afghanistan and across the globe in the struggle against violent extremism. All of the many

changes to personnel and the way the military plans and fights, to structure and organization, and to training and doctrine, have involved having the military challenge old assumptions and old habits. At various points along the way, the proposed changes have understandably met some resistance—within the Department, in the Congress, in the industrial complex, and certainly in the press. Change is difficult in any large organization, particularly one like the U.S. military that's been so successful over the decades in doing what it does best, which has been to fight large armies, navies, and air forces in battles along the line of the first gulf war.

But, increasingly, the challenge today is more than simply large armies. It is irregular and asymmetric threats. But if there was any doubt about the necessity and the urgency of these changes when President Bush first took office in January 2001, it should have been dispelled 9 months later, when it took only 19 men, armed with box cutters and tourist visas, to kill nearly 3,000 of our fellow citizens. And today that enemy, though under constant pressure and on the defensive, is still conspiring to bring murder and suicide to our cities. This long war, this struggle against violent extremists is a central security issue of our time. The campaigns in Iraq, Afghanistan, and other theaters in the war on terror have added new impetus and urgency to the efforts to transform the Department.

The unprecedented and complex task before us, in what could be a decades-long campaign against extremism, has prompted a series of shifts in the military's approach to its traditional missions, its tactics, its techniques, and its procedures. One of the most important shifts underway is in the role and importance of intelligence.

The U.S. military has long excelled in engaging targets once they've been identified. We have begun a major effort to ascertain where the enemy is going next, rather than where the enemy was, and to be much better able to find and fix, as well as what the military has always done very well—namely, finish. This means significantly upgrading and refocusing U.S. intelligence capabilities, both human and technological, and more effectively linking intelligence to operations in realtime in the field. This is an enormous challenge for the dedicated and talented men and women in the U.S. intelligence community, and clearly it will take some time to achieve our goals.

A word on the Department's role in the overall intelligence community since September 11. Thoughtful people across the Government have been trying to find the right structures, the right arrangements, so that we can provide the very best intelligence to protect the American people. Everything we're doing to upgrade and adjust the intelligence capabilities within the Department has been coordinated with the other agencies of the Government, the Director of National Intelligence (DNI), the Central Intelligence Agency (CIA), the State Department, the Federal Bureau of Investigation (FBI), and down the line. It is a constructive process, and, indeed, a continuous process, despite some of the breathless and fictitious speculation of bureaucratic intrigue that we see in the daily press.

PROGRESS IN IRAQ

A word on Iraq. Iraq will soon be governed, for the first time, by a permanent government of national unity elected under a new Iraqi constitution that they wrote and they voted on. It's entered a hopeful new phase in what has been a long and difficult journey, from being ruled by one of the most brutal tyrannies in the 20th century to having a representative government and a free political system.

Secretary Rice and I met with Prime Minister-designate Malaki and other Iraq elected leaders last month. They seemed to be very serious people who recognize that they have a window of opportunity to make headway on the serious challenges that their nation faces.

These developments make it all the more important that the Congress approve the President's full supplemental request for operations in the global war on terror (GWOT). I know this hearing is on the 2007 budget, not the supplemental, but I have to say that delay in passing the supplemental puts the military services' critical accounts—in particular, operations, maintenance, and training accounts—at risk, as the services are already being forced to try to reprogram funds from other parts of their budgets under restrictions as to the amounts they can reprogram. The Army and Marine Corps are already being forced to defer contract obligations and supply requisitions due to impending budget shortfalls.

In addition, cuts and delays in providing funds for the Iraqi security forces would undermine what has been truly significant progress in turning over greater responsibility and territory to Iraq's army and police forces. Please keep in mind that these kinds of cuts most certainly will increase the burden on the taxpayer over the long term.

It costs some 10 times as much to recruit and train and deploy an American serviceman as it does an Iraqi soldier, and it costs more than twice as much to sustain a U.S. soldier in the theater than it does an Iraqi soldier. Any slowdown in funding for training and equipping the Iraqi security forces has the added harmful effect of postponing the day when our men and women in uniform can continue to pass off more responsibilities to the Iraqis and come home.

Mr. Chairman, I started my remarks by mentioning a group of young people who are graduates, yesterday, donning their Nation's uniform for the first time. I'll end by referring to another group of young people that I encountered very recently, who are already serving the country and sacrificing.

Two weeks ago, I went to the United Service Organizations (USO) station in Atlanta's Hartsfield Airport to visit with a large group of young Army soldiers, Active and Reserve and National Guard. They had been in Iraq for 6 months. They had been home for their 2 weeks. I had a chance to—and I hope others will do this—I had a chance to shake hands with them and visit and thank them personally for their service to the country. And it was interesting to me that when we left, and watched them, they went down the escalator into the terminal, people there, waiting for other airplanes, spontaneously clapped and stood up as these folks put their

duffel bags on their shoulders and moved to charter flights, as I recall, to take them back over, and then into Iraq. It's a reflection, I think, not only of the high regard that our troops are held, but also of the fundamental decency and strength of the people of the country they serve. It reflects the appreciation and the support for their service that has been manifested by this subcommittee and by the Congress and the people you represent.

PREPARED STATEMENT

So, I thank you for your support in this complex and difficult struggle. The troops have done everything that's been asked of them, and they have done so with courage. And we owe it to them, and to the country that they have sworn to protect, to see that we provide the resources and the capabilities that will not only win today's wars, but also best assure peace in the decades ahead.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF DONALD H. RUMSFELD

Mr. Chairman, Members of the Committee.

With me today is General Peter Pace, the Chairman of the Joint Chiefs of Staff. We appreciate the opportunity to meet with you in support of the President's budget request for the Department of Defense.

Yesterday, I met with quite a different gathering—the graduating class of the Virginia Military Institute. Many of those young men and women are putting on our nation's uniform, and will see service overseas in the months and years ahead. They will join nearly 200,000 other talented young people who are slated to join the U.S. military this year—young men and women who could be doing something different, something easier, not to mention safer, and for better pay—but who have chosen instead to raise their hands and step forward to defend their country.

The U.S. military that many of those graduates are entering today is profoundly different than the force that existed when they applied to college five years ago. And while our Armed Forces are in the process of transforming, it might be useful to highlight some of the most substantive and significant shifts that have taken place.

GLOBAL POSTURE

First, consider changes to our global posture.

When I returned to this post in 2001, the U.S. military, though smaller, was arranged and operated much the same as it was when I was Secretary of Defense some 30 years before. In addition, U.S. forces were located around the globe in roughly the same places they were some 50 years ago—when Soviet armored divisions were poised to cross the Fulda Gap and South Korea was an impoverished nation devastated by war.

In a major overhaul of our country's global posture, thousands of U.S. troops and their families are returning to home bases in the United States—the first of 170,000 service members and dependents who will be affected over the next decade. Heavy Army units that had previously been garrisoned in fixed positions to defend against particular adversaries—some of whom no longer exist—are being relocated and reconfigured to be able to move rapidly wherever needed.

We have also undertaken a major revision of the military's force posture here at home, with the largest round of domestic base closings and adjustments in our history—reforms that will save American taxpayers billions of dollars in future decades.

U.S. ARMY

Consider the dramatic changes to the U.S. Army.

Just three years ago, the Army consisted of 48 deployable combat brigades organized within divisions—their basic “building block” since World War I. In the past, sending one brigade overseas would require stripping out key headquarters and support elements from the rest of its parent division, essentially ending or reducing that division's ability to respond to other contingencies.

Under the leadership of Secretary Fran Harvey and General Pete Schoomaker, the service is well along in reorganizing into a more expeditionary force of 70 “modular” Brigade Combat Teams across the Army’s Active Component and National Guard. These more agile, lethal, and more autonomous units can deploy and fight quickly—but with enough of their own firepower, armor, logistics, and administrative assets to protect and sustain themselves over time.

Furthermore, as a result of reorganizing and rebalancing skills and positions across the force, tens of thousands of soldiers have been shifted from the “Institutional Army”—the “tail,” which trains, supports, and administers the force—to the “Operational Army” that portion of the service organized, trained, and equipped to deploy and fight.

The effect of these significant initiatives—combined with investments in new weapons and technologies like the Future Combat Systems—is that a relatively modest increase in the overall size of the Army is leading to a truly significant increase in the deployable “boots on the ground,” or “the teeth”—the combat power on call for our nation’s defense.

Consider that five years ago, the Army Reserve and National Guard were configured as a strategic reserve, to be called on once in a generation, in the event of a major conflict on the scale of World War II. They were chronically undermanned, under equipped, and under funded. For example, of the 34 Army National Guard combat brigades on paper, only 15 were called “enhanced,” and supposedly ready for deployment. But even those brigades, year after year, were partially hollow and under equipped, and had to be augmented with people and equipment from other units before being ready to deploy.

Looking forward, instead of having only 15 so-called “enhanced” combat brigades, the Army Guard—aided by \$21 billion in new funding that will replenish equipment and accelerate modernization—will have 28 Brigade Combat Teams that will be fully manned and fully equipped, like their Active Duty counterparts.

Today, the Army National Guard and the Army Reserve is becoming an “operational reserve,” capable of taking on a range of missions at home and abroad. We have seen this in Iraq, in Afghanistan, and in the Guard’s impressive response to Hurricane Katrina.

NATIONAL GUARD ON THE BORDER

We will see it again with the President’s initiative to increase the supporting role the Guard is already playing to secure our nation’s borders. The Department of Homeland security is in the lead role, but Guard units may provide assistance such as mobile communications, transportation and logistics training, and construction. Military forces will not be involved in the apprehension or detention of illegal immigrants. The up to 6,000 Guardsmen and women proposed for this effort represent less than two percent of the total National Guard force of some 400,000, and for the most part they will be deployed during their active duty for training. As such this will not adversely effect America’s ability to conduct the War on Terror or respond to other domestic emergencies.

WEAPONS SYSTEMS

Weapons systems such as the Crusader artillery system and the Comanche helicopter, conceived during and designed for the Cold War, have either been cancelled or reduced. In other cases, we have made new and innovative use of older platforms, such as the SSGN—a 20-year old Trident nuclear ballistic missile submarine that has been converted to carry Navy SEALs and capable of launching conventional cruise missiles.

Further:

—In 2001 when I came back to the Department, the military had 132 unmanned aerial vehicles of all types and sizes. Today it has more than 3,000; and

—In 2001, prior to 9/11, the Army had less than 500 up-armored Humvees. Today, it has more than 12,000.

MANAGING THE FORCE

Some 20,000 positions that previously had been performed by uniformed military personnel are today being performed by civilians, thereby freeing up 20,000 U.S. servicemen and women for truly military tasks and assignments. And, thousands of additional positions are slated to be converted from military billets to civilian billets over the next five fiscal years.

About 10,000 civilian employees are for the first time being managed under the new National Security Personnel System that allows for greater flexibility in hiring, promotion, and assignment.

BALLISTIC MISSILE DEFENSE

When President Bush took office, the United States had no defense against long-range strategic nuclear ballistic missiles. An initial capability has now been deployed that will increase over time.

NEW ORGANIZATIONS

In light of the new global threats, the Department has set up new organizations, commands, and leadership positions, including:

- An Under Secretary of Defense for Intelligence, and an Assistant Secretary of Defense for Homeland Defense;
- A new Northern Command to help to defend our country—which showed its value in the military's response to Hurricane Katrina; and
- A Strategic Command that now oversees, among other things, defenses against ballistic missiles, and various other unconventional capabilities.

NAVY

A few years ago, three out of every four ships in the U.S. Navy were not deployable at any given time because of long maintenance and training cycles—the product of a peacetime culture and mindset.

By applying advanced research and development, innovative maintenance and training, and a variety of cost savings initiatives, Navy leadership has changed the way our fleet operates and deploys.

Today, the percentage of the fleet routinely at sea has increased by more than 50 percent. The Navy then was able to deploy only three Carrier Strike Groups and surge two within 30 days. Today it can surge six, with the ability to surge one additional Carrier Strike Group within 90 days.

SPECIAL OPERATIONS

A word about special operations forces.

In the past, these forces were largely limited to augmenting conventional operations and training foreign militaries.

Today, the Special Operations Command, or SOCOM, is also a supported command, and has recently added a Marine Corps element.

Since 2002, SOCOM has grown by 6,000 troops and its budget has nearly doubled. They have come a long way from the time when, as General Pete Schoomaker once put it, the special operations forces were like a sports car that was never driven for fear of denting the fender.

LEADERSHIP APPROACHES

In the past, certain positions were reserved for those from certain services who had followed a certain career path. Given the new challenges our forces face, we now have, for the first time:

- A Marine as a Chairman of the Joint Chiefs;
- A Marine leading NATO and Strategic Command; and
- A Navy Admiral leading Northern Command and NORAD.

In addition, the President picked a former Special Forces officer out of retirement to become Army Chief of Staff.

Not only are these flag and general officers doing a fine job at fulfilling the traditional duties of these positions, they have brought a fresh joint perspective and approach to the Commands they now lead.

WAR PLANNING

We have overhauled the way we plan for contingencies and the way we deploy forces. In the past, an enormous amount of effort and many months went into assembling detailed contingency plans that would then sit on the shelf while the world and the conditions in it continued to evolve and change. And the Department's deployment process was governed by an inflexible Cold War process that was designed for total peace or total war—a “lever-on, lever-off” system—and nothing in between.

A case in point. As General Franks and his team at Central Command went to work to provide the President with a proposal for liberating Iraq, he felt that a modified approach was needed. His plan and deployment process were designed to do several things:

- Preserve options and flexibility for the President as the United States and our allies pursued a diplomatic solution;

- Try to ensure that Saddam Hussein did not provoke a wider war by attacking Israel, as he had done in 1991 with Scud missiles; and
- Wish to prevent Hussein from torching Iraqi's oil wells, and creating an environmental catastrophe similar to what he left behind in Kuwait.

And there were other factors to consider:

- The Iraqi military was weaker than it had been during the First Gulf War, while the U.S. military, though smaller, was significantly more capable in emphasizing a number of technology advances;
- A prolonged war could inflame the publics of the region—there was no Al Jazeera in 1991—and potentially destabilize key allies and partners; and
- Garrisoning Iraq with many hundreds of thousands of American troops—which would have entailed moving a large part of the active U.S. Army to the Middle East—could provoke resentment on the part of ordinary Iraqis at such a visible and intrusive foreign presence.

The plan General Franks and his CENTCOM team developed, with consultation and input from the Department's senior leadership—including the Joint Chiefs of Staff on numerous occasions—was designed to:

- Maintain an element of surprise;
- Move with speed and agility;
- Depose Saddam Hussein as quickly as possible before he could do more damage to the Iraqi people and to the region; and
- Maintain force levels high enough to provide a level of protection and security, but without such a heavy intrusive presence that might feed an insurgency and impede Iraqis from transitioning to governing and defending themselves—which they are now gradually doing.

The Department has worked aggressively to overhaul the planning process for the Combatant Commands so that contingency plans are being kept up to date to reflect more current assessments.

RESISTANCE TO CHANGE

The military has undertaken the historical changes I've mentioned while fighting wars in Iraq and Afghanistan, and across the globe in the long struggle against violent extremism.

All of the many changes—to personnel, to the way the military plans and fights, to structure and organization, and to training and doctrine—have involved challenging assumptions and habits. At various points along the way proposed changes have understandably met some resistance within the department, the military, the press, the government, the Congress, and the industrial complex.

Change is difficult in any large organization, particularly one like the U.S. military that has been so successful over the years at doing what it does best—which has been to fight other large Armies, Navies and Air Forces in battles along the lines of the First Gulf War. But increasingly the challenge today is more than only large armies—it is irregular or asymmetric threats. There is truth to the saying that "if you do something, some people are not going to like it." And they will be heard from, let there be no doubt.

THE LONG WAR

But if there was any doubt about the necessity or urgency of these changes when President Bush first took office in January 2001, it should have been dispelled 9 months later when—despite the expenditure of more than \$2 trillion on defense and intelligence over the previous decade—it took only 19 men, armed with box cutters and tourist visas, to kill nearly 3,000 of our fellow citizens and bring our nation to a virtual standstill.

And today, that enemy, though under constant pressure and on the defensive, still conspires to bring its cult of murder and suicide to our cities—and to those of our allies as well.

This "long war"—this struggle against violent extremists—is a central security issue of our time. The campaigns in Iraq, Afghanistan and other theaters in the Global War on Terror have added new impetus and urgency to the efforts to transform underway in this Department.

Our enemies challenge free societies through non-traditional, asymmetric means, using terror as their weapon of choice. Their goal is to break America's resolve—the will of our free people—through the aggressive use of propaganda and carefully plotted attacks to garner headlines and instill fear.

They are willing to employ every means—every lie, every atrocity and every available technology—to achieve their aims. They have become experts at manipulating the global media to both inspire and intimidate.

SHIFTING OUR EMPHASIS

The unprecedented and complex tasks before us in what could be a decades-long campaign against violent extremism has prompted a series of shifts in the military's approach to its traditional missions, tactics, techniques, and procedures.

One of the most important shifts underway is the role and importance of intelligence. The U.S. military has long excelled at engaging targets once they have been identified. We have begun a major effort to ascertain where the enemy is going next, rather than where the enemy was—to be much better able to “find” and “fix,” as well as what we have always been able to do—namely to “finish.” This means significantly upgrading and refocusing U.S. intelligence capabilities—both human and technological—and more effectively linking intelligence to operations in real time in the field. This is an enormous challenge for the dedicated men and women in the U.S. intelligence community. And it will take some time to achieve.

The U.S. military is the largest consumer of intelligence. In the past, that term usually referred to tactical battlefield information, such as the size, location, and disposition of enemy forces, and the like. In the 21st Century, however, intelligence information can no longer be put into neat little categories. A single piece of information can simultaneously be of tactical intelligence value to the local military commander on the ground, but also of potential strategic intelligence value to our government.

A word on the Department of Defense's role in the overall intelligence community: since September 11, and indeed since President Bush first took office, thoughtful people across this government have been trying to find the right formulas, the right structures, and the right arrangements so that we can provide the very best intelligence to protect the American people.

Everything we are doing to upgrade and adjust the intelligence capabilities within the Department of Defense has been worked out and coordinated with the other appropriate agencies of the government—the Director of National Intelligence, the CIA, the State Department, the FBI, and on down the line. It is a constructive and open process, and indeed a continuous process—despite some of the breathless fictitious accounts of bureaucratic rivalry and intrigue that are repeatedly published in the press.

In addition, not just the military, but our government, needs to shift from reacting to crises—as has been the case for much of our country's history—to preventive action to keep problems from becoming crises, and crises from becoming conflicts. We are also shifting from the natural American impulse to try to do everything ourselves to helping partners and allies develop their capacity to better control their territory and to better defend themselves and us against these new challenges. This is particularly important in a Global War on Terror where many of our nation's most dangerous enemies function within the borders of countries that we are not at war with.

These new priorities have prompted the military to undertake some non-traditional missions in non-traditional places. For example, a joint task force headquartered in Djibouti conducts civil affairs, training, and security operations with Ethiopia, Eritrea, Kenya, Uganda, and Yemen. The weapons in this unconventional conflict are schools, clinics, and shovels. As one serviceman said, “We're fighting a war down there and [we] haven't fired a shot.”

This shifts are so important because of the nature of the conflict we are in. The enemy would like to define this war as a conflict between Islam and the West—but it is not. It is, in fact, a struggle within the Muslim world—between the overwhelming majority of Muslims and that small number of violent extremists. The vast majority of Muslims do not share the violent ideology of al-Qaeda. They have children and families they care about. They hope for a better future for themselves and for their countries. They do not want the extremists to win. And many are courageously opposing them at every opportunity.

IRAQ

We see this dynamic at work in Iraq, soon to be governed for the first time by a permanent government of national unity, elected under their new Iraqi constitution. Iraq has entered a hopeful new phase in what has been a long and difficult journey—from being ruled by one of the most brutal tyrannies of the 20th Century, to having a representative government and a free political system.

Secretary Rice and I met with Prime Minister-designate Maliki and Iraq's other newly elected leaders last month. They seem to be serious people who recognize that they have a window of opportunity to make headway on the serious challenges their nation faces.

The security situation in Iraq remains a serious challenge. But every day, every week, and every month, Iraqi forces grow in size, confidence, and capability, and are taking over more and more responsibility for larger swaths of their own country. U.S. military and Coalition forces continue to play an important role, but their mission has shifted fundamentally over the past year—from conducting military operations to assisting Iraqi forces as they take the fight to the criminals and the terrorists who threaten their sovereign nation.

More than a quarter million trained and equipped Iraqi Security Forces are now in the fight on behalf of the Iraqi people.

The size and disposition of U.S. forces in Iraq are continuously being assessed by General Casey and his commanders on the ground. Decisions about Coalition troop levels will be based on their recommendations, as has been the case since the earliest planning phase of Operation Iraqi Freedom.

Since being liberated three years ago, Iraq has been governed by a series of temporary arrangements—a governing council under the Coalition Provisional Authority, an appointed sovereign government, and then an elected interim government. Though these were necessary arrangements, they were nonetheless temporary, and thus, understandably, engendered a certain amount of uncertainty about the future. The establishment of a new permanent government, under a Constitution the Iraqis wrote, and which was overwhelmingly ratified by the Iraqi people, is a significant step forward—it is truly historic.

Iraq is today the central front in the War on Terror. Our enemies know this, even if some commentators in the West seem not to. Osama Bin Laden, referring to the United States, recently said: “Their defeat in Iraq will mean defeat in all their wars.” Ayman al-Zawahiri, his deputy, said: “The arena of jihad in Iraq is now the most important arena of jihad in this age.” And let there be no doubt, while the priorities of the extremists are focused on Iraq, their ambitions do not end there, especially if the free world were to lose its will just as the Iraqi people have begun to chart a hopeful new course.

SUPPLEMENTAL REQUEST

These developments make it all the more important that the Congress approve the President’s full Supplemental Request for operations in the Global War on Terror.

In addition to paying for ongoing deployments and operations by U.S. forces in the Afghanistan and Iraq theaters, this supplemental request includes funds to:

- Train and equip Afghan and Iraqi security forces—a critically important initiative;
- Counter the threats posed by Improved Explosive Devices;
- Continue the needed transformation of the U.S. Army into more capable modular Brigade Combat Teams and support brigades; and
- Repair and replace damaged or destroyed equipment.

Delay in passing this Supplemental puts the military services critical accounts—in particular operations, maintenance, and training accounts—at risk as the services are forced to try to reprogram funds from other parts of their budgets. The Army and Marine Corps are already being forced to defer contract obligations and supply requisitions due to impending budget shortfalls.

In addition, cuts and delays in providing funds for Iraqi Security Forces will undermine what has been truly significant progress in turning over greater responsibility and territory to Iraq’s Army and Police forces. Keep in mind that these kinds of cuts most certainly will increase the burden on the U.S. taxpayer. After all, it costs some ten times as much to recruit, train, and deploy an American service member versus an Iraqi soldier, and more than twice as much to sustain a U.S. soldier in theater. Any slowdown in training and equipping the Iraqi Security Forces has the added harmful effect of postponing the day that our men and women in uniform can return home.

Finally, the addition by Congress of non-requested, non-emergency related items in the supplemental legislation will have the effect of forcing trade-offs concerning support for our troops in the field.

At \$439.3 billion, the President’s Department of Defense budget request for fiscal year 2007 represents a 7 percent increase from what was enacted last year. This is a great deal of money, though at about 3½ percent of gross domestic product, it represents a considerably smaller fraction of America’s gross domestic product than when I came to Congress during the Kennedy Administration.

I understand that on the House side some significant reductions have been made in the President’s budget submission. It is important that the President’s defense request be fully funded.

MENTAL HEALTH

Before closing, I would like to draw your attention to an issue that has been the source of some coverage and commentary in recent days—much of it inaccurate—and that is the Department's programs for screening and treating mental illness amongst service members. For starters, no military in history has done more to identify, evaluate, prevent, and treat mental and other health needs and concerns of its troops and their families. We have screened more than 1 million service members before, during, and after deployments.

The Department has put in place a number of programs and processes to address this issue. They include:

- Placing combat stress and mental health teams in theater;
- Setting up world-wide support systems for soldiers and their families; and
- Implementing a new program to assess and meet with every service member three to six months after they return home from an overseas deployment.

The conclusion in the draft Government Accountability Office report that only 22 percent of returning service personnel identified as at risk for Post-Traumatic Stress Disorder are referred for mental health support is misleading. The 22 percent figure does not account for numerous other service members who were identified and referred to their primary care physician or other professional counseling. This is exactly what we designed the surveys to do—help us identify issues and provide the proper level of care for our people.

CONCLUSION

Mr. Chairman, I started out this testimony by talking about one group of young people who are donning our nation's uniform for the first time.

I will end by referring to another group of young people I recently encountered who have been serving and sacrificing for our country now for a good many months and years.

Two weeks ago I stopped by the USO station at Atlanta's Hartsfield Airport to visit with several dozen Army soldiers—Active, Reserve and National Guard. They were about to return to Iraq after their mid-tour break. I shook hands and I was able to personally thank them for their superb and courageous service to our country. And then the troops slung their duffle bags on their shoulders and quietly filed down the escalator en route to the charter flight that would take them back to Iraq. As they entered the main airport area below, various travelers in the waiting area started to take notice, and they began to stand up and clap—first in ones and twos, until just about everyone in that airport was applauding. Quite a different reception than that which many U.S. soldiers received just over a generation ago.

I am told this type of scene is being replayed often in airports all across the nation.

This is a reflection not only of the high regard in which our troops are held, but of the fundamental decency and strength of the people of the nation they serve. It reflects the appreciation and support for their service that has been manifested in this Committee and by the Congress.

I thank you for your support. In this complex and difficult struggle the troops have done everything asked of them—and done so with courage. We owe it to them—and to the country they have sworn to protect—to provide the resources and the capabilities that will not only win today's wars, but also best to assure peace in the decades ahead.

Thank you.

[Disruption in the audience.]

Senator STEVENS. Whoever that is, will security please remove them?

Mr. Secretary, thank you very much. What you've said, at just the end, about total respect for our men and women in uniform, I think, was demonstrated last night at the Olympic dinner. There was just overwhelming reaction to the young men and women there that came from Walter Reed to be with us. And it is something to witness, and we are all very proud of that.

You mentioned the supplemental, so let me also mention it. I have had a talk with General Pace and with other officers involved in the departmental activity. We are approaching a Memorial Day recess, and that recess will take us into June. It's my under-

standing that the—finishing that and getting it to the President is absolutely necessary before that recess starts. Do you share that opinion?

SUPPLEMENTAL FUNDING

Secretary RUMSFELD. Absolutely. General Pace is correct. We simply do need the supplemental passed, and signed, and those funds available by the end of this month.

Senator STEVENS. Well, there are a whole series of issues involved in that. I'm no longer chairman of that full committee, but I know that Senator Akaka has a very difficult job. But I do appreciate that. We must carry that word to the conferees, that it just has to be done.

When you look at the problems we have, you also mentioned the National Guard. We're glad that General Blum is here to discuss that. You have mentioned that there is adequate funding for—or personnel for this activity that the President has announced—I'm sure we'll all support—and that is the deployment of 6,000 of the guardsmen and guardswomen to assist in the border activities. Will you need immediate funds for that? Can you—can the Department handle that between now and September, or do we have to have a supplemental for that, also?

Secretary RUMSFELD. I think the Office of Management and Budget is considering that at the moment, as to what the Department of Homeland Security, which is in the lead in this respect—I do not have any recent information on that.

Do you know? Tina Jonas may have an answer.

Senator STEVENS. Ms. Jonas.

Ms. JONAS. Thank you, Mr. Chairman, I appreciate it. We are working currently with the Office of Management and Budget to understand the resources that will be needed to do this. My understanding is that they will be forwarding to Congress some details on those resource requirements shortly.

Senator STEVENS. Thank—

Secretary RUMSFELD. The—

Senator STEVENS [continuing]. You very much.

Secretary RUMSFELD. The Department of Homeland Security is in the process, and should, by today or tomorrow, provide the Department of Defense the tasks that they would like us to consider performing to support their efforts—they, being in the lead. And, as you know, our forces would not be doing law enforcement or standing on the border arresting people or anything like that. They would be more in the technical area of unmaned aerial vehicles (UAVs) and language translations, and various types of communications support, and that type of thing—

Senator STEVENS. Thank you. General—

Secretary RUMSFELD [continuing]. As well as construction.

Senator STEVENS. General Pace, my apology. Did you have a separate statement you wished to make?

STATEMENT OF GENERAL PETER PACE, UNITED STATES MARINE CORPS, CHAIRMAN OF THE JOINT CHIEFS OF STAFF

General PACE. Mr. Chairman, thank you. I will be brief, but if I may say just a few things, sir.

Senator STEVENS. Yes. Good.

General PACE. Thank you, Mr. Chairman, Senator Inouye, Members of the subcommittee. It is my distinct honor to sit before you for the first time as the Chairman of the Joint Chiefs of Staff to represent the 2.4 million men and women in the Armed Forces—Active, Guard, and Reserve—who are doing a fabulous job for this country—they have never let us down—and, on behalf of them, to thank each of you for your support, not only the resources you provide, but, equally importantly, the time you take to visit our troops in the field, the time you take to visit them in the hospitals—it makes a difference—and to take this opportunity in front of you to thank not only our military members, but their families. Their families serve this country equally well as anyone who has ever worn the uniform. They sit silently at home and pray for their loved one, wait for news of their return, and then silently stand back and pretend that they had nothing to do with our success; whereas, in fact, it's the love and support of our families that makes all the difference in the world to all of us who wear the uniform.

I'm also proud to tell you that, for myself and for the Joint Chiefs, as a whole, that we clearly—your Armed Forces clearly are ready and fully resourced to conduct all the missions that this Nation expects of us. Over the last 12 to 18 months, we've had—the work that has been done on the Quadrennial Defense Review (QDR), on the budget for fiscal year 2007, on the national military strategy—this has included literally hundreds and hundreds of hours of deliberations amongst the senior uniformed and civilian leadership of the Department—to my knowledge, in an unprecedented way. It is focused in on winning the war on terrorism, on accelerating the transformation, on enhancing our joint war-fighting, and in improving the quality of life for our servicemembers. And this collaboration continues as we develop the roadmaps ahead to execute the QDR.

As the Secretary pointed out, we are in a long war. Our enemy is ruthless and patient, and they have a plan. And they know that they cannot defeat us on what we consider to be a traditional battlefield, but their battlefield is different from ours. They are focused on our will, our cohesion as a Nation. And it will require our Nation's long-term patience and endurance to defeat this enemy.

There are two areas in which I think Congress can help, for sure, as we look to the future, because as we seek to defeat this enemy, we are going to need a very robust application of all the elements of national power, which means, in my mind, among other things, an interagency collaboration and process that is effective, efficient, and quick to decide. We need to find ways, as you all did for us with the Goldwater-Nichols Act, and the results of that Goldwater-Nichols Act being a military that is interoperable, leading quickly to interdependent. We need to find ways in the interagency process to encourage and reward cross-agency work experience, education, and training, and also to find a way to encourage and reward those in other agencies who deploy with our troops overseas and do our Nation's important business that they are the experts in doing.

PREPARED STATEMENT

Last, we have an All-Volunteer Force. In truth, it's an all-recruited force. They have not let us down. They will not let us down. But we need the Nation's assistance, and all of the leaders and mentors in the Nation, to impress upon our young folks how honorable it is to serve this Nation, not only in uniform, but in any way that fits their own roles in life. If we do that collectively, then those of us who receive our most precious products, our young men and women, our sons and daughters, and who are taking care of them, will be able to sustain the force that we have and continue to fight this Nation's battles.

Mr. Chairman, thank you.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF GENERAL PETER PACE

Chairman Stevens, Senator Inouye, distinguished members of the Committee, it is my pleasure to report to you on the posture of the U.S. Armed Forces. On behalf of all Soldiers, Sailors, Airmen, Marines, Department of Defense Civilians, and our families, thank you for your continued bipartisan support. That support has been exemplified this past year by Congressional visits to our troops in Iraq, Afghanistan, and elsewhere around the world; visits to those hospitalized; your funding for operations; your support of transformation and recapitalization initiatives; and the improved pay and benefits you have provided to our Service members and their families.

Our successes in the War on Terrorism are due in large measure to the dedicated and patriotic sacrifice of our Nation's Service members. I want to thank them and their families for all they have done and continue to do to maintain our freedom.

We are in a long war. Our enemy intends to destroy our way of life. They seek to expel American influence from the Middle East, overthrow the existing secular governments of the region, and establish a fundamentalist religious empire on which to base eventual global domination. To accomplish this they intend to defeat the United States and our Allies—not militarily, but by targeting our unity and our will. They aim to undermine our resolve by attacking civilians; taking hostages; inflicting casualties on Coalition forces; and using propaganda. They believe they can win against the world's most powerful nation because they see us as lacking the moral stamina to persevere in defense of our beliefs.

This is not a struggle between America and Islam. Rather it is a conflict between those who love freedom and a terrorist minority attempting to take power from the majority. Our opponents are loosely networked and transnational. They are ruthless, adaptive, and convinced that they will win. They intend to do so by destroying the resolve of the America people by gradual attrition. They are a patient foe.

For the first time, America's All Volunteer Force is fighting a long war. Our troops and their families know their Nation truly appreciates their service and values their sacrifice. Sustaining our troops and upholding the resolve of our Nation requires our collective leadership. We must underscore for the American public both the nature and importance of the conflict we are fighting.

We traditionally think of war in conventional terms such as the Second World War during which the average American had a family member serving in combat, and shared their sacrifice on the home front through the rationing of goods. This is not the conflict in which we find ourselves today. Thankfully, the daily life of the average American citizen reflects none of the hardships or shortages we associate with a nation at war.

Unlike past wars, territory conquered and enemy armies destroyed are not apt measures of success. The true metrics are public perception and the resolve of free peoples to determine their own future. Our national commitment to a long-term effort is key in this fight, because the enemy neither expects nor intends to defeat us in the short term.

It is also important to acknowledge that the U.S. military has a significant role to play but that it will not win this war operating alone. Our interagency partners play vital roles in bringing to bear all the elements of national power to ensure long term success.

To defeat our enemies and protect our Nation, we must simultaneously prevail in the War on Terrorism and prepare for the future. The proposed fiscal year 2007 Budget ensures we have the ability to conduct a broad spectrum of operations. Major conventional conflict, counter-insurgency, counter-terrorism, antiterrorism, stability operations, humanitarian assistance at home and abroad, disaster relief, forward presence, global deterrence, support to civil authorities, and homeland defense each require the application of tailored forces. The proposed budget funds this wide range of military capabilities, and provides our forces with the superbly trained and equipped men and women we need to defend America and its interests.

As stated in our biennial review of the National Military Strategy, we are well positioned to accomplish our missions. Our Armed Forces stand ready to defend the homeland, deter conflict, and defeat adversaries. Allies and coalition partners play important roles in meeting these challenges. If an unanticipated contingency should occur, our formidable capabilities and those of our many partners around the world will ensure we prevail.

The Quadrennial Defense Review (QDR) underscores the need to address today's operational requirements and those of tomorrow. It emphasizes the importance of winning the War on Terrorism, accelerating transformation, strengthening Joint Warfighting, and taking care of our most precious resource—our people. The QDR represents a significant effort to understand what capabilities are needed over the next two decades and is part of an ongoing continuum of change for the nation's armed forces. In particular, it underscores the value of speed and precision as force multipliers. The QDR reflects an unprecedented level of collaboration and teamwork amongst the senior civilian and military leaders of the Department. Our senior defense leaders are continuing this dialogue, and we are developing roadmaps to achieve the Review's goals for the future.

WIN THE WAR ON TERRORISM

Iraq remains the central front in the War on Terrorism. Our mission there is clear. We are fighting to defeat terrorists and to help the Iraqis build a democratic, secure, and economically sound nation—an ally in the War on Terrorism. Our ultimate victory in Iraq will profoundly affect the security of the United States, our allies, and the entire globe.

The past year in Iraq has seen significant challenges, but also remarkable successes. The Defense Department's Report to Congress on "Measuring Stability and Security in Iraq" describes the situation in detail. The steadily growing participation in three national elections in 2005 vividly illustrated the determination of the Iraqi people—Shia, Sunni, and Kurd—to embrace democracy, as does their formation of a new government. Entrepreneurial activity has significantly increased. Most importantly, the Iraqi people are increasingly taking greater responsibility for their own security. These successes demonstrate genuine progress and flow directly from the hard work of our troops and interagency partners.

Effective governance, the rule of law, economic growth, and social well-being can only flourish on a strong foundation of security. We will continue to aggressively assist Iraqi security forces to assume greater responsibility for a stable and secure Iraq. Commanders on the ground will continue to make force level recommendations based on conditions not timetables.

The War on Terrorism is not restricted to the boundaries of Iraq. As the events of the past few months have shown, we continue to combat terrorists in Afghanistan. In partnership with the Afghan National Army, our forces are actively engaged in rooting out the Al Qa'ida and Taliban. Likewise, our Provincial Reconstruction Teams, consisting of civilian and military professionals from the United States and our Coalition partners, assist Afghans at the local level in building a stable and free society. An indicator of our accomplishments in Afghanistan, as well as a catalyst for continued success, is the North Atlantic Treaty Organization's initiative to take on a greater role in strengthening security and development. This summer, NATO will assume responsibility for the southern sector of Afghanistan and position itself to later do so throughout the entire country. These international efforts reach beyond Afghan borders and help the region choose stability over conflict.

We are combating terrorism in Southeast Asia. The Abu Sayaf Group in the southern Philippines and Al-Qa'ida's partner Jemaah Islamiyah in Indonesia present these friendly nations unique challenges. We are forging relationships, building capacity, sharing information, and conducting focused training with these valued allies. We are also working with other nations to strengthen maritime security in the Strait of Malacca and other strategic waterways. Our efforts contribute substantively to regional security and freedom of the seas.

In Africa, we continue to partner with regional organizations and individual nations to improve their capacity to combat terrorism, secure borders and coastlines, and reduce ungoverned space. The Combined Joint Task Force—Horn of Africa and the Trans-Sahara Counter-Terrorism Initiative—developed in coordination with the Department of State—improve the ability of countries to foster security and stability within their own borders.

In addition to regional initiatives, an array of coalition and interagency partners continue to work with us globally against the proliferation of Weapons of Mass Destruction. Legislation authored over a decade ago for cooperative threat reduction and counter-proliferation of Weapons of Mass Destruction anticipated one of today's most serious challenges. We continue that effort. The Proliferation Security Initiative expands international intelligence sharing, coordinated planning, and capabilities integration. Similarly, our ability to execute counter-proliferation operations is enhanced by the Weapons of Mass Destruction Maritime Interdiction initiative.

Defense of the homeland itself remains a key mission in the War on Terror. Our efforts to defeat employment of Weapons of Mass Destruction by terror groups, as well as a strong response capability should those efforts fail, are critical. Terrorist attacks here at home against the Nation's citizens, its infrastructure, and its leadership must be prevented. Our efforts to date have been successful but constant vigilance is necessary.

We are also confronting the threat of narco-terrorism. Ongoing multilateral operations promote security, improve effective border control, deny safe havens, and impede the ability of narco-terrorists to destabilize societies. Combating drug trafficking has particular importance for strengthening security and democracy in our hemisphere. Engagement with our Latin American neighbors to shape events and forestall crises is vital to protecting democracy for us all.

Strategic communication is a significant component of the War on Terror. Terrorists rely upon propaganda to deliver their message and justify their actions and are not constrained by truth. We must counter those efforts. Our actions, policies, and words must reflect and reinforce our strategic goals and national ideals. What we communicate to our friends and foes is at least as important, if not more so, as what we do on the battlefield. We need a more cohesive U.S. government effort in this area.

In the War on Terror, our allies and coalition partners execute key roles in defeating terrorists on and off the battlefield. Their capabilities and regional expertise are complementary to our own. As we move ahead in combating terror, we do so increasingly in combination with other nations who understand the danger terrorism poses to their citizens.

ACCELERATE TRANSFORMATION

As the threats to our Nation evolve, so must the capabilities of our Armed Forces. Transformation today remains vital to the defense of the United States tomorrow. It is a process, not an end state.

Transformation is more than harnessing advanced technology. Transformation includes rethinking our doctrine and operational concepts; adapting professional education and training to meet new challenges; restructuring our organizations and business practices to be more agile and responsive; improving our personnel policies; and reforming our acquisition and budget processes. Nowhere is this more evident than in our effort to increase interagency collaboration. Defeating terrorists requires more than the use of military force. We must harness and synchronize all the instruments of national power to win the War on Terrorism.

Advancing a transformational mindset and culture that readily embraces interagency integration begins with our Nation's strategic guidance documents. Interagency collaboration is a theme throughout our National Security Strategy, Quadrennial Defense Review, National Defense Strategy, National Military Strategy, Joint Strategic Capabilities Plan, Security Cooperation Guidance, and Unified Command Plan.

Nonetheless, we can still do more to enhance interagency effectiveness. Twenty years ago, there were serious institutional obstacles to our Armed Services operating as a Joint team. Today, in no small part due to the 1986 Goldwater-Nichols legislation, the U.S. military is increasingly a true Joint force, interoperable and moving towards interdependence.

The Goldwater-Nichols legislation established a system of incentives and requirements to foster Jointness among military officers. We need to find similar ways to encourage interagency expertise. Rewarding interagency work experience, education, and training will facilitate better synergy between departments. Likewise, we need and should reward individuals and agencies that rapidly deploy and sustain civilian

expertise in tandem with our military. Shared deliberate and crisis planning capacity among our interagency partners will also improve our Nation's readiness for contingencies.

We are working to better integrate our Nation's diplomatic, military, intelligence, information, and economic instruments to forestall and address crises overseas, and to be ready to deal with catastrophic terrorism, natural disasters, and pandemic disease at home. Defense support to civil authorities is an essential component of protecting the Nation. Hurricanes Katrina and Rita brought this home. The American people expect their Armed Forces to respond in times of crisis. Teamwork among our Armed Forces and federal, state, and local government agencies—as well as private and volunteer organizations—is vital to the security of our Nation's citizens. Accordingly, we are preparing now to deal with circumstances that have the potential to overwhelm local government and private institutions. U.S. Northern Command is expanding its ability to take action swiftly in a variety of incidents, including providing military support to large-scale disaster relief operations and responding to the outbreak of pandemic disease.

While transformation will allow us to better deal with contingencies at home, it will also improve our ability to boost the capacity of other nations to defeat terrorism and stop its spread while contributing to the security and stability of nations. The Army's Joint Center for International Security Force Assistance at Fort Leavenworth and the Marine Corps' Foreign Military Training Units are breaking new ground in this endeavor. Likewise, International Military Education and Training is a proven means of creating friendships that pay long term dividends when international classmates later work alongside U.S. forces in overseas operations. Constraints on our ability to implement this important program warrant review. These and other initiatives are examples of the value of developing capabilities and relationships to help promote security and stability worldwide, potentially precluding a need to commit significant amounts of U.S. resources to stabilize troubled nations abroad.

Our foreign assistance framework was designed to influence and reward behavior during the Cold War. We need a new foreign assistance framework for the War on Terrorism to develop the security capabilities of fledgling democracies and advance regional stability. Thank you for the Section 1206 legislation, which has empowered our capacity to boost the counter-terrorism training of other nations. It has made a positive difference in fighting the War on Terrorism. The support we provide our partners is essential to helping them police their own land and eradicate terrorist safe havens. Continual assessment of the countries that we assist, and the aid we allot, ensures that we are helping appropriate nations in the right way.

It is not enough for us to be successful in responding to today's challenges. We need to shape the future with like-minded allies and partners. An essential element of this process is the transformation of our Global Posture. We are implementing a new Global Posture for defeating terrorism, deterring conflict, and bolstering the security of both established and nascent democratic states. This realignment will better position us to shape the future. This is well illustrated in U.S. European Command's reorientation of its forces from Cold War-era basing to an expeditionary forward presence that supports our friends and helps deny havens for our foes.

In addition to transforming our conventional force posture, while maintaining a reliable nuclear force, we are shifting from our Cold War strategic deterrence to a New Triad with broadened focus on conventional long range strike. Prompt global conventional strike capabilities are required in the War on Terror as well as in future contingencies. In parallel with our efforts to develop a conventional long range strike capability, we are improving our missile defenses and national command capability. Your support for these efforts will turn our traditional triad into a strategic deterrence capability relevant to tomorrow's challenges.

Finally, as we transform our warfighting forces, the Department will do the same for the acquisition and budget processes that provide material resources for our troops. Transforming the way capabilities are developed, fielded, and integrated enhances our capacity to execute a wide range of missions.

STRENGTHEN JOINT WARFIGHTING

The U.S. Armed Forces' capacity to operate as an integrated joint team is one of America's chief advantages on the battlefield. By jointly employing our Armed Services we leverage their complementary capabilities as a team.

We can and should go beyond our current level of Jointness. Strengthening our Joint Warfighting ability enables us to make strides forward in the War on Terrorism. It also accelerates transformation. To maximize our operational performance, we will transition from an interoperable force into an interdependent force.

While doing this, we must maintain the expertise, culture, and traditions of the Services from which our military competence flows.

Joint Professional Military Education of our military and civilian professionals provides the foundation of our force. We intend to better integrate our interagency and international partners in these successful education programs. In addition, our Joint Exercise Program provides valuable training for the Combatant Commanders' Joint and multi-national forces. At home, we are working with the Homeland Security Council and the Department of Homeland Security to establish a national security exercise program to help prepare senior leaders across the Federal government to confront crises more effectively.

In strengthening Joint Warfighting, we continue to review, develop, and disseminate doctrine and operating concepts. The Joint Chiefs in consultation with the Combatant Commanders ensure that our doctrine and concepts provide a solid foundation for Warfighting. Those same concepts and doctrine also help shape the strategic guidance which drives operational execution.

Our education and training, as well as our doctrine and operational concepts, are kept relevant by capturing lessons gained from experience. Our professional development and organizational agility is significantly enhanced by lessons observed from the War on Terrorism, and other operations, including disaster relief at home and abroad.

As seen in deployments to the Asian Tsunami, Hurricane Katrina, and the Pakistan earthquake, our standing, rapidly deployable Joint Task Force headquarters dramatically improve our operational responsiveness. To enhance this capability, we will organize, man, train, and equip selected three-star and two-star Service headquarters to rapidly deploy as Joint Task Force headquarters.

We are adapting our organizational structure to better exploit the intelligence we collect. The creation of Joint Intelligence Operations Centers at our Combatant Commands increases support to units in the field. In addition, the Joint Functional Component Command—Intelligence, Surveillance and Reconnaissance, set up this year under the leadership of U.S. Strategic Command, deconflicts competing demands by coordinating the allocation of intelligence collection assets. These initiatives bring the analytical firepower of the Intelligence Community to bear for our troops on the ground, in the air, and on the sea.

We are also harnessing technological developments to enable faster sharing of data among agencies, but we cannot rely solely upon technology. Intelligence collection, analysis, fusion, and dissemination depend upon our intelligence professionals. Human Intelligence is a vital enabler for collecting, understanding, and communicating information on threats and contingencies. Service programs for recruiting, training, and retaining key intelligence specialties have been refined to ensure we meet the increasing demand for intelligence personnel.

We continue to examine how best to re-capitalize and invest in our Intelligence, Surveillance, and Reconnaissance capabilities. Sensor platforms that collect across multiple mediums are one approach. High altitude, long loiter unmanned aerial vehicles are another. Space based platforms should focus on surveillance capabilities that we cannot readily replicate elsewhere.

In addition to benefiting our surveillance, space based platforms also play a central role in communications. Our deployed forces' strategic, operational, and tactical connectivity depends on the use of global, high bandwidth communications currently only available via satellites. As the gap between operational demands and military satellite communications capacity grows, we will continue to rely upon commercial vendors for the foreseeable future. We are also exploring alternatives to space-based communications.

Networked ground, air, and maritime communications systems are the means with which the U.S. Armed Forces share information and work together as a team. New Joint acquisition strategies to replace Service-unique communications systems will advance our communications capacity across the electromagnetic spectrum. Common secure networks with allies will further increase coalition capability. In addition, the exponentially increasing importance of cyberspace requires that we increase our efforts to operate effectively both offensively and defensively throughout the Information Domain.

In the realm of logistics, we are actively working to leverage our unmatched capabilities. The Joint Staff, the Services, the U.S. Transportation Command, and the Defense Logistics Agency work together to meet the personnel, equipment, and materiel needs of our Combatant Commanders. However, both the challenge of adapting to changing operational requirements and the demand to increase efficiencies require that we continue to enhance our logistics capabilities. Along these lines, we are working to improve unity of effort, domain-wide visibility, and rapid and precise

logistics response. For example, as our distribution process owner, U.S. Transportation Command has strengthened our supply chains from factory to foxhole.

Reconstituting the force presents real challenges. Our weapons systems and vehicles have experienced extensive use in Iraq and Afghanistan. Supplemental appropriations have helped us repair and refit during combat operations, nonetheless, we have more work ahead to ensure our forces remain combat-ready. Your support for resetting the future force is critical.

As we reset, the combat power of our Total Force is being increased. By moving the Reserve Component from a strategic reserve to an operational reserve, we ensure it will be accessible, ready, and responsive. The Services have already rebalanced approximately 70,000 positions within or between the Active and Reserve Components. We plan to rebalance an additional 55,000 military personnel by the end of the decade and also continue converting selected military positions to civilian billets. This revised Total Force structure will provide us with greater combat capability and leverage the complementary strengths of our Active, Reserve, and Civilian workforces.

IMPROVE THE QUALITY OF LIFE OF OUR SERVICE MEMBERS AND OUR FAMILIES

Taking care of our people is fundamental to the ethos of the American Armed Forces. Our men and women in uniform are our most precious resource. We must continue to ensure their welfare and that of the families who support them. The most advanced ship, aircraft, or weapon system is of limited value without motivated and well-trained people. Our experiences in Iraq and Afghanistan remind us that the Nation's security rests in the capable hands of the individual Soldier, Sailor, Airman, and Marine.

Quality of life, of course, transcends material considerations. Our young men and women join the Armed Services to patriotically and selflessly serve something larger than themselves. They serve with pride, and their families willingly bear the burden of sacrifice, because they believe they make a difference.

A clear indication that our personnel in uniform understand the importance of their service and appreciate the quality of life that we provide them is their decision to stay in our Armed Forces. Our retention levels are over one hundred percent of Service goals. To underscore the point that our men and women serve because they know they are making a difference, units that have deployed multiple times to combat have seen the highest rates of retention. We are also seeing success in our recruiting.

We are grateful to the Administration and to the Congress for closing the pay gap between the private sector and the military, as well for vastly improving military housing and enabling our family members to enjoy a good standard of housing if they choose to live in the local community.

To our families, protecting our troops in combat is the most important measure of quality of life. Since April 2004, all Defense Department personnel in Iraq, both military and civilian, have been provided Interceptor Body Armor. However, as the threat has changed, we have continually improved body armor to ensure our troops have the latest and the best possible protection. Our latest improvements defeat armor piercing rounds and include shoulder armor and side plates.

In addition to body armor, armored vehicles are important to force protection. Thanks to your support we have had great success increasing production and fielding up-armored Humvees to protect our troops. Nearly all the approximately 40,000 tactical wheeled vehicles in the U.S. Central Command area of responsibility now have armor protection. We will continue to adapt as the threat evolves.

Improvised Explosive Devices illustrate the asymmetric challenges we will face in the future. The Joint Improvised Explosive Device Defeat Organization spearheads our work to meet that threat. Bringing a senior commander's operational perspective to this effort, retired Army General. Montgomery Meigs, former commander of U.S. Army forces in Europe and NATO's peacekeeping force in Bosnia, is leading this fight. With the development and testing of technologies, tactics, techniques, and procedures we are learning to defeat the tactics of our adversaries and increasing the survivability of our Service members. Our transformational work with private industry to experiment with emerging technologies promises to break new ground in this vital endeavor. Thank you for helping us provide the best possible protective equipment for our troops.

Taking care of our troops and their families also means taking care of our wounded. During World War II, Korea, Vietnam, and Desert Storm twenty-four to thirty percent of Americans injured in combat eventually died from their wounds. Today, due to tremendous improvements in our military medical system, nine of ten troops wounded in Iraq and Afghanistan survive. This dramatic improvement is the direct

result of the hard work of our Forward Surgical Teams and Combat Support Hospitals, and the rapid evacuation of the seriously wounded to higher level care facilities in the United States. In Vietnam, it took forty-five days on average to return wounded back to the United States. It now takes four days or less.

Our remarkable medical professionals return to duty over half of our wounded in less than seventy-two hours. Advances in medicine, technology, and rehabilitation techniques enable us to provide much better care for those more seriously wounded. We make every attempt to bring willing Service members back to duty—or return them to society empowered to continue to make a difference. Congressional funding for this effort is greatly appreciated. In particular, thank you for your support for our two new Advanced Amputee Training Centers—at Walter Reed Army Medical Center, here in our Nation's capital, and Brooke Army Medical Center at Fort Sam Houston, Texas.

CONCLUSION

I testify before you today with tremendous pride in the bravery, sacrifice and performance of today's Armed Forces. Around the world, in every climate, and often far from home and family, America's men and women in uniform are making a difference. They do so willingly and unflinchingly—volunteers all. Their valor and heroism are awe inspiring and they serve this nation superbly, as have so many who have gone before them. It is an honor to serve alongside them.

The past year saw the U.S. Armed Forces engaged in combat in Iraq and Afghanistan while we also provided humanitarian assistance to victims of the Asian tsunami, hurricanes along the U.S. gulf coast, and the earthquake in Pakistan. There are likely equal challenges and opportunities ahead for the U.S. Armed Forces. The imperatives to defend our homeland, defeat global terrorism, and transform for the future remain. With your continuing support, our military stands ready for the challenges and opportunities ahead.

Thank you for your unwavering support in time of war.

Senator STEVENS. Let me resume my questioning, and then—

Mr. Secretary, we understand that there has been a particular increase, a growth, in problems and in cost of the satellite programs. And there have been some suggested changes presented by Air Force Secretary Wynne and Under Secretary Segal. I don't—some of them are classified, but can you tell us, are these steps going to slow down this rate of growth and—do you believe the Department has that under control now?

SATELLITE PROGRAMS

Secretary RUMSFELD. I would be reluctant to say that it's under control. My experience in the space business, both the intelligence side and the Air Force side, is that there has been, over time, a cost growth in those programs. I think there may be some reasons for that. One reason might be the fact that, for many years, as the Department of Defense and the intelligence community moved into these areas, they put in a factor—of some percentage—that reflected the reality, and their realization, that it was very difficult for them to calculate precisely when they were on the cutting edge and reaching into new areas. And, as a result, once that factor was taken out, whatever that percentage was, there tended to be a fairly regular pattern of cost growth or increases over what had been projected. Part of it is because it's new technologies. It is a difficult task. And I would be happy to take a look at some of the numbers and supply something for the record, unless, Tina, you want to comment.

Ms. JONAS. Thank you. Mr. Chairman, one of the satellite systems that has had some difficulty has been the—

Senator STEVENS. Pull the mike towards you, please.

Ms. JONAS [continuing]. Has been the SBIRS-High program. There are funds in the budget, of \$700 million, for that, and I will tell you that Under Secretary Krieg and Under Secretary Cambone were just out this weekend and the other day on a review of that. So, I do know that, particularly Under Secretary Krieg, who is the head of the acquisition technology area, is—this is very much in his oversight. He's very attentive to this area. And he's quite active in it, sir.

Senator STEVENS. My last question, Mr. Secretary, would be—you mentioned the updating of the security forces and Iraq's own forces. We're told now that compared to September 2005, when there were 2 brigades, 19 battalions, the Iraqi security forces now have two divisions, 14 brigades, and 57 battalions. What is the goal? I mean, where do you think they would have to be, to be in control?

PROGRESS IN IRAQ

Secretary RUMSFELD. The target that exists today is from the prior government, and it is to go up to a total of 325,000 Iraqi security forces, when you take into account the ministry of defense and the ministry of interior forces, but do not include infrastructure protective services, or personal protective services for the people in the country. Whether the new government will stick with the 325,000 ceiling target that they have, I don't know. Until the minister of defense is appointed, which should be this week or next week, we won't have had the chance to talk with these new ministers and discuss that. But every single week and every month, the progress is going forward. And more real estate is being turned over, more bases are being turned over, more responsibilities are being turned over to the Iraqi security forces.

I will say this. The new Prime Minister-designate has been very firm in all the negotiations thus far, that the minister of defense and the minister of interior must be a person who is competent, must be a person who is willing to govern from the center and not take a sectarian view to it.

Senator STEVENS. Thank you very much.

For Members of the subcommittee, Senator Inouye and I have discussed, and we've decided on, a limit of 7 minutes per Senator. There are—we expect 9 to 10 Senators during this period. I hope that's agreeable.

I'll yield to my colleague and co-chairman for 7 minutes.

Senator INOUE. Thank you very much.

Mr. Secretary, the lead story in every network news and major papers reported that the intelligence community was monitoring U.S. telephone service through what is known as data mining. Now, I don't wish to get into the specifics, but apparently it was authorized under the auspices of the Director of National Intelligence. But because of the rumors and allegations that seem to be spreading around, can you assure this subcommittee that the Department of Defense is not conducting any of its own domestic data mining activities, to collect the records of U.S. citizens, or monitoring phone calls?

DOMESTIC SURVEILLANCE

Secretary RUMSFELD. Senator, let me respond this way. There are several things that have been discussed in this general category. One was the one you mentioned, which is the one that was authorized by the President, the National Security Agency (NSA), approved by the Attorney General, where Members of Congress were briefed from appropriate committees. And that is a separate set of activities which the administration believes are perfectly legal, and that appropriate consultation with Congress has taken place.

There is a second category of activities. And I think they were called the "Talon"—

General PACE. Yes, sir.

Secretary RUMSFELD [continuing]. Activity. And that involves the fact that the Department of Defense has the principal responsibility for providing force protection for our forces, in the United States and overseas. And, in that process, as they do observation of people observing military facilities, that could conceivably constitute a threat to those facilities, they gather information.

The person who oversees that is Dr. Steve Cambone. When an issue came up about it, he immediately instigated an investigation of it, determined that some of the data should not have been retained, because it was not relevant, and, in one particular case, it had been some information that had been actually gathered by a different department, the Department of Homeland Security, sent to the Department of Defense, because it seemed to be relevant. It turns out it was not relevant, and he has instituted new procedures so that unnecessary information of that type is not retained in the files of the Department of Defense. However, we are clearly continuing to provide force protection to our forces here and elsewhere around the world, as we must.

Senator INOUE. I realize this is a very difficult problem, but we'll have to work on it.

Mr. Secretary, we have had many dozens of boards, blue ribbon panels, commissions, examine the issue of defense acquisition. However, it still takes a long time, about 20 years, to produce an F-22 or V-22. Ships continue to have projected cost overruns. And we're still procuring, basically, for the Army, the same equipment it was purchasing in 1981. What can we do to help you to resolve this problem, or is that the way it's going to be done?

ACQUISITION PROCESS

Secretary RUMSFELD. Well, I wish I had a good answer, Senator. As we've watched the acquisition process over 40, 50 years, we've seen that it takes longer and longer to produce and manufacture and procure a weapons system. And we've seen that the costs tend to be greater than those projected. And all of that's been happening at a time when technologies have been, in fact, advancing at a much greater rate. Under the Moore's Law that computer power will double every 18 months, and technologies advance very rapidly, one would think that our capabilities and our technologies within the defense establishment would have to advance at a similar pace. Instead, just the opposite's happening.

There have been so many studies—you could sink a battleship with the acquisition studies. We've got very talented people working on it. We've had talented, interested people in the Congress working with it. There have been outside organizations and studies. I wish I could say that we can be assured that that process will improve.

I do think that one thing good has happened, and that's the concept of spiral development, where you reach in and bring forward some of the technologies that would otherwise have to be delayed until you had completed the entire acquisition of that weapons system. And, to the extent you bring forward those advances in technology, it mitigates some of the delays that will occur with respect to major weapons systems.

Senator INOUE. Mr. Secretary, every year this subcommittee is told that the Defense Health Program is underfunded—we've heard this in hearings and private meetings—while the costs of providing healthcare to our servicemembers and their families continue to rise. Your budget assumes \$735 million in savings from increased fees in the Defense Health Program. However, since the House and Senate Armed Services Committees restricted the Department from implementing these changes, how are you going to absorb these shortfalls?

DEFENSE HEALTH PROGRAM

Secretary RUMSFELD. Well, we're hopeful that the Congress will not do that. As you point out, healthcare costs for the Department have at least doubled in the last 5 years, from \$19 billion to \$38 billion, and the design of the system is such that there will not be constraints. It will continue to be unconstrained. And it will continue—if the healthcare costs in the society go up the way they have, it will continue to eat into our other needs.

The Chairman of the Joint Chiefs of Staff, General Pace, and his colleagues on the Joint Chiefs, have spent a lot of time on this. And I'd like General Pace to comment, if I may.

General PACE. Sir, we did look very hard at the healthcare program. The healthcare program that you all enacted in 1995 for servicemembers was a very, very good program, and we want to protect the benefits of that. The premiums had not changed since 1995, and the recommendation of the Joint Chiefs was that we re-norm today's fees to the 1995 levels.

Secretary RUMSFELD. But in the——

Senator INOUE. Thank——

Secretary RUMSFELD [continuing]. Event that Congress stays with where it looks like it's heading, we'll end up with at least \$735 million that we'll have to cut out of force structure or modernization or some other portion of the budget, because we simply will have no choice. And we need the flexibility we requested, and we need the additional authorization we requested.

Senator INOUE. Thank you, sir.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you.

Out of deference to the ranking member of the full committee and the senior Member of the Senate, we'll yield, to Senator Byrd, 7 minutes.

Senator BYRD. Mr. Chairman, today's hearing could not come at a more important time. In addition to having troops deployed in large numbers to Iraq and Afghanistan, the President recently proposed a new mission for our National Guard, to assist in securing our borders. I have been a strong voice on border security. I have offered nine amendments in the last 5 years to train and deploy thousands of new border patrol agents. Regrettably, the administration opposed all of my amendments, asserting that the spending for border security was extraneous, unnecessary, spending that would expand the size of Government. If we had spent that money beginning in 2002, we would not today be calling on the National Guard. This latest proposal to send troops to the border should not distract from the administration's consistent record of opposing my amendments to tighten our borders.

This hearing is also an opportunity to ask questions about what is going on in Iraq, the cost of the war, this spiraling out of control. We still don't have answers to the most basic questions about the war. How much more is this war going to cost? When is this mission really going to be accomplished? How much longer until our troops start coming home?

The President said in his speech on Monday that the National Guard would be deployed to the border to perform missions like building fences, barricades, and roads. Wouldn't it make more sense to have the Department of Homeland Security contract this work to the private sector and allow the National Guard to preserve its readiness to respond to natural disasters and its other traditional missions? How about that, Mr. Secretary?

BORDER SECURITY

Secretary RUMSFELD. Senator Byrd, the proposal, as I understand it, is for the Department of Homeland Security to, on a very accelerated basis, increase its size and capability to deal with the border security issues. On an interim basis—up to 2 years, is my understanding—the President is proposing that the National Guard assist the Border Patrol, not in law enforcement, and not in arresting people, but doing the kinds of things you mentioned in your remarks. It seems to me that it will not, in any way, degrade or damage the National Guard's capabilities. We're talking about up to 6,000 the first year, and up to 3,000 the second year, out of a National Guard and Reserve component of 400,000 plus people.

Second, the intention is for us not to activate the Guard and deploy them, as we do to Bosnia or Kosovo or Iraq or wherever, but, rather, to use their 2-week active duty for training, as we have been doing in support of the counternarcotics mission along the border for some time, and as we currently do, for example, with respect to hurricane damage and other activities. So, we believe the large portion of the individuals will be doing it on their active duty for training, and it will be beneficial to the Guard, because they'll be doing the very same things they would be doing if they were training their 2 weeks on an exercise basis, as opposed to doing something that the country really needs.

Senator BYRD. Well, I don't think I've heard the answer to my question. Wouldn't it make more sense to have the Department of Homeland Security contract its work to the private sector and

allow the National Guard to preserve its readiness to respond to natural disasters and its other traditional missions?

Secretary RUMSFELD. I think that it does make sense for the Department of Homeland Security to use its own assets, as well as its contracting authorities, to do the things that it's appropriate for them to do. What the President's proposing is for the National Guard to provide some assistance with respect to some of those activities, on an interim basis, as the Department of Homeland Security ramps up to a greater level of capability.

Senator BYRD. Do you intend, Mr. Secretary, to deploy National Guardsmen from West Virginia and other non-border States?

Secretary RUMSFELD. Senator Byrd, the plan, as I understand it—we have General Blum here, who will be deeply involved in it—the plan is this, that first the four border States involved—California, Arizona, New Mexico, and Texas—would use their own National Guard people to the extent they have the skill sets needed to support the Border Patrol. Second, the National Guard Bureau would then advise the State Governors, who would be in charge of these forces, where in the country those skill sets that are still needed exist, and then they would work out arrangements with those States. And to the extent a State Governor did not want to—for example, if West Virginia decided they did not want to participate, they would not participate. To the extent States would like to, on a reciprocal basis, which States demonstrated they do like to do, and are willing to do—and thank goodness they were, in Katrina; we went from zero to 50,000 guardspeople down in that area in a week or two—then General Blum would direct those States to some other State to make that request. Is that roughly right?

General BLUM. Mr. Secretary, you have it exactly correct. Senator Byrd, this is building on a long-lasting, time-proven model. If you remember, right after 9/11, when the Guard was put into the airports of this Nation until Transportation Security Administration could recruit and train enough people to take over that niche. The Guard provided that capability for this Nation on an interim basis until the proper Federal agency could stand up, train, and equip their people. They then took over the mission, the Guard left that mission and went back to being—doing other things. We did the same thing on the Southwest border with the cargo handling inspection mission. The National Guard, for several years, was on the Southwest border inspecting cargo until we could get the Customs people to get their own cargo inspectors recruited, trained, and equipped. Then, the National Guard came off of that mission.

It would be my intent to work the National Guard out of this mission as quickly as the Department of Homeland Security can stand up their capabilities. What Secretary Rumsfeld said about the partnership of the States with the Federal Government on this, and the autonomy and the control of the Governors of their National Guard forces will remain in affect.

To me, sir, I think the National Guard is superbly ready to be the military force of choice for this interim mission, until the Department of Homeland Security can stand up and assume this mission on their own.

Senator BYRD. General, my time is running out. Let me ask you, how do we know that these deployments won't detract from the ability of guardsmen to respond to emergencies in their home States?

General BLUM. Sir, that is a commitment that I pledge to the Secretary of Defense and the Governors of this Nation. We have a very robust force of 445,000 citizen soldiers and airmen. We will leverage the joint capabilities out of the Air National Guard. We have sufficient soldiers to do the overseas warfight, prepare for the upcoming hurricane season, and still have the forces that we need to respond for terrorism in this country, or a weapons of mass destruction (WMD) event. As the Secretary said, the high-end limit of 6,000, only represents a little less than 2 percent of our available force, and I think we can manage that. If any State has a particular issue or problem, and cannot send their forces, we have many, many other choices that we can make, sir.

Senator STEVENS. The Senator's time has expired. I'm sorry.

Senator BYRD. Very well.

Senator STEVENS. Senator Bond is recognized for 7 minutes.

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

Mr. Secretary, I was encouraged to hear your comments about the coordination, the defense intelligence, and the rest of the intelligence community. And I believe it was indirectly referenced by—Chairman Pace. Clearly, we found, as a member of the Intelligence Committee, that we had a long way to go. And we look forward to that progress. We hope we can get Michael Hayden confirmed as head of the Central Intelligence Agency and move forward in that. I know that generally, your intelligence responsibilities are tactical; whereas, the other agencies have more strategic plans. That's not a hard-and-fast dichotomy, but it is one where there needs to be full communication both ways, in terms of both of those missions.

Well, as you are well aware from questions and from our discussions, many of us on this committee and in the Senate are concerned that the Guard has been pushed around in policy and budget decisions within the Pentagon. And, Mr. Secretary, clearly we feel that needs to change. When the Guard's given a mission, the Guard's there to do the job, whether it's Iraq, Afghanistan, or Katrina. But too often when critical decisions were made that impacted them, the Guard leaders were shut out.

As you know, 75 of us wrote to urge the Pentagon not to reduce the National Guard end strength, in December. But I have found it very troubling that the—there was—when the Quadrennial Defense Review came out, as you noted in your preface, quote, "In the pages that followed, the Department's senior leadership sets out where the Department of Defense currently is and the direction we believe it needs to go in fulfilling our responsibilities to the American people. Now, in the fifth year of this global war, the ideas and proposals in this document are provided as a roadmap for change leading to victory," close quotes.

Well, that sounds good, but we understand that the Guard was not at the discussion—not even at the discussion table. Now, we do know—I have been advised that, in this latest mission, assigned by the President to the Guard, the Guard was fully involved. And

that's why the Guard has been able to adapt, and will use normal training times. And I think this is the way it should work.

I also appreciate very much your encouraging words about the resourcing and support of the Guard. But I guess my first question would be, Can you explain how the Pentagon can develop a roadmap for change leading to victory with a key strategic partner in the total force, the National Guard, not even at the—in the discussions, or even at the discussion table?

General PACE. Sir, may I respond—

Senator BOND. General.

General PACE [continuing]. Because I was at—I was at the table, as was General Blum.

The process that you all have set out through recent legislation that allows the head of the National Guard Bureau to wear three stars, to have two-star officers on my staff, one representing the Guard, one representing the Reserves, worked extremely well during the QDR. During the QDR process, General Blum and my two general officers were at the table. So, it was not the QDR, sir, that got off track.

What happened was, near the end of the QDR process, but separate from it, during a budget analysis that the Army did in November, that's when the Guard was not at the initial meetings, and that's when all this misinformation about how many troops, how much money, et cetera, took place. General Blum can speak for himself as to whether or not he believes he was properly represented. I was there at all those meetings. It is true that, came the time for making budget decisions, that the first meeting or two did not have enough representation. That was quickly corrected by the Army. But then what happened was, all the rumors that were out there, about *x* number of people being cut, et cetera, took on a life of their own.

At the end of the day, the only thing that was ever presented to the Secretary of Defense from the QDR and from the budget process was that the authority would be for 350,000, that there were currently 333,000, and that, rather than put the money in the budget for the other 17,000, that that money would be reallocated inside the Army budget as the recruiting force was successful in getting those other 17,000, sir.

Senator BOND. General, I'm sure we're going to hear from General Blum in a minute, but let me ask, When the—the way the military works when there are a bunch of—when there are four stars sitting at a table, do—does a three-star general have equal footing in that discussion?

General PACE. Sir, you bet, if he's representing something as strong and as solid as the National Guard. Three stars, majors, whoever it is who's representing and has a knowledge base is what we're looking for. I'm not looking around the table counting stars; I'm looking around the table for the expertise.

Senator BOND. General Blum, I guess I was misinformed. Have you been fully involved in all of the participations in all of these plans?

General BLUM. Sir, you have not been misinformed. What General Pace said is exactly accurate. I think it was a perfect record of what happened in the QDR, and then what didn't happen at the

end of the QDR, that really was not QDR, it was really budget and programming decisions that had to be made. At that time, frankly—and I've told this subcommittee, and I've told others—that I was not consulted, at that particular time. The Secretary of the Army and the Chief of the Staff of Army have come in here and told this subcommittee, in their own words, that that part could have been done better. They are committed—and certainly this Secretary and this Chairman of the Joint Chiefs, are committed—to not repeating the long and sordid past that the Guard has had with its parent services. They're committed——

Senator BOND. General——

General BLUM [continuing]. To a different path.

Senator BOND [continuing]. I'm about to run out of time, excuse me, but I just wanted to point out that the Government Accountability Office, in talking about Katrina, said that poor planning and confusion about the military's role contributed to problems after the storm struck on August 29, and, without immediate attention, improvement is unlikely. And was the Guard not fully involved in the planning for the Guard's response? What happened?

General BLUM. Are you talking about for the hurricane response——

Senator BOND. Katrina.

General BLUM [continuing]. To Katrina? I sat with the Chairman of the Joint Chiefs and the acting Secretary of Defense from the very beginning of that—it was Secretary England, because Secretary Rumsfeld was out of the country when Katrina first hit. They were fully aware of everything that the Guard was doing, total transparency. We, in fact, did have a very prominent voice at the table during that entire process, and it worked magnificently well as a result—that piece.

Senator BOND. Thank you, Mr. Chairman.

Senator STEVENS. Yes.

Senator Feinstein.

Senator FEINSTEIN. Thank you very much.

Welcome, Mr. Secretary. One National Guard question, and then I'd like to talk about Iraq. According to recent testimony of the chief of the Border Patrol, the Border Patrol currently has 11,300 people. If I understand posse comitatus correctly, the Guard, under Federal control, is restricted to logistics and support services. If there are 11,300 Border Patrol officers, how many support and logistical jobs are there that Border Patrol can be freed up from?

BORDER SECURITY

Secretary RUMSFELD. Senator, I'm told that an analysis is being completed, and is supposed to be submitted to the Department of Homeland Security this afternoon. And, at that point, they will come to the Department of Defense—and, particularly, General Blum—and say, "Here are the things we would like to backfill or the additional things we would like done, some additional UAVs or some additional technical support or language support or construction support." And then, there'll be a matching of those capabilities. Is that right?

General BLUM. I think that's a very accurate description, Mr. Secretary—Senator.

Senator FEINSTEIN. Yeah. Because one of my big concerns is, we have doubled the Guard since 1995. Apprehensions at the border have gone down 31 percent. Apprehensions inland have gone down 36 percent. And the flow has continued. Something is problematic, in my view. But if you have 11,000 active Border Patrol—I've been trying to find out how many logistical and support positions there are, but I suspect they should be far below 6,000. And so, I will just leave you with that.

Secretary RUMSFELD. Sure. Yeah, I don't know, but I think you're probably correct.

I mean, I'll give you one example of something that we can do. There is a training range in Arizona that has a 37-mile border with Mexico. And in the last year, something like 15 percent of the training time, down near Yuma, we lost, because of immigrants coming across that border, and it was too dangerous to use it. There have been people who have died out there from not enough water or food, who were misled as to the distances they'd have to go. So, from a humanitarian standpoint, from a training standpoint, and from an illegal immigration standpoint, we could go to work, for example, and do the kind of fencing, that's been done in other parts of that border, in our training range, and advantage everybody by doing it.

Now, that is not something that would be replacing something that the Border Patrol is currently doing, but it would be a very useful thing to do——

Senator FEINSTEIN. Right.

Secretary RUMSFELD [continuing]. We believe, or at least we're looking——

Senator FEINSTEIN. Right.

Secretary RUMSFELD [continuing]. At it.

Senator FEINSTEIN. Thank you. I understand.

Let's turn to Iraq for a minute. As I understand the situation—and I know you'll correct me if I'm wrong—the Prime Minister has until May 21 to appoint the Minister of Defense. They are wrangling. If he doesn't meet that time deadline, my understanding of the constitution is that the Prime Minister is replaced. Is that your understanding?

IRAQI GOVERNMENT FORMATION

Secretary RUMSFELD. My understanding, as of this morning, is that he has made a decision with respect to the Minister of Defense, that there are two open ministries. I think they're—one is Ministry of Interior, and the other may be finance or oil—do you recall?

General PACE. Yes, sir. That's finance, sir.

Secretary RUMSFELD.—Finance——

General PACE. Yes, sir.

Secretary RUMSFELD [continuing]. That are still being debated, and that the hope or expectation is that, by the deadline, they will make an announcement.

Senator FEINSTEIN. Good.

It's my understanding that both you and General Pace have expressed a desire to see a reduction of United States troops in Iraq from our current level, but you've stated this can't take place until

a permanent cabinet is formed and that any downsizing would be based on the security situation on the ground and the readiness of Iraqi security forces. Could you provide this subcommittee with your personal assessment of where things stand with respect to downsizing the American troop presence, in terms of the security situation, the training of Iraqi security forces, and political developments? I'd be interested in what must happen, in your view, before we begin a major downsizing of the American troop presence in Iraq.

Secretary RUMSFELD. Senator, we supply the Congress, I think, every quarter, a report that responds to that, in the broad sense. And it would reflect, I'm sure—General Pace's staff and I both go over it—

General PACE. We do.

Secretary RUMSFELD [continuing]. And it reflects our best judgment at that moment.

If General Casey were here, he would say that there must be good—reasonable security, there must be a reasonable economic opportunity; and, to have either one, you've got to have a unity government. So, you're not going to get the security that's needed, in my—in his view, unless the new government engages the country, has a reconciliation process, and proceeds in demonstrating to the Iraqi people that they have a stake in the success of that government.

Now, that's general. The second key thing, obviously, is, how many Iraqi security forces are there going to be, and how good are they, and how fast can they take over that responsibility? And we know what that trajectory is.

Senator FEINSTEIN. I think the point is—of many of us—and let me just speak for myself—is that we have reached a point, in Iraq, of major sectarian violence. If I had to take a guess, I am very worried about Muqtada al-Sadr, the Medhi militia, what's happening in the development. And the American presence becomes a kind of scapegoat for the militias to carry out operations against other civilians.

I am really concerned about our people being caught in the middle of this. And it seems to me that the time is upon us to transition that mission and begin to confine our presence to logistics and support, and move our people out.

Secretary RUMSFELD. Senator, we—I don't disagree with the construct that you've presented. We ought to be worried about Sadr and his militia. Armed militias, in a country of democracy, are inconsistent with the success of that democracy. And the new government, I will say, the Prime Minister-designate, one of the first things he did was say, "We're going to have to address the militia issue publicly." Second thing he did is, he went down and saw Sistani, the leading cleric in the country, and got him to say that the issue of militias has to be addressed. So, there's broad agreement with that point.

The second thing I agree with is that, you're quite right, General Abizaid and General Casey wrestle every day with the tension that you described, the tension between having too few forces so that the political process can't go forward, and having so many forces and being so intrusive that you contribute to the insurgency and

feed the argument that we're the problem. And so, it's an art, not a science. They're terribly competent individuals, and it varies from different section of the country to different section. It also, as you suggested, varies depending on the role that you're playing. If you're more in the background, less patrols, more in support, in the combat support, combat service support, quick-reaction forces, Medicare—medical evacuation capability, those kinds of things are less intrusive than patrols.

And so, you have exactly described what General Abizaid and General Casey are wrestling with.

General PACE. And, Senator, the turnover process continues. We had 110 facilities the beginning of this year. We're down to—we turned over 34, or closed—turned over or closed a total of 34, down to 76. And for the rest of this year we're going to close probably another 20 plus, or turn over. The Iraqi divisions, there are 10. They are building—two of them currently are in the lead. The other eight are building capacity to go in the lead. Their brigades are over 30. Fifteen of those brigades are in the lead, meaning they have territory they control. They are building to 120 infantry battalions, of which currently—65 currently are in the lead and on the ground.

So, as this political process continues, so does the turnover responsibility for more and more of the territory of the country, sir—ma'am.

Senator FEINSTEIN. Thank you.

I've exceeded my time. Thank you, Mr. Chairman.

Senator STEVENS. Thank you.

Senator Shelby.

Senator SHELBY. Thank you, sir.

Mr. Secretary, the Air Force currently has an aging fleet of refueling tankers that are already experiencing problems. Given the age, the reliability issues, and maintenance challenges facing the current tanker fleet, the timely replacement of the KC-135s should be a priority of the Department of Defense. Could you give us your thoughts on how soon the Department is going to execute the new program? And how are we going to recapitalize the tanker fleet before the age issue and the recapitalization issue becomes too critical?

TANKER RECAPITALIZATION

Secretary RUMSFELD. Senator, the last I heard, the request for information is out, the draft request for proposal is expected to be out in September of this year. And if things work out properly, it should end up with a formal request for proposals by January 2007.

Senator SHELBY. Isn't this very important to the Air Force?

Secretary RUMSFELD. It is. And the Air Force clearly is interested in it, and addressing it. If that timeframe persists and doesn't get moved to the right, that would suggest a contract award in sometime late of 2007—fiscal year 2007, so it would be, you know, in the third quarter of next year.

Senator SHELBY. But it's going to happen, is it not? Is that what you're saying?

Secretary RUMSFELD. The Air Force is determined that it happen, and that it be done in a proper and orderly way.

Senator SHELBY. It is a priority for you, Secretary of Defense?

Secretary RUMSFELD. It is.

Senator SHELBY. One of your priorities?

Secretary RUMSFELD. Sure. I mean, if you think of what we have to do in the world, we simply—

Senator SHELBY. Absolutely.

Secretary RUMSFELD [continuing]. Have to have a competent, capable, ready tanker fleet. And we have to get about the task, over time, of seeing that the aging of that fleet is arrested.

General PACE. Sir, and there's lead money in the 2007 request for the first three aircraft that will allow us to, in fact, get on about building the airplanes, if, in fact, the contract is awarded.

Senator SHELBY. Thank you, General.

Mr. Secretary, the joint cargo aircraft, just the subject, there's—we've been—a lot of us have been closely following the Joint Air—Cargo Aircraft Program. And a lot of us are concerned that the recent decision to transition the Army future cargo aircraft into a joint Army/Air Force program is delaying the Army's needed replacement of the organic fixed-wing cargo lift that it needs. There's some discussion that it's the Air Force's lack of urgency here that led to the Senate Armed Services Committee, as you know, recently cutting the authorization for the joint cargo aircraft in the 2007 budget. Ironically, all the money was taken from the Army's account there. Do you support, Mr. Secretary, the urgency of the Army's organic airlift requirement and the need to fully fund the joint aircraft—joint cargo aircraft in 2007?

General PACE, you want to address that?

General PACE. Senator, thank you. I am not knowledgeable about a problem with the Army's joint cargo aircraft.

Senator SHELBY. Okay.

General PACE. All of our focus has been on getting the Army moved overseas, and that focus has been on the C-17 and the C-5 fleet.

Senator SHELBY. Absolutely.

General PACE. A very robust mobility capability study we've just completed determined that 180 C-17s and 112 C-5s was the right mix and that would allow us to do our business. I will have to get back to you, sir, with any particular problem at a lower level than that.

Senator SHELBY. Of course, we're interested in the Sherpa's replacement, you know, in a timely fashion—

General PACE. Aye, sir.

Senator SHELBY [continuing]. As you know. Can you get back with me on that?

General PACE. I will. I don't have the facts in my head.

Senator SHELBY. Okay.

[The information follows:]

The Administration's fiscal year 2007 budget request included \$109.2 million in Aircraft Procurement, Army for the procurement of three Future Cargo Aircraft. I support this request. If funds are not made available for this request, it will delay Army platform fielding and replacement of their existing fixed wing logistics aircraft. The Army's Future Cargo Aircraft fills a Joint Requirements Oversight Coun-

cil (JROC) validated capability gap and has Defense Acquisition Board (DAB) level endorsement as part of the Army's Aviation Modernization Program.

Senator SHELBY. The joint common missile. We've talked about that before here, and, of course, there was a decision in 2004, a Presidential budget decision to terminate that, although a lot of people believe it's a remarkably healthy, low-risk program. It was on schedule, on budget, successfully demonstrating important new capabilities for the warfighter. Can you give us a status report, General Pace or Mr. Secretary, on where the joint common missile stands, in terms of cost, performance, and schedule? What's going on here?

General PACE. Sir, the joint common missile was a item of great discussion during the QDR. It was fed by the Joint Requirements Oversight Committee's deliberations, looked at the Nation's total needs for precision weapons. The Hellfire II, the laser-guided bombs, the joint directed TAC munitions all were assessed as providing for this Nation, the amount of precision munitions needed for the perceived warfights. Therefore, the munition that you're speaking about was recommended to be taken out of the budget so we could apply that \$3 billion plus to other programs that were more needed than it, sir.

Senator SHELBY. What happened to the \$30 million that was appropriated by this subcommittee last year that the Office of Secretary of Defense (OSD) withheld, do you know, Mr. Secretary? Can you get back with us on that?

Secretary RUMSFELD. I don't have that in my head. Do you, Tina?

Ms. JONAS. Mr. Shelby, we will check, for the record, for you. My understanding, at this moment, is that it has not yet been spent, but we'll certainly—

Senator SHELBY. Yeah, it's—

Ms. JONAS [continuing]. Will check, for the record, sir.

Senator SHELBY [continuing]. Been withheld, and we just wondered why it had not been spent.

Ms. JONAS. Yes, sir.

Senator SHELBY. Will you get back with me on that?

Ms. JONAS. We certainly will, sir.

Senator SHELBY. Yeah. Thank you.

Thank you, Mr. Chairman.

Senator STEVENS. Yes, sir.

[The information follows:]

The \$30 million appropriated for Joint Common Missile in fiscal year 2006 is currently being withheld by the Office of the Secretary of Defense, as this weapon is a terminated program. Congressional report language encourages the Department to reevaluate this decision, and the Joint Requirements Oversight Council is studying the requirements for this type of close air support.

Senator STEVENS. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

Mr. Secretary and General Pace, always good to see you. Always good to see all of you—General Blum. Some of these questions, I'd like to follow up.

I listened to Senator Feinstein's question on Iraq. I get increasingly worried about that, that the—we just seem to have a policy of "more of the same." The struggle to form a government goes on interminably. The President says there's a workable strategy in

place that will allow for a significant troop withdrawal this year. But, since he said that, we've seen a huge rise in ethnic violence, the proliferation of militias that seem out of control, certainly a lengthening of the American casualty roster. Beyond that, it's anybody's guess how many Iraqis have been killed or injured.

American taxpayers get the bill of over \$1 billion a week. The meter is just running on and on. Former Senator from Illinois, Senator Dirksen, once said, "That kind of money adds up." Now we're planning a \$1 billion Embassy, the most expensive Embassy any country has ever built anywhere. And we're planning that at the same time we're saying we're not there to control anything. And then we build bases that are going to be the envy of military in most countries. Are we still going to see a significant troop withdrawal this year?

Secretary RUMSFELD. Senator——

Senator LEAHY. I know that's—I know that question surprised you, Mr. Secretary.

TROOP WITHDRAWAL

Secretary RUMSFELD. No, indeed, it didn't. Needless to say, we would hope so. And, as the President said, he will wait to receive the recommendations from General Casey and General Abizaid and General Pace as to what they believe the conditions on the ground will permit. And as you continue to go up in Iraqi security forces, both in numbers and equipment and experience, we are being successful in transferring more and more responsibility to them, which, if they get a government, a unity government, and if the government is persuasive to the people of Iraq that they should have a stake in its success, then we ought to be able to make a reduction.

Senator LEAHY. Well, let me ask you this——

Secretary RUMSFELD. Let me just make a comment, though, on your "interminable"—you said it was "interminable," what was going on.

Senator LEAHY. Well, let me——

Secretary RUMSFELD. Let me——

Senator LEAHY [continuing]. Let me——

Secretary RUMSFELD. Let me just quickly respond. We go from election, November 4—this is a country with 250 years experience with democracy, and we go from an election, November 4, and then it goes December, January, and the president's sworn in, and then the cabinet gets sworn in, in February and March, after confirmation.

Senator LEAHY. Mr. Secretary——

Secretary RUMSFELD. I mean, it's not much difference from——

Senator LEAHY. Mr. Secretary, we're——

Secretary RUMSFELD [continuing]. What we're doing, but they've never done it before.

Senator LEAHY. Mr. Secretary, we're not——

Secretary RUMSFELD. They're breaking new ground.

Senator LEAHY [continuing]. We're not having sectarian violence in the streets all the time——

Secretary RUMSFELD. True.

Senator LEAHY [continuing]. Either. And we have spent billions of dollars. We have rosy scenarios all the time. Is there any significant section of Iraq that the Iraqis could control the law and order with civil government, with the—with necessary services, without U.S. involvement?

General PACE. Sir, there are 14 of the 18 provinces right now that are essentially calm, secure——

Senator LEAHY. So, we can withdraw from those 14.

General PACE. To complete my answer to your question, sir, we are still in the process of assisting their armed forces in getting these skills they need. We have the battalions coming online—as I mentioned, 120 that are being built, 65 in the lead. There are still the logistics and command and control parts of their army that need to be built, for them to be able to sustain themselves completely. So, in those areas where they are currently in the lead on the ground, we are assisting them with logistics and command and control, and, over time, we are building that capacity for them, as well.

Senator LEAHY. General, in those 14, are there any one of them that the U.S. forces can withdraw completely in the next 3 months?

General PACE. No, sir.

Senator LEAHY. Thank you.

It's been almost—Mr. Secretary, it's been almost like clockwork since September 11 that the National Guard is called up to carry out homeland security or disaster relief functions. And I think both you and I would join in praise of the way they have performed. They have been used to increase security at the Nation's airports, here at the Capitol after 9/11, and when I came to work, and thousands of others proudly came to work in this Capitol Building, just as thousands went proudly to work in the Pentagon, which was struck, we saw the Guard out here. They were at the Olympics, on the border, and then, after the Department of Homeland Security failed miserably after Katrina, they responded there and serving under the title 32 status on control of the Nation's Government.

Now, I think it's the right way to call out the Guard in the United States, but it requires sensitivity to the needs of the State, adequate communication with the Nation's Governors. You've been asked this question by Senator Bond and others, and you and I have discussed this privately. It really seems, to me, that, with the Joint Chiefs of Staff, they—the highest advisory body to you and the Joint Chiefs, that you would be well served to have the chief of the Guard Bureau on this board. I referenced, when you and I were coming back on a flight from New York, that, when I raised that, there was an enormous amount of turbulence inside the airplane. It was very smooth flying outside.

Have you had any change in your thought after you heard from Senator Bond, myself, and probably about 40 other Senators?

NATIONAL GUARD

Secretary RUMSFELD. Senator Leahy, I have reflected on your recommendation in that regard, and I've talked to Pete Pace and other members of the Chiefs——

Senator LEAHY. I know you reflect on a lot I say. Go ahead.

Secretary RUMSFELD [continuing]. And I guess the short answer is, no, I've not found myself migrating over to your viewpoint on that particular issue. I think the way we look at it is that the Army includes the total Army; and the Air Force, the total Air Force; and that to begin to segment them inside the Joint Chiefs of Staff is not a good idea. And the Guard and the Reserves have to be well represented in the Joint Chiefs, and we have to assure that we have those linkages that work and are effective. But to begin taking segments of the Army or the Navy, the Air Force or the marines, and add them in, I think, is not the best idea.

Pete?

General PACE. Sir, we worked real hard for the last 20 years, under the leadership of the Goldwater-Nichols legislation, to kluge together a joint force. And we have one Army, one Navy, one Air Force, one Marine Corps, and they are working extremely well together now. To divide our Air Force, to divide our Army by having an additional member of the Joint Chiefs, who represents a segment of both of those services, would do a disservice to the country. That does not mean that we do not need to have a robust representation of the Guard. And this committee and the Congress, in recent legislation, increased the rank, to three stars, of Lieutenant General Blum's position, gave the chairman two two-star positions, both of which are filled by quality officers. I recommend, from the standpoint of the rank structure, that we look to the commission that Mr. Punaro is heading, to take a look at the entire Guard and Reserve structure, see what responsibilities they have, see how many stars are appropriate, and to see how that might impact the other Reserve and Guard forces. But as far as being a member of the Joint Chiefs, sir, I would find that disruptive, not helpful.

Senator LEAHY. Thank you, Mr. Chairman. My time is up. Obviously, I'll follow up more on this, because I still have the concerns about homeland security.

Senator STEVENS. Thank you.

Senator McConnell, you're recognized for 7 minutes.

Senator MCCONNELL. Mr. Secretary, it strikes me that Members of Congress, and, to some extent, the American people, are having a hard time measuring progress in what has been described as the "long war."

Let me suggest that there are at least two ways that I think we can measure progress. Number one, we haven't been attacked again here at home since 9/11. And, I want to commend you and your Department for that, because I think the only reason that we haven't been attacked again is, we've been on offense, going after the people who would do us harm, where they tend to hang out. Another way to measure progress, it strikes me, is the reduction in the number of states that sponsor terrorism. Qaddafi had an epiphany after witnessing what happened in Iraq, and has been busily trying to normalize his relationship with us. You've got an emerging democracy in Afghanistan, an emerging democracy in Iraq, which we've all been talking about here this morning.

It seems to me that's clearly progress, both in terms of the absence of additional attacks here at home, which we all expected, even later in 2001, not to mention over the next 5 years, and the reduction in the number of states that sponsor terrorism.

I've heard it suggested, Mr. Secretary, that somehow the Middle East is in worst shape as a result of an emerging democracy in Iraq. And I'd be interested in your views about how a process of democratization in Iraq could possibly make things worse in the neighborhood. And, second, I'd like for you to touch on the Iranian influence in Iraq these days, and the extent to which that may be complicating our moving forward there.

Secretary RUMSFELD. I missed that—what the word was, the—about—the second part of your question? I didn't—

Senator MCCONNELL. Well—

Secretary RUMSFELD [continuing]. Understand the word.

Senator MCCONNELL I'd like your response to the suggestion that somehow the Middle East is worse off as a result of—

Secretary RUMSFELD. Right.

Senator MCCONNELL [continuing]. Of an emerging democracy in Iraq. And, rather than take up your time by asking another question, I went ahead and asked my follow-up question. I'm interested in your observations about the extent to which Iran is exacerbating the problem in Iraq.

DEMOCRACY IN IRAQ

Secretary RUMSFELD. Yes, sir. I think one way to look at the first part of your question is to picture Iraq today, were we to withdraw and the democratic government to fail, and the Zarqawi/al Qaeda people take over that country and turn it into the kind of safe haven that they had in Afghanistan. These are the people who behead people. These are the people that are funding terrorist attacks in other countries. These are the people who would take that country, and, therefore, that part of the world, back to the dark ages. They want to reestablish a caliphate. And the dire consequences for the people of Iraq, the 25 million people—12 million of them went out and voted for their constitution in their democratic election. It is a country that's big, it's important, it has oil, it has water, it has history, and for it to be turned over to extremists would be a terrible thing for that part of the world and for the free world, and for free people everywhere, in my view.

I also would say that if people are concerned about Iran, the thought of having the Iraqi constitution and the sovereign elected government fail there would be the best thing in the world, from Iran's standpoint. And if people are anxious to see Iran successful in the path they're on, it strikes me that tossing in the towel on Iraq would be a boost for them.

The second part of your question is hard for me to answer. We know that Iran has access across that border. It's historic. Shi'a religious sites are in Iraq, and they've been going back and forth on pilgrimages for decades.

We know that we're finding Iranian-manufactured weapons inside of Iraq. We have information that they are engaged in funding segments of that population to try to advantage themselves. Their position clearly cannot be characterized as benign or disinterested. I would characterize it as unhelpful. The problem we've got is, unless you catch somebody from Iran, from the Government of Iran, physically bringing a weapon into Iraq, and you can tie a string be-

tween the two, you can't assert that it necessarily was government sponsored.

Pete, do you want to—

General PACE. Sir, I think you hit it on the nail, sir. And there's more that we could talk about in closed session, sir, but I think that's about all we should say publicly.

Senator MCCONNELL. I was not here at the beginning of the hearing, and I apologize if you've already gotten this question, but I'm curious, since I think we would all agree, everyone in this room, that the quickest ticket out of Iraq is the adequacy of the Iraqi military and police. Has someone given an update on where they stand these days? If not, I would like to hear that.

General PACE. Sir, we gave a partial answer to that question. I can go down it very quickly.

Senator MCCONNELL. All right.

General PACE. We stand, today, at 254,000 total Iraqi security forces, en route to 325,000. Inside the Iraqi army, there are 10 divisions, two of which currently control territory on their own. There are over 30 brigades, 15 of which currently control Iraqi territory on their own. There are 120 battalions, 65 of which currently control property on their own. In Baghdad, for example, just a little bit over half the city now is controlled by Iraqi army and Iraqi police. The Iraqi army is ahead of the Iraqi police with regard to its capacity to stand on its own, because we started with the Iraqi police a little bit later. But the Iraqi police are undergoing the exact same training process, embedded trainers, that we have with the Iraqi army. We are now adding to the Iraqi police, so they are coming along. And the process is on track so that by the end of this year, the vast majority, 95 percent plus, of the Iraqi army will be manned, trained, and equipped and in various stages of capacity, and then later on in 2007, the police will be complete.

Secretary RUMSFELD. I would only add this thought, which I believe I mentioned earlier. The success of the Iraqi security forces is impressive. They're making excellent progress. The reality is that unless you have a government formed, and with strong, competent ministers that are going to govern in a nonsectarian manner in those key security ministries, the future of the Iraqi security forces can't be counted on, because they require a government structure above them, and ministries above them, that are capable and competent, so that there are chains of command and civilian control and linkages back to the government. And that's the process that's very close to happening.

Senator MCCONNELL. That's what we expect to happen by Saturday, I gather. We hope.

Senator STEVENS. The Senator's time has expired.

Senator MCCONNELL. Thank you, Mr. Secretary.

Senator STEVENS. Senator Durbin is recognized for 7 minutes.

Senator DURBIN. Thank you, Mr. Chairman. Thank you, Mr. Secretary and General Pace.

Mr. Secretary, I've reviewed your testimony before this subcommittee since the invasion of Iraq, and it has been consistent. It consistently tells us the Iraqi forces are better than ever, the time is coming very soon when they will be ready to stand and fight for their own country. And yet, as the years have gone by, despite your

testimony, we still have 135,000 or more American soldiers with their lives on the line. We've lost 2,450 of our best and bravest. Over 20,000 have suffered serious, life-changing injuries and come home. And our Senate has spoken, that this is to be a year of significant transition. I have heard nothing in your testimony, as I've listened to it, as it's been related to me, to suggest that you have plans to make this a year for significant transition in Iraq. Can you tell us that, before the end of this calendar year, a significant number of American troops will be redeployed out of harm's way in Iraq?

TROOP WITHDRAWAL

Secretary RUMSFELD. No. No one can. It's obviously our desire, and the desire of the troops, and the desire of the Iraqi people. No one wants foreign forces in their country. The President is the one who will make the decision in the executive branch of the Government. He has said that he's responsive to General Abizaid and General Casey and General Pace's recommendations, and that their recommendations are going to be based on conditions on the ground. We've gone from a high of 160,000. Today we're at about 133,000, I think. We have every hope that we'll be able to continue making reductions as the Iraqi security forces continue to take over responsibility, as General Pace has described they're currently doing.

Senator DURBIN. Mr. Secretary, I will believe the statements about the viability and strength of the Iraqi security forces when the first Iraqi soldier stands up and replaces an American soldier. And from what I'm hearing from you, it won't happen this year.

Secretary RUMSFELD. Well, that's just not correct. I don't know quite what you mean by "replaces an American soldier," but they can—they had the principal responsibility for security for the elections, for the constitutional referendum. They—

Senator DURBIN. Mr. Secretary, the American people want to know when our forces, currently in harm's way in Iraq, are going to be out of harm's way, redeployed to a safe location outside of Iraq. And you've said, "No, it won't happen this year."

Secretary RUMSFELD. I did not. You're not listening carefully. I did not say it will not happen—

Senator DURBIN. Well, speak—

Secretary RUMSFELD [continuing]. This year. I—

Senator DURBIN [continuing]. And I will listen carefully.

Secretary RUMSFELD. I did not say it will not happen this year. I said I hoped it happens this year, but I can't promise it.

Senator DURBIN. Well, when we talk about significant transition, I'm afraid I don't have any evidence of it yet, in terms of—

Secretary RUMSFELD. Well, there's been—

Senator DURBIN [continuing]. Our policy.

Secretary RUMSFELD [continuing]. A lot of transition, Senator Durbin. And—maybe you wouldn't characterize it that way, but clearly there's been a shift in weight within the roles that the coalition forces are playing in Iraq away from patrolling and over toward the training and the equipping and the mentoring and the embedded process within, now, not just the ministry of defense

forces, but also the ministry of interior forces. That's—that is a shift. At least I would characterize it. Wouldn't you, General?

General PACE. Sir, there's a continuing process here. We started the beginning of this calendar year with almost 160,000 troops on the ground. We're down to about 133,000, as the Secretary pointed out. We went from almost 20 brigades during the turnover and the election security, down to 15 brigades now. I——

Senator DURBIN. But, General, isn't it true that we ramped up the number of forces for the election?

General PACE. We did, sir. And we're——

Senator DURBIN. And then brought them——

General PACE [continuing]. And we're——

Senator DURBIN [continuing]. Back down after the election.

General PACE. We ramped up from 18 to 20, and then we went back down to 17, and then we went down to 15, where we are right now. And about 2 weeks ago, General Casey and General Abizaid recommended to the Joint Chiefs, and we recommended to the Secretary, that we not move the brigade that's currently prepared to deploy from Germany into Iraq right now until we take a look at the current situation on the ground, work with the new government, because it appears that the Iraqi armed forces, having built as much as they have, will be able to take over more. So, they—the Iraqi armed forces are taking over more and more territory. And I can show you a map after—when we're done, sir, that shows you, basically in two colors, how much of the country, which is about 25 percent right now, has been—is under control of Iraqi forces. And about half of Baghdad is in that territory, sir.

Senator DURBIN. Thank you, General.

Secretary RUMSFELD. Could I say one——

Senator DURBIN. Mr. Secretary, I'd—sorry, I have 2½ minutes, and there's one other issue I'd like to touch on, and that relates to the McCain torture amendment, which passed the Senate, 90 to 9. We were hoping that there would be a rewrite of the Army Field Manual consistent with the McCain amendment. And it appears that there have been some problems. I don't understand why. I want to ask you basically this. Do you believe that we should be working toward a consistent, uniform standard when it comes to the treatment, detention, and interrogation of prisoners? And do you believe, as the original Army Field Manual said, that every interrogation technique authorized should be—would be considered lawful—let me restate that. Can you assure us that every interrogation technique authorized by the new Field Manual would be considered lawful by the Pentagon if it was used on captured American servicemembers?

TREATMENT OF DETAINEES

Secretary RUMSFELD. I'll try to answer. I'm not sure I understand the——

Senator DURBIN. Let me restate it.

Secretary RUMSFELD [continuing]. Structure of the question.

Senator DURBIN. It wasn't clear, and I want to make sure it is. There's been a question as to whether you're going to make some distinctions in the Army Field Manual in the way we treat prisoners. And the standard that was published in the Army Field

Manual, an unclassified document, was as follows, that we would not employ interrogation technique against prisoners that would be considered unlawful if it were employed against American servicemembers. Will that still be the standard—one single consistent standard?

Secretary RUMSFELD. Let me try to respond. The Army Field Manual rewrite has been undertaken. It's completed. It's been completed for a number of weeks. I shouldn't say "completed." It has been in a draft form for circulation for a number of weeks. I believe some portions of it have been discussed on the Hill. It is complicated, because of some definitional issues. It clearly is designed to comply with the law. Let there be no doubt about that.

The—part of your question leads me to believe that it goes to the question—

Senator DURBIN. The law—it says there will be one uniform standard. That was the McCain amendment. There were no distinctions. Was that what the Army Field Manual will be recommending?

Secretary RUMSFELD. Well, if you're asking me, "Will the Army Field Manual be recommending that it be, in every sense, complying with the law?" the answer is, it will.

Senator DURBIN. And the interrogation techniques that will be included would be interrogation techniques which we would find lawful if they were used on American servicemembers?

Secretary RUMSFELD. Yeah, I am not a lawyer, as you know, and the reason I started to respond to that part of the question is, there is a debate over the difference between a prisoner of war, under the Geneva Convention, and an unlawful combatant, in a situation that is different from the situation envisioned by the Geneva Convention. And those issues are being wrestled with at the present time, but you can have every confidence that the Army Field Manual, which is, as far as I'm concerned, almost ready to come out, will be seen as, and, in fact, be, consistent with U.S. law.

Senator STEVENS. The time has expired—

Senator DURBIN. Thank you.

Senator STEVENS [continuing]. Senator.

Senator Specter, recognized for 7 minutes.

Senator SPECTER. Mr. Secretary, has there been any objection by the Department of Defense to the format of the defense appropriations bill with respect to earmarks?

EARMARKS

Secretary RUMSFELD. I guess sometimes beauty is in the eye of the beholder. I can express, not a departmental view, because it hasn't been coordinated, but, to the extent that billions of dollars are taken out of things that we recommended, and to the extent things are proscribed from our doing them—for example, with respect to the military healthcare programs—and that we're restricted with respect to transfer funds and reprogramming in a manner that's harmful, then, obviously, it's inconsistent with what we recommended and the President recommended.

Senator SPECTER. Do you think—

Secretary RUMSFELD. And—

Senator SPECTER [continuing]. Do you think—

Secretary RUMSFELD [continuing]. Once money is taken away from one thing and put into something else—we wanted it where we recommended. On the other hand, the Congress's Article I of the Constitution, and the President proposes, and the Congress disposes. And——

Senator SPECTER. Well, that was my next question. Do you think Congress has an appropriate role in the designation of earmarks?

Secretary RUMSFELD. I obviously think Congress has an appropriate role. The way the Constitution's written, they control the budget.

Senator SPECTER. Mr. Secretary——

Secretary RUMSFELD. And I can read.

Senator SPECTER. Mr. Secretary, without getting into the substance of the comments of complaints by retired generals, has there been any significant impact on the morale of the men and women in the Department of Defense because of those disagreements?

Secretary RUMSFELD. I don't know that—I haven't done any polling or taken temperatures in that. I haven't noticed anything. Ask General Pace. He's around all the time.

Senator SPECTER. How about it, General Pace?

General PACE. Sir, certainly not within the building. I'll reserve my comments, because you haven't asked a question. But General Hagee is the most recent Joint Chief to come back from overseas. During this time, this was all bubbling in the press. He received zero questions from any servicemember of any rank. Sergeant Major Gainey, who is a senior enlisted advisor to the chairman, travels all the time, and he comes back and reports back to me, as recently as last week, that, in all of his travels, with as many people as he meets, not a single person has asked that question. So, as far as morale of the force, no impact, sir.

Senator SPECTER. Mr. Secretary, according to congressional research, 80 to 90 percent of the intelligence budget goes through, or is controlled by, the Department of Defense. Is that accurate?

Secretary RUMSFELD. Well, it's a matter of public record. I don't know what the percentage is. But a major portion is funded through the budget. And a portion of that ends up being administered by other intelligence agencies.

Senator SPECTER. Has there been any reduction in that DOD control since the creation of the Director of National Intelligence?

INTELLIGENCE MANAGEMENT

Secretary RUMSFELD. Oh, I think the answer is yes. I mean, clearly, once a law passes establishing the Director of National Intelligence and assigning certain responsibilities, we end up, technically, with somewhat less authority. On the other hand, before the law was passed I had a very close working relationship with the Director of Central Intelligence. Since the law has passed, I have worked very closely with the Director of CIA, as well as with the Director of National Intelligence. General Pace and I have lunch with him every week, and we've always had a very collegial relationship. And I wouldn't have thought of recommending to the President someone to head up a major DOD intelligence function without sitting down and talking to either the Director of CIA or the Director of National Intelligence, in this case, and discussing

it. And the same thing's done on budgets. We do things with respect to the budgets on various satellite systems, for example, and we've established various memorandas of understanding and methods of operating together. And it's a very collegial, constructive, continuous relationship. At the top, down in the field. It's excellent. I mean, you talk to General Abizaid or General Casey, they feel they have superb linkages with the agency. And it's in the middle, where people, you know, chatter with the press and stuff like that, that suggest to the contrary. And I read these articles, and I go to Negroponte or Porter Goss or Steve Cambone, and say, "What's this about?" I don't see it. And it reads like fiction to me. Obviously, somebody's feeding that stuff, but I don't get it. I think it's mythology.

Senator SPECTER. Mr. Secretary, were the media reports accurate that there was a disagreement between you and General Hayden as to whether NSA would come under DNI or DOD?

Secretary RUMSFELD. Well, I'm glad you asked that, Senator. Let me just tell you what happened.

Senator SPECTER. Thank you.

Secretary RUMSFELD. I go to work every day and spend, you know, 12–13 hours working, and I meet with dozens and dozens of people all the time, and I hear their views all the time. I ask their views all the time. And if anyone thinks that everyone always recommends exactly what I think, they're wrong. It happens 20 times a day that someone makes a recommendation to General Pace or to me that I either don't have an opinion on—now, in the case of Hayden, General Hayden came in to me during the debate in the Congress about where the National Security Agency should be located. The President had not taken a position at that stage, certainly had not taken a position that it should be transferred from the Department of Defense to the DNI. General Hayden said he thought that it would make sense to have it transferred to the DNI. Were you in the meeting?

General PACE. I was, yes.

Secretary RUMSFELD. Yeah. And others had a different opinion. And that was fine. And the President decided to not transfer it over to the DNI. And I agreed with the President.

Senator SPECTER. Mr. Secretary, thank you very much for responding to my—letter from Senator Sessions and myself about the efforts in Colombia to liberate three men who were taken by the gangsters down there. And I've gotten a follow-up letter from General Sharp, and I appreciate that.

I've—I know, from the correspondence, that you share the view that—and you say you are doing everything that can be done. And I appreciate your maintaining that. I think it might be useful to let the folks on the ground know all the things that are going on, because there is a sense there, that Senator Sessions and I heard, that they thought more could be done. But—I'm assured by what you have to say, but I think some assurances to them would be helpful, as well.

Thank you very much, Mr. Secretary and General Pace, for your service.

Secretary RUMSFELD. Thank you—

Senator STEVENS. The Senator's time—

Secretary RUMSFELD [continuing]. Senator.

Senator STEVENS [continuing]. Has expired.

Secretary RUMSFELD. General Pace—we deal with the Southern commander on this subject on a regular basis, and certainly he may know more than I know, but we don't know more than he knows.

General PACE. No, sir, I think we—I think what you said, sir, is that you understand the answer you got, but that there are some folks in the field who don't quite yet know everything that's going on. Is that correct, sir?

Senator SPECTER. Correct.

General PACE. And that is in Colombia on the ground sir, is that what you're—

Senator SPECTER. In Bogota.

General PACE. Yes, sir. We'll work with Southern Command, sir, and make sure that the people who should know, know, although everybody should not know everything—

Senator STEVENS. Thank you very much. Your time has expired, Senator.

Senator Domenici is recognized for 7 minutes.

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

Now, I'm not sure that I have 7 minutes worth of questions, but maybe I do.

First, I want to—want to do my usual and say, to both of you, thank you for the work you do. I'm sorry that we don't get to have you appear before us more often and talk about what's going on, but you get plenty of opportunity to talk with the American people about how you think things are going in the American involvement in Iraq and elsewhere. And I want to personally thank both of you for what you do. I think your work is well received.

Mr. Secretary, a couple of my questions will be parochial and not intended in any way to put you either on the spot or precipitate any decisionmaking. But you know we have Cannon Air Force Base over on the southern side of New Mexico. And it was created as a enclave, e-n-c-l-a-v-e, by the Base Realignment and Closure Commission (BRAC). I understand, from the Secretary of the Air Force, that the proposal for what to do with the enclaved facility, since you were charged with doing something with it, it was said you shall, and that it has now cleared all of the various interdepartmental reviews. I just wanted to ask a general question. Is it fair to assume that it's not going to be a lengthy time before the decision would take place as to what goes into the enclave, since all of the interdepartmental reviews have already been completed? Is it fair to assume it will take—the decision will take place rather soon?

BASE REALIGNMENT AND CLOSURE COMMISSION

Secretary RUMSFELD. Senator Domenici, my recollection is that there was an end date in the BRAC process by—

Senator DOMENICI. Well, it's way out—

Secretary RUMSFELD [continuing]. By which we had to have done it.

Senator DOMENICI. That's years from now.

Secretary RUMSFELD. Well—

Senator DOMENICI. They leave the enclave open for a long time.
Secretary RUMSFELD. Well——

Senator DOMENICI. But you are finished with your work, and I'm wondering when the decision would then be made.

Secretary RUMSFELD. Well, as I told you, we were very hopeful that we could get an answer to that well before that deadline date that the BRAC set. And I know you've met with the Secretary of the Air Force, and I've met with the Secretary of the Air Force, and they are not only aggressively looking to answer that question within the Air Force, but they're looking within other services and other agencies, as well. But I'd be reluctant to predict a date. This says the Air Force will complete its analysis in the late spring and apparently come up to me sometime midsummer. But then we have to see what we think about the recommendation. And they've been working closely with you throughout the process, and will continue to do so.

Senator DOMENICI. Thank you very much.

Now, I have a—kind of, a real interest in UAVs. And I want to ask you if my assessment has any chance of being accurate. I believe that the operative—the ability to operate UAVs, continental United States, is being greatly impeded by the Federal Aviation Administration (FAA), that the UAVs are not getting the fair chance to participate within the national airspace system, which is controlled by the FAA. If that is the case—and I understand it is—why don't we look for some other space in the United States that is not controlled by them, that we might do the research and do the training? I have a suggestion that you would look at something like the airspace that we have at White Sands Missile Range. In any event, leave out the suggestion, and just talk with me a moment about whether my observation and thought that the UAV is being impeded, in terms of being—its implementation capabilities, because we can't fit it within the national airspace system and the FAA holds things up. Is that a fair assessment, or am I wrong?

FEDERAL AVIATION ADMINISTRATION COORDINATION ON UNMANNED
AERIAL VEHICLES

Secretary RUMSFELD. Well, I don't sit in the shoes of the FAA, so I can't say whether it's being impeded. It is clear that they are wrestling with the issue of how unmanned aircraft should be managed in airspace that they control. And it is, I think, probably not a simple question, and it's complicated. At the present time, these certificates of authorization for unmanned aircraft to operate in controlled airspace take, you know, 60 to 120 days to get through. I'm not in a position to judge it. All I can tell you is, we're working very hard with the FAA to try to develop the flexibility that would be desirable. This is a new thing, unmanned aircraft flying around in airspace where there are manned aircraft. And it is not a simple thing, I think. And they—we don't have the rules or the procedures or the arrangements or the understanding or the confidence, and we simply have to just work it through with them. And we are, as you know—we share your desire to see it get resolved as soon as possible.

Senator DOMENICI. Well, Mr. Secretary, I just want to suggest to you that everything you have just said is correct, but when I look

at how long it has been taking for all of this to evolve, it's not months, it's years—1964 is when all this started. I do at least want to close this little discussion by urging that everything possible be done to expedite this work, so we can take advantage of it. It's—they're needed on all different fronts, and we've got to train them within this American zone, and that's being deterred. So, I just lay that before you and urge it, and thank you for your response.

I have another one that I just want to suggest, that things are being done well in one part of the Defense Department, and I wonder if you would consider broadening it. Water purification. And I address this issue to you, General Pace. As you know, it has been a tremendous problem for the Department, and it—right down to marines who are trying to have clean water as they go through the filthiest war zones you can imagine. And there are ways to produce clean water for them rather quickly, in scientifically different ways.

I want to tell you that the United States Marine Corps has worked to develop an individual water purifier system that will enable soldiers to gather water from any source, anywhere, and purify it into drinking water that meets the Environmental Protection Agency (EPA) standards. I'm sure—

Senator STEVENS. Senator, this will have to be your last question, General. It's—

Senator DOMENICI. Okay.

Senator STEVENS. Thank you.

Senator DOMENICI. Fine. I just want to know, since those efforts are within one department, General Pace, would it be fair to say that, since they are so important, that these efforts are being considered for the broader Defense Department so that they are not just for one department, but for the entire military, because they all need these kinds of things?

General PACE. Sir, that is exactly correct. It is fair to say that. And, in fact, when I was the chair of the Joint Requirements Oversight Council, we had the Marine Corps brief the other services on just those plans. And they are moving forward on that. It will be a joint effort, sir.

Senator DOMENICI. It will be a joint effort.

General PACE. Yes, sir.

Senator STEVENS. Thank you very much, Senator.

Senator DOMENICI. Thank you, Mr. Chairman.

Senator STEVENS. Senator Dorgan is recognized.

Senator DORGAN. Mr. Chairman, thank you. I'm sorry I was at another hearing, but I've read the testimony.

General Pace, you indicated that, in your percentages to Senator McConnell, the number of Iraqi troops that have been trained. And you talked about the number of them that are controlling territory on their own, and the amount of territory they're controlling. And yet, you said, in response to Senator Durbin, that there is no territory that is sufficiently controlled by Iraqi troops that would allow the withdrawal of all American troops. Those two answers seem at odds, to me. Can you explain them?

General PACE. Sir, thanks for the opportunity to clarify. The specific question that Senator Leahy asked me was, was there any of the 18 provinces that could be completely turned over to Iraqi forces? When I answered him, I said, "No, sir." What I should have

said, to make sure everyone understood, was that, for an entire province to take all U.S. and coalition forces out inside the next 3 months, the answer to that question is, "No, sir." That——

Senator DORGAN. So, the——

General PACE [continuing]. Does not mean that they're not making great progress on the ground. As I said, in Baghdad they have over half, and other——

Senator DORGAN. But——

General PACE [continuing]. Locations.

Senator DORGAN. But Senator Durbin made the point that I would make, as well. We have now been, I think, 2 years or 3 years—I guess, 2 years—hearing a lot of good things about Iraqi security being trained up. And yet, it seems to me, at some point in a reasonable time, we should have trained up enough to be able to say to the Iraqi people, "This is your country. The country of Iraq belongs to you, not us. And you have to decide whether you have the will and the capability, given the amount of money that we've spent training your security, to provide the security for yourselves in your own country." At some point, the Iraqi people have to make that judgment. And, at some point, it seems to me, we have to bring American troops home. I understand the importance of all of this, but I do think we've had a lot of discussion for a long time about how much progress we're making, and yet none of the territories that you've described—would we be able to bring American troops out of the territory and turn the territory—the province completely over to the Iraqi troops.

I want to just—I want to ask about the retired generals, Secretary Rumsfeld. And I wondered whether I should do this, but I want to do it. All the time that I have served here, and the decades before, I have not heard half a dozen retired generals or so, some four stars, some very significant military leaders, having retired, openly critical—in fact, I think, in a couple of cases, calling for your resignation. Let me ask the question of you. Do—you've heard these criticisms. Do you take them seriously? Are there—are these criticisms by retired generals, are they raising legitimate issues? Are they issues that resonate with you? Give me your assessment of what's happening with some very significant criticism from folks who used to be military leaders in this country.

RETIRED GENERALS' CRITICISM

Secretary RUMSFELD. Well, sure I take things seriously. And I've wanted to reflect on it. I read a lot of history, and I guess I don't think there's ever been a war where there haven't been disputes and differences among generals, and between generals and civilians, and among civilians. Think back, General McClellan called Abraham Lincoln a "gorilla" and an "ape." So, this is not new. There hasn't been a time when there haven't been people of different views.

There are 7,500 active and retired generals and admirals. You've characterized what some have said. It's a relatively unusual thing, and I quite agree with you in that regard. And then you say, Is any of it valid? There are those who have consistently disagreed with the size of the force. And I guess history's going to have to make that judgment. But the truth is that the size of the force was the

size that was selected by General Tom Franks, approved by the Joint Chiefs of Staff, the Chairman and the Vice Chairman, one of whom is sitting next to me, recommended to the President. And that was the number.

Now, if people don't like that number, and they want to blame somebody, fine, they blame me. That goes with the territory. It is a fact that it is a tough call. It's not a science; it's an art, coming up with those numbers.

The second thing I would say is, I really honestly believe that if you undertake the kinds of transforming in this Department, any big department, and if you do something, somebody's not going to like it. And we've done a lot. We have a new personnel system that the Congress passed that a lot of people don't like, and they're arguing. We've put a marine in as Chairman of the Joint Chiefs for the first time, and there are people who don't like that. I brought a retired general in to run the Army, and there are people who didn't like that.

Senator DORGAN. Mr. Secretary—

Secretary RUMSFELD. We've done a lot to change that Department, and, in every instance, there's resistance, as there always will be in big organizations.

Senator DORGAN. Mr. Secretary, we're stretched pretty thin on a range of—in a range of areas—National Guard and other areas. Do you foresee any circumstance under which, in the future, the Secretary of Defense will recommend the reinstitution of a military draft?

MILITARY DRAFT

Secretary RUMSFELD. Well, I hate to answer the second part first, but I will. The answer is, flat, no. We don't need a draft. It would be harmful to reinstitute a draft. We have a country of, what, close to 300 million people, and we have an active duty force of 1.4 million, and Guard and Reserve of another 450,000. And all we need to do is what anyone else with a volunteer entity has to do, and that's adjust the incentives so that you can attract and retain the people you need and have to have to defend this country. And, thank the good Lord, there are plenty of people putting their hands up and volunteering to do that, even though they could possibly be in a safer position or a more comfortable position. And they're doing it.

So I wouldn't even think of it. But, in my view, the premise of your question was wrong. You say the Guard and the Reserve and the force is stressed.

Senator DORGAN. No, I said stretched pretty thin.

Secretary RUMSFELD. Stretched pretty thin. Well, I mean, I think that they are doing a terrific job, and we are moving a number of military people out of civilian functions into military functions, tens of thousands. So, we're increasing the size of the force and reducing that stress. We have a meeting once a month, going over all—something like 37 things, 38 things—to reduce stress on the force, and stretch—I forget the word you used—but—

Senator DORGAN. Stretched thin. But let me make the point, I didn't suggest they weren't doing a great job. That wasn't the point of my question.

Secretary RUMSFELD. No, I know that. But in terms of the “stretched thin,” I mean, out of the blue, people are saying, “Oh, my goodness, the President wants to put 6,000 people down to help the Border Patrol, and the Guard’s already exhausted.” Well, the fact of the matter is, only about—the force over in Iraq is about 19 percent Guard and Reserve, I think, at the present time, General Blum. And we’ve got 450,000 Guard and Reserve. And he’s talking about 6,000 for 1 year, and they’re going to be doing it on their active duty for training. There’s so much misinformation flying around about this, and it is not going to be a stress on the National Guard to do that function. They’re going to be able to do what the Governors need them to do as well. I have every confidence that they can do that.

General PACE. Senator, may I have—

Senator DORGAN. Mr. Chairman, my time is—yes?

General PACE. Mr. Chairman, may I impose on you to ask for 1 minute?

Senator STEVENS. Yes, sir.

General PACE. Thank you. Because it’s important, as I sit here representing the uniformed military, that I speak my mind about the opportunity for the uniformed leadership to inform, digest, debate, have dialogue with the civilian leadership. And it is a daily ongoing process, whether it be a combatant commander who brings his ideas forward to “The Tank” and the Secretary, and we have the iterative process that goes on every day, or if it’s the 2 to 3 to 4 to 5 hours every day that I spend with the Secretary of Defense listening to briefings. Every single officer who walks into the Secretary of Defense’s office is expected to speak his or her mind, and is encouraged to do so. And our Armed Forces need to understand clearly from their chairman that all of their leaders are expected, encouraged, and are afforded the opportunity to have a very open, honest dialogue about what we believe and what we don’t believe.

Senator DORGAN. Mr. Chairman, let me thank both the General and the Secretary for coming and making themselves available for questions. And I expect you started, as we all would, to thank the men and women who wear America’s uniform.

Senator STEVENS. Well, thank you very much.

I’m constrained to say that I recall the days of the draft. And Senator Goldwater and I didn’t believe that a draft should take place in a democracy, short of an all-out war. And I introduced an amendment to draft women. Did you know that, Mr. Secretary? And, of course, it failed the Senate. But the Senate woke up to the fact that it was discrimination, and it was not a time when we should have a draft. We still have registration for the draft, still have the possibility of a draft if we get into a world war.

But, second, I think you were very fair in your questions, and we appreciate the Secretary’s answer to clear up the thing.

But I have been privileged, Mr. Secretary, at your invitation—and I think Senator Inouye’s gone to some—to go to some of the dinners that you’ve had informally with your—members of the Joint Chiefs and with other officers. And I can tell you that, in my 38 years, I’ve never seen the ambience that I have seen, in terms of the open dialogue, General, open discussion, and sometimes with wives, sometimes without them, the Secretary has had these gath-

erings. And I personally appreciate the openness that is existing now in the military. I think military officers feel free to stand up and say what they want to say, whether they're retired or otherwise. And that's—this is the democracy. First amendment still applies to people in uniform, General. And I appreciate the fact that you're insisting on that, and that the Secretary encourages it.

ADDITIONAL COMMITTEE QUESTIONS

So, we appreciate your coming. We appreciate both of your service to this Nation, and, really, can't tell you how much we all appreciate the overwhelming courage and commitment of the young people under your command.

So, we'll stand in—

Senator, do you have any further comment?

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

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question. Do you agree that, since these facilities are associated with BRAC recommendations, BRAC funds should be used for these construction projects?

Answer. Yes, Base Realignment and Closure (BRAC) funds should be used for the construction requirements associated with Commission recommendation number 33 (Reserve Component Transformation in New Mexico) and Commission recommendation number 187 (Defense Research Service Led Laboratories).

Question. What does Fort Bliss need from White Sands Missile Range and Holloman Air Force Base in order to conduct field testing relating to the Future Combat System in New Mexico?

Answer. Fort Bliss, Texas, was selected as the home for field testing the Army's Future Combat System (FCS) because of its access to White Sands Missile Range (WSMR) and the proximity to the Holloman Air Force Base. The area provides the requisite land, airspace, and facilities for Evaluation Brigade Combat Team Soldiers to fully train, test and evaluate FCS capabilities. Other examples of support include air traffic control, frequency management, and range scheduling. We anticipate using these resources at all affected facilities. While the development, training and testing of an FCS-equipped force is a significant task, from a test/training event coordination perspective it is one that is not dissimilar from other major exercises such as Roving Sands. Success will depend on close coordination and communication between the FCS program management office, Fort Bliss, WSMR, and Holloman AFB. Much work has already occurred. WSMR and Fort Bliss have conducted regular interchanges in the past and continue to coordinate emerging detailed requirements. Similarly, there are joint agreements between WSMR and Holloman AFB that will be exercised as more detailed test plans are finalized.

Question. Mr. Secretary, I would appreciate your perspective on the importance of basic research.

Answer. Department of Defense (DOD)-sponsored basic research produces new knowledge and understanding that underpins the development of future military capabilities. Prior basic research enabled us to develop today's revolutionary military capabilities, including the Global Positioning System, stealth, night vision devices, and precision strike. We expect equally important new capabilities to emerge over the long-term from today's investments in basic research. Our support for basic research today will help to give future leaders the capability edge they need to deter potential adversaries and, if necessary, conduct military operations.

Basic research has an additional long-term benefit to the DOD because universities are the predominant performers of basic research in this country and university research is inextricably linked with the training of scientists and engineers in fields important to national defense. DOD-supported basic research thereby helps to ensure the future availability of talent needed for defense research and development.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. Has the Department of Defense (DOD) determined which items from the War Reserve Stocks for Allies, Korea (WRSA-K) will be offered to the Republic of Korea (ROK)? Has a formal offer been made to the ROK? If so, please provide a comprehensive list with types and quantities. Please also indicate what items are not being offered.

Answer. Yes, DOD has determined which items from the War Reserve Stocks for Allies, Korea (WRSA-K) will be offered to the Republic of Korea (ROK) in negotiations. Pending authority to negotiate a War Reserve Stockpile agreement, a formal offer has not been made to the ROK. Although a formal offer has not been made to the ROK, attached are seven lists of the types and quantities of items that will be offered to the ROK, and items that will not be offered, as follows: (1) U.S. Army WRSA-K munitions items that will be offered; (2) U.S. Army WRSA-K munitions items that will be retained; (3) U.S. Army WRSA-K non-munitions items that will be offered; (4) U.S. Army WRSA-K non-munitions items that will be retained; (5) U.S. Navy WRSA-K munitions items that will be offered; (6) U.S. Air Force WRSA-K munitions items that will be offered; and (7) U.S. Air Force WRSA-K munitions items that will be retained.

Question. Has a formal offer been made to the ROK? If so, please provide a written copy.

Answer. No, a formal offer has not been made to the Republic of Korea (ROK).

Question. Please provide the number, quantity and type of antipersonnel mines and mine-related equipment, including delivery systems, now included in the War Reserve Stocks for Allies, Korea.

Answer. The number of Claymore K143 mines now in War Reserve Stocks for Allies, Korea (WRSA-K) stocks is 166,895. Of that number, 57,625 will be retained by the Army. The number of Claymore K145 mines now in WRSA-K stocks is 25,580. A total of 134,580 Claymore mines (K143 and K145) will be negotiated for transfer to the Republic of Korea (ROK). There also are 83,479 K092 mines and 480,267 K121 mines in WRSA-K stocks. All of the K092 or K121 mines will be retained by the Army. There is no other mine-related equipment, including delivery systems, in the WRSA-K stocks.

U.S. ARMY WRSA-K MUNITIONS TO BE RETAINED

DODIC	CC	QOH	TRANSFER TO KOREA	RETAIN FOR U.S. USE	ACC	NOMENCLATURE
K092	A	24,543	.....	24,543	ROK ...	MINE ANTIPERSONNEL: M16 SERIES W/FU
K092	H	2	.....	2	DRK ...	MINE ANTIPERSONNEL: M16 SERIES W/FU
K092	N	58,934	.....	58,934	WRK ...	MINE ANTIPERSONNEL: M16 SERIES W/FU
K121	A	480,267	.....	480,267	ROK ...	MINE ANTIPERSONNEL: M14 NON METALLI
K143	A	57,625	.....	57,625	ROK ...	MINE ANTIPERSONNEL: M18A1 W/ACCESSO
TOTALS .....	.....	.....	.....	621,371	.....

U.S. ARMY WRSA-K MUNITIONS TO BE OFFERED

DODIC	CC	QOH	TRANSFER TO KOREA	RETAIN FOR U.S. USE	ACC	NOMENCLATURE
K143	E	99,736	99,736	.....	ROK ...	MINE ANTIPERSONNEL: M18A1 W/ACCESSO
K143	F	9,518	9,518	.....	ROK ...	MINE ANTIPERSONNEL: M18A1 W/ACCESSO
K143	H	6	6	.....	ROK ...	MINE ANTIPERSONNEL: M18A1 W/ACCESSO
K143	H	10	10	.....	DRK ...	MINE ANTIPERSONNEL: M18A1 W/ACCESSO
K145	E	25,580	25,580	.....	ROK ...	MINE ANTIPERSONNEL: M18A1 WITHOUT F
TOTALS .....	.....	.....	.....	134,850	.....

Question. Is the transfer of antipersonnel mines from the WRSA-K to the ROK permissible under the comprehensive U.S. moratorium on export of antipersonnel mines?

Answer. It is permissible to transfer all the Claymore mines (K143 and K145) in the War Reserve Stocks for Allies, Korea (WRSA-K) stocks to the Republic of Korea (ROK). None of the K092 or K121 mines will be included in the negotiations for possible transfer.

Question. If the DOD plans to transfer antipersonnel mines and mine-related equipment to the ROK, please identify the items, quantity, cost to the ROK, and the country where they are located at this time.

Answer. DOD will negotiate to transfer to the Republic of Korea (ROK) 109,270 of the K143 Claymore mines and 25,580 of the K145 Claymore mines. The cost to the ROK is not known at this time. The cost will be based on fair market value as offset by concessions to be negotiated. All of the War Reserve Stocks for Allies, Korea (WRSA-K) Claymore mines are currently located in the ROK.

Question. If antipersonnel mines are to be transferred, what is the timetable?

Answer. There is no timetable established to transfer any of the War Reserve Stocks for Allies, Korea (WRSA-K) items to the Republic of Korea (ROK) government. It is likely that all items negotiated for transfer will be transferred at the same time. All transfers will be completed by December 2008. (Public Law 109-159 requires that all transfers authorized under the provision will be completed within three years of enactment of the provision.)

Question. If the DOD does not intend to offer the antipersonnel mines in the WRSA-K to the ROK, or if the ROK government does not want the mines, how does the DOD intend to dispose of them?

Answer. If during the negotiations the Republic of Korea (ROK) Government indicates it does not want the Claymore mines that are available for transfer, then DOD intends to demilitarize them in the ROK or retrograde them back to the United States for demilitarization.

Question. Are any U.S. antipersonnel mines stored in Japan as part of WRSA-K? Would the transfer of any such mines out of Japan to the ROK be permissible under the 1997 Mine Ban Treaty (Ottawa Convention), to which Japan is party?

Answer. None of the U.S. antipersonnel mines in War Reserve Stocks for Allies, Korea (WRSA-K) are stored in Japan. All of the WRSA-K mines are stored in the Republic of Korea (ROK).

SUBCOMMITTEE RECESS

Senator STEVENS. We'll stand in recess. We'll reconvene on Wednesday, May 24, when we're going to start hearing from public witnesses regarding the Department of Defense request for 2007.

Thank you very much.

Secretary RUMSFELD. Mr. Chairman, thank you very much for those remarks.

General PACE. Thank you, Mr. Chairman.

[Whereupon, at 12:20 p.m., Wednesday, May 17, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 24.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, MAY 24, 2006

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

The subcommittee met at 9 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens and Inouye.

NONDEPARTMENTAL WITNESSES

OPENING STATEMENT OF SENATOR DANIEL K. INOUE

SENATOR INOUE [presiding]. At the direction of the chairman of the subcommittee, I will be convening the hearing. The first panel consists of Major General William Matz, Jr., United States Army, retired, President of the National Association for Uniformed Services; Dr. William J. Strickland, Ph.D., American Psychological Association; Lieutenant Colonel Paul N. Austin, CRNA, Ph.D., retired, American Association of Nurse Anesthetists; fourth, Chris Hahn, Executive Director, Mesothelioma Applied Research Foundation; and fifth, Captain Robert C. Hurd, United States Navy, retired, and PO1 Jessica A. Vance, 2006 Naval Sea Cadet of the Year, U.S. Naval Sea Cadet Corps. Please come forward.

General Matz, welcome to the subcommittee, Sir.

STATEMENT OF MAJOR GENERAL WILLIAM M. MATZ, JR., UNITED STATES ARMY (RETIRED), PRESIDENT, NATIONAL ASSOCIATION FOR UNIFORMED SERVICES (NAUS)

General MATZ. Well, thank you, sir. Good morning. It is very good to see you again.

In representing the National Association for Uniformed Services, it is an honor, sir, for me to testify before such as distinguished a veteran as yourself from World War II. And it is a privilege to be invited to give our view on key issues before your Defense Subcommittee.

Sir, the annual defense appropriations is one of the most critical bills Congress considers. It serves a number of roles. First, it provides the wherewithal to insure that our military has the resources to meet any threat from abroad. And second and just as important, this measure provides for the men and women standing today on the frontlines of our Nation's defense. And third, the underlying bill can support not only troop morale, but can sustain morale by

providing the resources necessary to help keep our promise to those who served in past conflicts to defend America.

And as a veteran and as a career combat infantryman, it gives me great pride to ask you to support the most professional and dedicated military in the world. And so in this very short time allowed, let me touch on just a few issues taken from our more comprehensive written testimony that we have provided you.

Senator STEVENS. Your statement will be made part of the record.

General MATZ. Sir, quality health care is a very strong incentive to make military service a career. I know you are aware of that. And at a time when we are relying on our Armed Forces, the Defense Department's blueprint for military health care raises serious concerns to National Association of Uniformed Services (NAUS). This Department of Defense (DOD) proposal would result in increases in TRICARE fees and higher co-pays for pharmaceuticals for over 3 million retirees under the age of 65, and their families. If passed, these proposals would double and even triple annual fees for retirees and families. The value of the benefit earned by military retirees would clearly be certainly diminished.

We ask the Appropriations subcommittee to work with your colleagues to reject these DOD proposed increases, and then, sir, to clearly ensure full funding is provided to maintain the value of the health care benefit provided these men and women who are in the military.

All we are asking is what is best for our troops. NAUS urges you to confirm America's solemn moral obligation to support our troops, our retirees, and their families. They have kept their promise to our Nation, and we must continue to keep our promise to them.

Clearly, care for our catastrophically wounded troops with limb loss is also a matter of national concern. Recently, I had the opportunity to visit wounded warriors at Walter Reed Army Hospital, and also at the DOD hospitals in both San Antonio and Chicago. And sir, I can report that their spirits are very, very high, but they need our help.

Senator STEVENS [presiding]. Go on.

General MATZ. Chairman Stevens.

According to the commander of the Army's Physical Disability Agency, which is located at Walter Reed and responsible for evaluating whether a soldier is physically able to return to active duty, the caseload the agency reviews has increased by almost 50 percent since the wars in Iraq and Afghanistan. The need is great. The chief of rehabilitation at Walter Reed says about 15 percent of the amputees have lost more than one limb.

In order to help meet the challenge, Defense Department research must be adequately funded to continue its critical focus on treatment of troops surviving these very grievous injuries. The research program also requires funding for continued development of advanced prostheses that will focus on the use of prosthetics with microprocessors that will perform more like a natural limb.

And so accordingly, sir, we encourage the subcommittee to ensure that funding for the Defense Department's prosthetic research is adequate to support the full range of programs needed to meet

current and future health challenges facing these very seriously wounded veterans.

It is also our view that providing a seamless transition for recently discharged military is especially important for servicemembers leaving the military for medical reasons related to combat, particularly the most severely injured patients. So we call on the subcommittee to ensure adequate funding is available to DOD to cover the expenses providing for seamless care of our servicemembers.

Also, NAUS supports a higher—sir?

Senator STEVENS. We have a joint session this morning, so we are just going to have to keep moving. We will read your accompanying statement.

General MATZ. Okay, sir. Thank you for the opportunity to come before you.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL WILLIAM M. MATZ

Chairman Stevens, ranking member Inouye, and Members of the subcommittee, good morning. It is a pleasure to appear before you today to present the views of The National Association for Uniformed Services on the 2007 Defense appropriations bill.

My name is William M. Matz, president of The National Association for Uniformed Services (NAUS). And for the record, NAUS has not received any Federal grant or contract during the current fiscal year or during the previous 2 years in relation to any of the subjects discussed today.

As you know, Mr. Chairman, NAUS, founded in 1968, represents all ranks, branches and components of uniformed services personnel, their spouses and survivors. The association includes all personnel of the active, retired, Reserve and National Guard, disabled veterans, veterans community and their families. We love our country, believe in a strong national defense, support our troops and honor their service.

Mr. Chairman, as our terrorist enemies remind us, the first and most important responsibility of our government is the protection of our citizens. As we all know, we are at war. That is why the measure we are working on is so very important. It is critical that we provide the resources to those who fight for our protection and our way of life. We must support our courageous troops. And we must recognize as well that we must provide priority funding to keep the promises made to the generations of warriors whose sacrifice has paid for today's freedom.

At the start, I want to express a NAUS concern about the amount of our investment in our national defense. Not since post-World War I has our provision for our military been so low a percentage—less than 4 percent—of today's GNP. Resources are required to ensure our military is fully staffed, trained, and equipped to achieve victory against our enemies. Good-natured ignorance in a time when we face such serious threats is not a luxury we can afford. And we depend on leaders in Congress with the Nation's support to balance our priorities and ensure our defense in a dangerous world.

Here, I would like to make special mention of the leadership and contribution this panel has made in providing the resources and support our forces need to complete their mission. Defending the United States homeland and the cause of freedom means that the dangers we face must be confronted. And it means that the brave men and women who put on the uniform must have the very best training, best weapons, best care and wherewithal we can give them.

Mr. Chairman, you and those on this important panel have taken every step to give our fighting men and women the funds they need, despite allocations we view as insufficient for our total defense needs. You have made difficult priority decisions that have helped defend America and taken special care of one of our greatest assets, namely our men and women in uniform.

And NAUS is very proud of the job this generation of Americans is doing to defend America. Every day they risk their lives, half a world away from loved ones. Their daily sacrifice is done in today's voluntary force. What they do is vital to our security. And the debt we owe them is enormous.

In this regard, the members of NAUS applaud Congress for the actions you have taken over the last several years to close the pay gap, provide bonuses for specialized skill sets, and improve the overall quality of life for our troops and the means necessary for their support.

Our association does have, however, some concerns about a number of matters. Among the major issues that we will address today is the provision of a proper health care for the military community and recognition of the funding requirements for TRICARE for retired military. Also, we will ask for adequate funding to improve the pay for members of our armed forces, to protect against expiring bonuses and allowances, and to address a number of other challenges including TRICARE Reserve Select and the Survivor Benefit Plan.

We also have a number of related priority concerns such as the diagnosis and care of troops returning with Post Traumatic Stress Disorder (PTSD), the need for enhanced priority in the area of prosthetics research, and providing improved seamless transition for returning troops between the Department of Defense (DOD) and the Department of Veterans Affairs (VA). In addition, we would like to ensure that adequate funds are provided to defeat injuries from the enemy's use of Improvised Explosive Devices.

MILITARY QUALITY OF LIFE: HEALTH CARE

Quality health care is a strong incentive to make military service a career. The Defense blueprint for military healthcare raises serious concern to NAUS. DOD recommends saving \$735 million through sharp increases in TRICARE fees and higher copays for pharmaceuticals for 3.1 million retirees under age 65 and their families.

To achieve these savings, Defense officials want to triple annual enrollment fees for TRICARE Prime by October 2007 for officers, to \$700 from \$230 a year for individuals and to \$1,400 from \$460 per year for families. For retired E-6 and below, the fee would jump nearly 50 percent, to \$325/\$650 from \$230/\$460. And for E-7 and above, the jump would more than double to \$475/\$950 from \$230/\$460.

The defense budget also requests the establishment of a TRICARE Standard enrollment fee and an increase in the annual amount of deductible charges paid by retirees using standard coverage. The standard beneficiary already pays a 25 percent cost share (and an added 15 percent for non-participating providers). Should Congress approve the DOD request to increase deductibles and initiate an annual fee, the value of the benefit earned by military retirees using standard would be greatly diminished.

DOD officials also recommend changes in TRICARE retail pharmacy copayments. The plan calls for reducing copays for mail order generic prescriptions to \$0 (zero) from \$3; and increasing copays for retail generic drugs to \$5 from \$3 and for retail brand drugs to \$15 from \$9. The copayment for non-formulary prescriptions would remain at \$22.

The assertion behind the proposals is to have working-age retirees and family members pay a larger share of TRICARE costs or use civilian health plans offered by employers. In recent testimony before your subcommittee, Dr. Winkenwerder indicated that the plan would force more than 100,000 retirees to leave their TRICARE coverage due to added costs.

NAUS asks the appropriations panel to work with your colleagues to reject the DOD's proposed increases; and then ensure full funding is provided to maintain the value of the healthcare benefit provided those men and women willing to undergo the hardships of a military career.

When world events are in constant change and instability and uncertainty are the rule, we are concerned that the current 302(b) allocation given this subcommittee may not fully fill the gap from the lost "revenue" of the Pentagon's proposed TRICARE fees, which the administration estimated would bring in \$735 million. We cannot believe this astonishing situation is something our elected Members of Congress would allow to go unfilled. Generations of us have fought to build a better Nation and now we are told that our health care benefits cost too much. Frankly, that kind of thinking can get America into trouble. You cannot recruit future military if the word gets out that America does not keep the promises made to those who served her.

We urge the subcommittee to fill this funding gap. And we urge Congress to strip DOD's authority to raise certain TRICARE fees and copays unilaterally without partnership or even consultation with our elected Congress.

NAUS firmly believes that the fiscal year 2001 landmark legislation establishing TRICARE providing new pharmacy and medical benefits to military retirees and their families represents an irreplaceable national investment, critical to the Nation and its warriors. The provision of quality, timely care is considered one of the most

important benefits afforded the career military. What you have done reflects the commitment of a nation, and it deserves your wholehearted support.

We urge the subcommittee to take the actions necessary for honoring our obligation to those men and women who have worn the Nation's military uniform. Clearly, when DOD does not receive adequate funding, it is forced to look toward benefits as a source of potential "revenue," and this should not be allowed to occur.

All we are asking is what is best for our service men and women and those who have given a career to armed service. NAUS urges you to confirm America's solemn, moral obligation to support our troops, their families, military retirees, and theirs. They have kept their promise to our Nation, and now it's time for us to keep our promise to them.

MILITARY QUALITY OF LIFE, PAY

For fiscal year 2007, the administration recommends a 2.2 percent across-the-board pay increase for members of the Armed Forces. While this is the lowest raise provided since 1994, the increase, according to the Pentagon, is designed to keep military pay in line with civilian wage growth. The Defense proposal also calls for an unspecified mid-year targeted raise. NAUS trusts the panel will ensure that these targeted raises are aimed to reward certain necessary skills and aim as well at E-7s, E-8s and E-9s and warrant officers to help retention of experience.

Congress and the administration have done a good job over the recent past to narrow the gap between civilian-sector and military pay. The gap, which was as great as 14 percent in the late 1990s, has been reduced to nearly 4.3 percent with the January 2006 pay increase.

The pay differential is important to recruitment. As an example, an electronic technician is currently paid approximately 3.5 to 4 percent less than his counterpart in the private sector. A few years ago, the differential was as much as 12 percent. We've got to get it down, and we have made significant strides. But we can do better and we should.

To attract high-quality personnel, we urge the appropriations panel to never lose sight of the fact that our DOD manpower policy needs a compensation package that is reasonable and competitive. Bonuses have role in this area. Bonuses for instance can pull people into special jobs that help supply our manpower for critical assets, and they can also entice "old hands" to come back into the game with their skills.

Understanding that congressional leaders have under consideration provisions to raise basic pay for all individuals in the uniformed services by 2.7 percent, NAUS asks you to do all you can to ensure in this tight budget situation that any increase above the standard calculation accrue solely to those in the military rather than the civilian federal employees. The frank truth is that our Armed Forces face far greater risks and dangers than our civilian workforce. And though we may never be able to fully compensate these brave men and women for being in harm's way, we should clearly recognize the risks they face and make every effort to appropriately compensate them for the job they do.

MILITARY QUALITY OF LIFE, ALLOWANCES

NAUS strongly supports revised housing standards within the Basic Allowance for Housing (BAH). We are most grateful for the congressional actions reducing out-of-pocket housing expenses for servicemembers over the last several years. Despite the many advances made, many enlisted personnel continue to face steep challenge in providing themselves and their families with affordable off-base housing and utility expenses. BAH provisions must ensure that rates keep pace with housing costs in communities where military members serve and reside. Efforts to better align actual housing rates can reduce unnecessary stress and help those who serve better focus on the job at hand, rather than the struggle with meeting housing costs for their families.

NAUS urges the subcommittee to provide adequate funding for military construction and family housing accounts used by DOD to provide our servicemembers and their families quality housing. The funds for base allowance and housing should ensure that those serving our country are able to afford to live in quality housing whether on or off the base. The current program to upgrade military housing by privatizing defense housing stock is working well. We encourage continued oversight in this area to ensure joint military-developer activity continues to improve housing options. Clearly, we need to be particularly alert to this challenge as we implement BRAC and related rebasing changes.

NAUS also asks special provision be granted the National Guard and Reserve for planning and design in the upgrade of facilities. Since the terrorist attacks of September 11, 2001, our Guardsmen and Reservists have witnessed an upward spiral

in the rate of deployment and mobilization. The mission has clearly changed, and we must recognize they account for an increasing role in our national defense and homeland security responsibilities. The challenge to help them keep pace is an obligation we owe for their vital service.

SURVIVOR BENEFIT PLAN

There are two primary ways in which survivors of military personnel receive military related benefits: The Survivor Benefits Plan (SBP), which is based on time and service; and, Dependency and Indemnity Compensation (DIC), which provides a flat monthly payment after a service-connected death.

Many military members and retirees have paid for SBP and have the most obvious of expectations to receive what was paid for. Surprisingly, that's not what happens. Under current law, SBP is reduced one dollar for each dollar received under DIC. A dollar is taken from one benefit for every dollar a survivor receives in the other.

Survivors of retirees, upon eligibility for DIC, lose a majority—or all too often—the entire amount of their monthly SBP annuity.

In addition, military retirees age 70 and older, who have paid into the plan for more than 30-years, are required to continue to pay until October 2008. Military retirees who enrolled for SBP at the initial enrollment date in 1972 will this year be paying premiums for 34 years and by 2008 36 years.

NAUS encourages members of the panel to provide financing to correct this unfair situation. Allow military survivors the benefit their loved one paid for their quality of life. And press to see that retirees age 70 or more who have paid into SBP are no longer required to pay premiums.

DEPARTMENT OF DEFENSE, SEAMLESS TRANSITION BETWEEN THE DOD AND VA

The President's Task Force (PTF) to Improve Health Care Delivery for Our Nation's Veterans report, released in May 2003 regarding transition of soldiers to veteran status, stated, "timely access to the full range of benefits earned by their service to the country is an obligation that deserves the attention of both VA and DOD." NAUS agrees with this assertion and believes that good communication between the two Departments means our government can better identify, locate and follow up with injured servicemembers separated from the military.

It is our view that providing a seamless transition for recently discharged military is especially important for servicemembers leaving the military for medical reasons related to combat, particularly for the most severely injured patients.

Most important in the calculus of a seamless transition is the capacity to share information at the earliest possible moment prior to separation or discharge. It is essential that surprises be reduced to a minimum to ensure that all troops receive timely, quality health care and other benefits earned in military service.

To improve DOD/VA exchange, the hand-off should include a detailed history of care provided and an assessment of what each patient may require in the future, including mental health services. No veteran leaving military service should fall through the bureaucratic cracks.

Another area that would enhance a seamless transition for our uniformed services is the further expansion of single-stop separation physical examinations. A servicemember takes a physical exam when he is discharged. While progress is being made in this area, we recommend expanding the delivery at discharge (BDD) program to all discharge locations in making determination of appropriate benefits before separation. This will allow more disabled veterans to receive their service-connected benefits sooner.

NAUS compliments DOD and VA for following through on establishing benefits representatives at military hospitals. This is an important step and can often reduce the amount of frustration inherent in the separation process for service members and their families.

NAUS calls on the subcommittee to ensure adequate funding is available to DOD and VA to cover the expenses of providing for these measures. Taking care of veterans is a national obligation, and doing it right sends a strong signal to those currently in military service as well as to those thinking about joining the military.

DEFENSE DEPARTMENT FORCE PROTECTION

NAUS urges the subcommittee to provide adequate funding to rapidly deploy and acquire the full range of force protection capabilities for deployed forces. This would include resources for up-armored high mobility multipurpose wheeled vehicles and add-on ballistic protection to provide force protection for soldiers in Iraq and Afghanistan, ensure up-activity for joint research and treatment effort to treat combat

blast injuries resulting from improvised explosive devices (IEDs), rocket propelled grenades, and other attacks; and facilitate the early deployment of new technology, equipment, and tactics to counter the threat of IEDs.

We ask special consideration be given to counter IEDs, defined as makeshift or "homemade" bombs, often used by enemy forces to destroy military convoys and currently the leading cause of casualties to troops deployed in Iraq. These devices are the weapon of choice and, unfortunately, a very efficient weapon used by our enemy. The Joint Improvised Explosive Device Defeat Organization (JIEDDO) is established to coordinate efforts that would help eliminate the threat posed by these IEDs. We urge efforts to advance investment in technology to counteract radio-controlled devices used to detonate these killers. Maintaining support is required to stay ahead of the changing enemy and to decrease casualties caused by IEDs.

DEFENSE HEALTH PROGRAM—TRICARE RESERVE SELECT

Mr. Chairman, another area that requires attention is Reservist participation in TRICARE. As we are all aware, National Guard and Reserve personnel have seen an upward spiral of mobilization and deployment since the terrorist attacks of September 11, 2001. The mission has changed and with it our reliance on these forces has risen. Congress has recognized these changes and begun to update and upgrade protections and benefits for those called away from family, home and employment to active duty. We urge your commitment to these troops to ensure that the long overdue changes made in the provision of their health care and related benefits is adequately resourced. We are one force, all bearing a full share of the load.

DEPARTMENT OF DEFENSE, PROSTHETIC RESEARCH

Clearly, care for our troops with limb loss is a matter of national concern. The global war on terrorism in Iraq and Afghanistan has produced wounded soldiers with multiple amputations and limb loss who in previous conflicts would have died from their injuries. Improved body armor and better advances in battlefield medicine reduce the number of fatalities, however injured soldiers are coming back oftentimes with severe, devastating physical losses.

As of December 31, 2005, 16,329 troops had been wounded but survived their injuries, according to U.S. Defense Department figures. And according to Col. Daniel Garvey, USA, deputy commander of the U.S. Army Physical Disability Agency, located at Walter Reed and responsible for evaluating whether a soldier is physically able to return to active duty, the caseload the agency reviews has increased by almost 50 percent since the wars in Afghanistan and Iraq began.

The need is great. Lt. Col. Paul Pasquina, chief of physical medicine and rehabilitation at Walter Reed, says about 15 percent of the amputees at Walter Reed have lost more than one limb. And according to Lt. Col. Jeffrey Gambel, chief of the amputee clinic, about one-third of the amputations done on recently injured service members have involved upper extremities, because of the types of munitions used by the enemy.

In order to help meet the challenge, Defense Department research must be adequately funded to continue its intent on treatment of troops surviving this war with grievous injuries. The research program also requires funding for continued development of advanced prosthesis that will focus on the use of prosthetics with microprocessors that will perform more like the natural limb.

NAUS encourages the subcommittee to ensure that funding for Defense Department's prosthetic research is adequate to support the full range of programs needed to meet current and future health challenges facing wounded veterans. To meet the situation, the subcommittee needs to focus a substantial, dedicated funding stream on Defense Department research to address the care needs of a growing number of casualties who require specialized treatment and rehabilitation that result from their armed service.

We would also like to see better coordination between the Department of Defense Advanced Research Projects Agency and the Department of Veterans Affairs in the development of prosthetics that are readily adaptable to aid amputees.

NAUS looks forward to working with you, Mr. Chairman, to see that priority is given to care for these brave men and women who in defense of freedom and our way of life were seriously wounded.

DEPARTMENT ON VETERANS AFFAIRS, POST TRAUMATIC STRESS DISORDER (PTSD)

NAUS supports a higher priority on Defense Department care of troops demonstrating symptoms of mental health disorders and treatment for PTSD.

The mental condition known as PTSD has been well known for over 100 years under an assortment of different names. For example more than 50 years ago, Army

psychiatrists reported, "That each moment of combat imposes a strain so great that psychiatric casualties are as inevitable as gunshot and shrapnel wounds in warfare."

According to a recent Government Accountability Office draft report, nearly four in five service members returning from the wars in Iraq and Afghanistan who were found to be at risk for PTSD were never referred for further help. The Defense Department has not explained why some troops are referred for help and some are not.

Pre-deployment and post-deployment medicine is very important. Our legacy of the Gulf War demonstrates the concept that we need to understand the health of our service members as a continuum, from pre- to post-deployment. However, not only does DOD need programs to assess a service member's medical status and a method to evaluate their health during time in war, it also needs to administer treatment quickly and effectively to mitigate injuries and save lives.

PTSD is a serious psychiatric disorder. While the government has demonstrated over the past several years a higher level of attention to those military personnel who exhibit PTSD symptoms, more should be done to assist servicemembers found to be at risk.

NAUS applauds the extent of help provided by the Defense Department, however we encourage that more resources be made available to assist. Early recognition of the symptoms and proactive programs are essential to help many of those who must deal with the debilitating effects of mental injuries, as inevitable in combat as gunshot and shrapnel wounds.

NAUS encourages the Members of the subcommittee to provide for these funds and to closely monitor their expenditure to see they are not redirected to other areas of defense spending.

While Defense Department officials and congressional leaders have taken important steps to advance better care for those with mental health problems, many challenges still remain. NAUS urges the development of a consistent, seamless, and working approach that allows DOD to screen returning service members and provide more effective early intervention that leads to healing.

MILITARY QUALITY OF LIFE, CONCURRENT RECEIPT

Since the fiscal year 2003 National Defense Authorization Act (NDAA) authorized a special compensation for certain military retirees injured in combat, Congress has advanced NAUS-supported concurrent receipt to include benefits to most military retirees with combat related disabilities and personnel with service-connected VA disability ratings of 50 percent or higher.

In last year's NDAA, Congress accelerated the phase in of concurrent receipt for individuals rated 100 percent disabled as a result of individual unemployability. NAUS urges members to press legislation for full and complete concurrent receipt to all disabled retirees, including those individuals medically discharged from service prior to achieving 20 years of service.

NAUS would also like to see the availability of concurrent receipt to all those forced into retirement with less than 20 years service. Currently combat related special compensation is denied to those warriors who were so severely wounded they couldn't serve out their full careers. Retired short of their 20-years, through no fault of their own, they continue to pay for their battle wounds. We urge members of this panel to encourage Congress to care for these troops and never forget the price they paid for service to country.

ARMED FORCES RETIREMENT HOME

NAUS is pleased to note the subcommittee's continued interest in providing funds for the Armed Forces Retirement Home (AFRH). As you know, home residents were evacuated for care and treatment to the Washington, DC, retirement home the day after Hurricane Katrina struck and damaged the facility at Gulfport, Mississippi. While the District of Columbia facility is currently undergoing transformation to absorb the change, we are seriously concerned about the future of the Gulfport home. We urge the subcommittee to provide adequate funding to help alleviate the strains on the Washington home. And we urge funding be set aside to do the planning and design work to rebuild the Gulfport home.

NAUS also asks the subcommittee to investigate administration plans to sell great portions of the Washington AFRH to developers. The AFRH home is a historic national treasure, and we recommend that Congress find an alternate means to continue providing a residence for and quality-of-life support to these deserving veterans without turning most of this pristine campus over to developers.

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

As you know, the Uniformed Services University of the Health Sciences (USUHS) is the Nation's Federal school of medicine and graduate school of nursing. The medical students are all active-duty uniformed officers in the Army, Navy, Air Force and U.S. Public Health Service who are being educated to deal with wartime casualties, national disasters, emerging diseases and other public health emergencies.

NAUS supports the USUHS and requests adequate funding be provided to ensure continued accredited training, especially in the area of chemical, biological, radiological and nuclear response. In this regard, it is our understanding that USUHS requires funding for training and educational focus on biological threats and incidents for military, civilian, uniformed first responders and healthcare providers across the Nation.

JOINT POW/MIA ACCOUNTING COMMAND (JPAC)

We also want the fullest accounting of our missing servicemen and ask for your support in DOD dedicated efforts to find and identify remains. It is a duty we owe to the families of those still missing as well as to those who served or who currently serve. And as President Bush said, "It is a signal that those who wear our country's military uniform will never be abandoned."

In this regard, it is our understanding that the priority has been lowered for the mission of the Joint POW/MIA Accounting Command (JPAC). DOD funding has been redirected to other activities and POW/MIA operations in South East Asia have been canceled or scaled back. We request you look into this report and ensure that the \$65 million required to support the JPAC mission for fiscal year 2007 is fully funded and allocated as needed.

APPRECIATION FOR OPPORTUNITY TO TESTIFY

As a staunch advocate for our uniformed service men and women, NAUS recognizes that these brave men and women did not fail us in their service to country, and we, in turn, must not fail them in providing the benefits and services they earned through honorable military service.

Mr. Chairman, NAUS appreciates the subcommittee's hard work. We ask that you continue to work in good faith to put the dollars where they are most needed: in strengthening our national defense, ensuring troop protection, compensating those who serve, providing for DOD medical services including TRICARE, and building adequate housing for military troops and their families, and in the related defense matters discussed today. These are some of our Nation's highest priority needs and we ask that they be given the level of attention they deserve.

NAUS is confident you will take special care of our Nation's greatest assets: the men and women who serve and have served in uniform. We are proud of the service they give to America every day. They are vital to our defense and national security. The price we pay as a Nation for their earned benefits is a continuing cost of war, and it will never cost more or equal the value of their service.

We thank you for your efforts, your hard work. And we look forward to working with you to ensure we continue to provide sufficient resources to protect the earned benefits for those giving military service to America every day.

Again, NAUS deeply appreciates the opportunity to present the association's views on the issues before the Defense Appropriations Subcommittee.

Senator STEVENS. Our next witness is Dr. William Strickland of the American Psychological Association. We do apologize for the timeframe here. We are going to have a vote at 9:30, and then a joint session—two votes at 9:30.

Thank you, Dr. Strickland.

**STATEMENT OF DR. WILLIAM J. STRICKLAND, Ph.D., VICE PRESIDENT,
HUMAN RESOURCES RESEARCH ORGANIZATION, ON BEHALF OF
THE AMERICAN PSYCHOLOGICAL ASSOCIATION**

Dr. STRICKLAND. Mr. Chairman, Senator Inouye, I'm Bill Strickland. I'm the former Director of Human Resources Research for the Air Force, and I'm currently the Vice President at the Human Resources Research Organization. I want to thank you for the opportunity to testify today on behalf of the American Psychological As-

sociation, or APA, a scientific and professional organization of more than 150,000 psychologists and affiliates.

Although I'm sure you're both aware of the large number of psychologists providing clinical services to our military members and families here and abroad, you may be less familiar with the extraordinary range of research conducted by psychological scientists within DOD. Behavioral researchers at work on issues critical to national defense with support from the Army Research Institute, and Army Research Laboratory, the Office of Naval Research, the Air Force Research Laboratory, and smaller, human systems research programs in the office of the Secretary of Defense, Defense Advanced Research Projects Agency (DARPA), the Marine Corps, and Special Operations Command.

In fiscal year 2006, the administration requested \$10.52 billion for defense, science, and technology; a huge cut from fiscal year 2005. Congressional appropriators in turn provided a significant increase to a total of \$13.24 billion. For fiscal year 2007, the President's budget request of the \$11.08 billion for defense service and technology (S&T) again falls short. The request for basic and applied defense research represents a 16.3 percent decrease from the enacted fiscal year 2006 level. We ask the Appropriations subcommittee's help in restoring critical defense research funding. APA joins the coalition for national security research, a group of over 40 scientific associations and universities, in urging the subcommittee to reverse this cut.

APA requests a total of \$13.4 billion for defense S&T. This would maintain DOD spending on applied 6.2 and 6.3 research, and support a 10 percent increase in 6.1 research in fiscal year 2007, as recommended in the National Academy of Science's report, "Rising Above the Gathering Storm."

The total spending on behavioral and cognitive research; in other words, human-centered research, within DOD also has declined in the President's fiscal year 2007 budget. In addition, the Senate Armed Services Committee has proposed cutting human-centered research in fiscal year 2007 in the fiscal year 2007 defense authorization. As one example, the authorizers recommend cutting by one-third a Navy research program on human factors.

Behavioral and cognitive research in the broad categories of personnel, training, and later development; warfighter protection, sustainment, and physical performance; system interfaces and cognitive processing; and intelligence-related processes such as detection of deception; is absolutely critical to national security. And it is critical that DOD sponsor this research directly. As DOD noted in its own report to the Senate Appropriations Committee, quote: "Military knowledge needs are not sufficiently like the needs of the private sector that retooling behavioral, cognitive, and social science research carried out for other purposes can be expected to substitute for service-supported research, development, testing, and evaluation. Our choice, therefore, is between paying for it ourselves and not having it," close quote.

In today's environment, who would knowingly choose to live without research that enhances the recruiting, selection, training, and retaining of that fighting force required to operate, maintain, and support the advanced weapons systems we are supporting

today? We urge you to support the men and women on the frontlines by reversing another round of dramatic, detrimental cuts to both the overall defense S&T account, and more specifically, to the human-oriented research programs within the military laboratories.

Thank you for your time this morning.

Senator STEVENS. Thank you very much. We appreciate that. We are quite worried about those numbers. We will do our best.

Dr. STRICKLAND. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM J. STRICKLAND

Mr. Chairman and Members of the subcommittee, I'm Dr. Bill Strickland, former director of Human Resources Research for the Air Force and current vice president of the Human Resources Research Organization. I am submitting testimony on behalf of the American Psychological Association (APA), a scientific and professional organization of more than 150,000 psychologists and affiliates.

Although I am sure you are aware of the large number of psychologists providing clinical services to our military members here and abroad, you may be less familiar with the extraordinary range of research conducted by psychological scientists within the Department of Defense (DOD). Our behavioral researchers work on issues critical to national defense, with support from the Army Research Institute (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); the Air Force Research Laboratory (AFRL), and additional, smaller human systems research programs in the Office of the Secretary of Defense, the Defense Advanced Research Projects Agency (DARPA), the Marine Corps, and the Special Operations Command.

I would first like to address the fiscal year 2007 human-centered research budgets for the military laboratories and programs within the context of the larger DOD Science and Technology (S&T) budget, and close by mentioning a tremendous new Defense Graduate Psychology Education program to better train military and civilian psychologists who provide clinical care to our military personnel and their families.

DOD SCIENCE AND TECHNOLOGY BUDGET

The President's budget request for basic and applied research at DOD in fiscal year 2007 is \$11.08 billion, a 16.3 percent decrease from the enacted fiscal year 2006 level of \$13.24 billion. APA joins the Coalition for National Security Research (CNSR), a group of over 40 scientific associations and universities, in urging the subcommittee to reverse this cut. APA requests a total of \$13.40 billion for Defense S&T. This would maintain DOD spending on applied (6.2 and 6.3 level) research and support a 10 percent increase for basic (6.1) defense research in fiscal year 2007, as recommended in the National Academies report "Rising Above the Gathering Storm".

As our Nation rises to meet the challenges of current engagements in Iraq and Afghanistan as well as other asymmetric threats and increased demand for homeland defense and infrastructure protection, enhanced battlespace awareness and warfighter protection are absolutely critical. Our ability to both foresee and immediately adapt to changing security environments will only become more vital over the next several decades. Accordingly, DOD must support basic Science and Technology (S&T) research on both the near-term readiness and modernization needs of the department and on the long-term future needs of the warfighter.

In fiscal year 2006, the administration requested \$10.52 billion for defense S&T, a huge cut from fiscal year 2005. Congressional appropriators in turn provided a significant increase, for a total of \$13.24 billion. For fiscal year 2007, the President's budget request of \$11.08 billion for DOD S&T again falls short, and we ask for the Appropriations Subcommittee's help in restoring critical defense research funding.

Despite substantial appreciation for the importance of DOD S&T programs on Capitol Hill, and within independent defense science organizations such as the Defense Science Board (DSB), total research within DOD has remained essentially flat in constant dollars over the last few decades. This poses a very real threat to America's ability to maintain its competitive edge at a time when we can least afford it. APA, CNSR and our colleagues within the science and defense communities recommend increasing the 6.1 basic research account within DOD S&T by 10 percent

and at a minimum, maintaining the current funding levels for the 6.2 and 6.3 applied research programs in order to maintain global superiority in an ever-changing national security environment.

BEHAVIORAL RESEARCH WITHIN THE MILITARY SERVICE LABS AND DOD

The Department of Defense met a previous Senate Appropriations Committee mandate by producing its report on "Behavioral, Cognitive and Social Science Research in the Military". The Senate requested this evaluation due to concern over the continuing erosion of DOD's support for research on individual and group performance, leadership, communication, human-machine interfaces, and decision-making. In responding to the committee's request, the Department found that "the requirements for maintaining strong DOD support for behavioral, cognitive and social science research capability are compelling" and that "this area of military research has historically been extremely productive" with "particularly high" return on investment and "high operational impact."

Within DOD, the majority of behavioral, cognitive and social science is funded through the Army Research Institute (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); and the Air Force Research Laboratory (AFRL). These military service laboratories provide a stable, mission-oriented focus for science, conducting and sponsoring basic (6.1), applied/exploratory development (6.2) and advanced development (6.3) research. These three levels of research are roughly parallel to the military's need to win a current war (through products in advanced development) while concurrently preparing for the next war (with technology "in the works") and the war after next (by taking advantage of ideas emerging from basic research). All of the services fund human-related research in the broad categories of personnel, training and leader development; warfighter protection, sustainment and physical performance; and system interfaces and cognitive processing.

Behavioral and cognitive research programs eliminated from the mission labs due to cuts or flat funding are extremely unlikely to be picked up by industry, which focuses on short-term, profit-driven product development. Once the expertise is gone, there is absolutely no way to "catch up" when defense mission needs for critical human-oriented research develop. As DOD noted in its own report to the Senate Appropriations Committee:

"Military knowledge needs are not sufficiently like the needs of the private sector that retooling behavioral, cognitive and social science research carried out for other purposes can be expected to substitute for service-supported research, development, testing, and evaluation . . . our choice, therefore, is between paying for it ourselves and not having it."

The following are brief descriptions of important behavioral research funded by the military research laboratories:

ARMY RESEARCH INSTITUTE FOR THE BEHAVIORAL AND SOCIAL SCIENCES (ARI) AND ARMY RESEARCH LABORATORY (ARL)

ARI works to build the ultimate smart weapon: the American soldier. ARI was established to conduct personnel and behavioral research on such topics as minority and general recruitment; personnel testing and evaluation; training and retraining; and attrition. ARI is the focal point and principal source of expertise for all the military services in leadership research, an area especially critical to the success of the military as future war-fighting and peace-keeping missions demand more rapid adaptation to changing conditions, more skill diversity in units, increased information-processing from multiple sources, and increased interaction with semi-autonomous systems. Behavioral scientists within ARI are working to help the Armed Forces better identify, nurture and train leaders.

Another line of research at ARI focuses on optimizing cognitive readiness under combat conditions, by developing methods to predict and mitigate the effects of stressors (such as information load and uncertainty, workload, social isolation, fatigue, and danger) on performance. As the Army moves towards its goal of becoming the Objective Force (or the Army of the future: lighter, faster and more mobile), psychological researchers will play a vital role in helping maximize soldier performance through an understanding of cognitive, perceptual and social factors.

ARL's Human Research & Engineering Directorate sponsors basic and applied research in the area of human factors, with the goal of optimizing soldiers' interactions with Army systems. Specific behavioral research projects focus on the development of intelligent decision aids, control/display/workstation design, simulation and human modeling, and human control of automated systems.

OFFICE OF NAVAL RESEARCH (ONR)

The Cognitive and Neural Sciences Division (CNS) of ONR supports research to increase the understanding of complex cognitive skills in humans; aid in the development and improvement of machine vision; improve human factors engineering in new technologies; and advance the design of robotics systems. An example of CNS-supported research is the division's long-term investment in artificial intelligence research. This research has led to many useful products, including software that enables the use of "embedded training." Many of the Navy's operational tasks, such as recognizing and responding to threats, require complex interactions with sophisticated, computer-based systems. Embedded training allows shipboard personnel to develop and refine critical skills by practicing simulated exercises on their own workstations. Once developed, embedded training software can be loaded onto specified computer systems and delivered wherever and however it is needed.

AIR FORCE RESEARCH LABORATORY (AFRL)

Within AFRL, Air Force Office of Scientific Research (AFOSR) behavioral scientists are responsible for basic research on manpower, personnel, training and crew technology. The AFRL Human Effectiveness Directorate is responsible for more applied research relevant to an enormous number of acknowledged Air Force mission needs ranging from weapons design, to improvements in simulator technology, to improving crew survivability in combat, to faster, more powerful and less expensive training regimens.

As a result of previous cuts to the Air Force behavioral research budget, the world's premier organization devoted to personnel selection and classification (formerly housed at Brooks Air Force Base) no longer exists. This has a direct, negative impact on the Air Force's and other services' ability to efficiently identify and assign personnel (especially pilots). Similarly, reductions in support for applied research in human factors have resulted in an inability to fully enhance human factors modeling capabilities, which are essential for determining human-system requirements early in system concept development, when the most impact can be made in terms of manpower and cost savings. For example, although engineers know how to build cockpit display systems and night goggles so that they are structurally sound, psychologists know how to design them so that people can use them safely and effectively.

DEFENSE GRADUATE PSYCHOLOGY EDUCATION PROGRAM (D-GPE)

Military psychologists also serve in roles other than researchers within the DOD system—many provide direct clinical care (mental and behavioral health services) to military personnel and their families and are responsible for training the next generation of military psychologists. The Defense Graduate Psychology Education (D-GPE) Program was launched in fiscal year 2006 to better train both military and civilian psychologists in providing this care, and APA requests \$6 million for D-GPE in fiscal year 2007. The foci will be on mental health for the severely medically injured (including those with traumatic brain injury and amputations), trauma and resilience for those suffering from depression and post traumatic stress disorder, and post-deployment reintegration and adjustment.

The D-GPE program includes a tri-service Center for Deployment Psychology (CDP) at the Uniformed Services University of the Health Sciences (USUHS) with a board of directors from the Army, Air Force, and Navy Psychology Departments. A website will be developed for servicemembers, veterans and their families seeking assistance for mental health related issues, including contact information for psychologists in their geographic areas. Furthermore, curriculum will be developed designed to meet the specific needs of returning military personnel and their families, on topics including trauma and resilience. In the second year, Postdoctoral Fellows will be added to the clinical teaching faculty at USUHS and a research component would be initiated.

SUMMARY

On behalf of APA, I would like to express my appreciation for this opportunity to present testimony before the subcommittee. Clearly, psychological scientists address a broad range of important issues and problems vital to our national security, with expertise in understanding and optimizing cognitive functioning, perceptual awareness, complex decision-making, stress resilience, recruitment and retention, and human-systems interactions. We urge you to support the men and women on the front lines by reversing another round of dramatic, detrimental cuts to the overall defense S&T account and the human-oriented research projects within the mili-

tary laboratories. We also urge you to support military personnel and their families even more directly by providing funds for the new D-GPE program.

Below is suggested appropriations report language for fiscal year 2007 which would encourage the Department of Defense to fully fund its behavioral research programs within the military laboratories:

DEPARTMENT OF DEFENSE

Research, Development, Test, and Evaluation:

Behavioral Research in the Military Service Laboratories.— The Committee notes the increased demands on our military personnel, including high operational tempo, leadership and training challenges, new and ever-changing stresses on decision-making and cognitive readiness, and complex human-technology interactions. To help address these issues vital to our national security, the committee has provided increased funding to reverse cuts to basic and applied psychological research through the military research laboratories: the Air Force Office of Scientific Research and Air Force Research Laboratory; the Army Research Institute and Army Research Laboratory; and the Office of Naval Research.

Senator STEVENS. Our next witness is Chris Hahn, executive director of Mesothelioma—I cannot pronounce that—pardon me, what's this? Lieutenant Colonel Paul Austin. Pardon me.

Colonel AUSTIN. Good morning, Chairman Stevens.

Senator STEVENS. Good morning.

Colonel AUSTIN. Hello, ranking member Inouye.

STATEMENT OF LIEUTENANT COLONEL PAUL N. AUSTIN, CERTIFIED REGISTERED NURSE ANESTHETIST, Ph.D., ON BEHALF OF THE AMERICAN ASSOCIATION OF NURSE ANESTHETISTS (AANA)

Colonel AUSTIN. It is an honor and pleasure to provide testimony on behalf of the American Association of Nurse Anesthetists. My name is Dr. Paul Austin. I'm a certified registered nurse anesthetist (CRNA), and I retired last year from the U.S. Air Force after 24 years of proudly serving my country. For most of this time I served as a nurse anesthesia educator, serving as the director of the Air Force and Uniformed Services University nurse anesthesia programs, as well as the chief consultant to the Air Force Surgeon General for nurse anesthesia.

The AANA is a professional organization representing 34,000 CRNAs in the United States, including approximately 483 active duty and 790 reserve military CRNAs. CRNAs participate in about 65 percent of the anesthetics given to patients each year in the United States. Nurse anesthetists are also the sole anesthesia providers in more than two-thirds of rural hospitals assuring access to surgical, obstetrical, and other health care services. Over 364 nurse anesthetists have been deployed to the Middle East in support of Operation Iraqi Freedom and Operation Enduring Freedom.

Military CRNAs are often the sole anesthesia providers at certain facilities both at home and forward deployed. For example, Army CRNA Lieutenant Colonel Bruce Schoneboom, Director of the Uniformed Services Nurse Anesthesia Program, is currently deployed as a nurse anesthetist and a detachment commander for the Fourteenth Combat Surgical Hospital at Salerno forward operating base in Afghanistan.

In addition, military CRNAs are called upon to assist with humanitarian efforts, both at the home front and abroad, and this subcommittee must ensure that we retain and recruit CRNAs now and in the future to serve in these military overseas deployments

and humanitarian efforts, and to ensure the maximum readiness of America's armed services.

Today, maintaining adequate numbers of active duty CRNAs is of the most importance to the Department of Defense to meet its military medical readiness mission. For several years, the number of CRNAs serving in active duty has fallen short of the number authorized by DOD. This is complicated by the strong demand for CRNAs, both in the public and private sectors. This considerable gap between civilian and military pay was addressed in the fiscal year 2003 Defense Authorization Act, with an incentive special pay, or ISP increase from \$15,000 to \$50,000.

Earlier this month, the three services' Nurse Corps leaders testified before this subcommittee that there is an active effort to work with the Surgeons General to evaluate and adjust ISP rates and policies needed to support the recruitment and retention of CRNAs. The AANA thanks this subcommittee for its support of the annual ISP for nurse anesthetists. The AANA strongly recommends the continuation and an increase in annual funding of the ISP for fiscal year 2007. The ISP continues to recognize the special skills and advanced education that CRNAs bring to the Department of Defense health care system.

Last, the establishment of the joint United States Army Veterans Administration Nurse Anesthesia Program at Fort Sam Houston in San Antonio continues to hope promise to make significant improvement to the military and VA CRNA workforce, as well as improving retention of VA-registered nurses in a cost-effective manner. These DOD partnerships are a cost-effective model to fill the needs of the military and VA health care system.

In conclusion, the AANA believes that recruitment and retention of CRNAs in the armed services is critical to America's readiness. By Congress supporting the efforts to recruit and retain CRNAs, the military can meet the unique mission of its health care system. The AANA would like to thank the Surgeons General and Nurse Corps leadership for their support of the profession within the military workforce, and we commend and thank this subcommittee for their continued support of CRNAs in the military.

[The statement follows:]

PREPARED STATEMENT OF PAUL N. AUSTIN

Chairman Stevens, ranking member Inouye, and Members of the subcommittee: The American Association of Nurse Anesthetists (AANA) is the professional association representing over 34,000 certified registered nurse anesthetists (CRNAs) in the United States, including 483 Active Duty and 790 Reservists in the military reported in May 2005. The AANA appreciates the opportunity to provide testimony regarding CRNAs in the military. We would also like to thank this committee for the help it has given us in assisting the Department of Defense (DOD) and each of the services to recruit and retain CRNAs.

BACKGROUND INFORMATION ON NURSE ANESTHETISTS

In the administration of anesthesia, CRNAs perform the same functions as anesthesiologists and work in every setting in which anesthesia is delivered including hospital surgical suites and obstetrical delivery rooms, ambulatory surgical centers, health maintenance organizations, and the offices of dentists, podiatrists, ophthalmologists, and plastic surgeons. Today, CRNAs participate in approximately 65 percent of the anesthetics given to patients each year in the United States. Nurse anesthetists are also the sole anesthesia providers in more than two-thirds of rural hos-

pitals, assuring access to surgical, obstetrical and other healthcare services for millions of rural Americans.

CRNAs have a personal and professional commitment to patient safety, made evident through research into our practice. In our professional association, we state emphatically "our members' only business is patient safety." Safety is assured through education, high standards of professional practice, and commitment to continuing education. Having first practiced as registered nurses, CRNAs are educated to the master's degree level and meet the most stringent continuing education and recertification standards in the field. Thanks to this tradition of advanced education, the clinical practice excellence of anesthesia professionals, and the advancement in technology, we are humbled and honored to note that anesthesia is 50 times safer now than 20 years ago (National Academy of Sciences, 2000). Research further demonstrates that the care delivered by CRNAs, anesthesiologists, or by both working together yields similar patient safety outcomes. In addition to studies performed by the National Academy of Sciences in 1977, Forrest in 1980, Bechtholdt in 1981, the Minnesota Department of Health in 1994, and others, Dr. Michael Pine MD MBA recently concluded once again that among CRNAs and physician anesthesiologists, "the type of anesthesia provider does not affect inpatient surgical mortality" (Pine, 2003). Thus, the practice of anesthesia is a recognized specialty in nursing and medicine. Both CRNAs and anesthesiologists administer anesthesia for all types of surgical procedures from the simplest to the most complex, either as single providers or together.

NURSE ANESTHETISTS IN THE MILITARY

Since the mid-19th Century, our profession of nurse anesthesia has been proud to provide anesthesia care for our past and present military personnel and their families. From the Civil War to the present day, nurse anesthetists have been the principal anesthesia providers in combat areas of every war in which the United States has been engaged.

Military nurse anesthetists have been honored and decorated by the U.S. and foreign governments for outstanding achievements, resulting from their dedication and commitment to duty and competence in managing seriously wounded casualties. In World War II, there were 17 nurse anesthetists to every one anesthesiologist. In Vietnam, the ratio of CRNAs to physician anesthesiologists was approximately 3:1. Two nurse anesthetists were killed in Vietnam and their names have been engraved on the Vietnam Memorial Wall. During the Panama strike, only CRNAs were sent with the fighting forces. Nurse anesthetists served with honor during Desert Shield and Desert Storm. Military CRNAs have provided critical anesthesia support to humanitarian missions around the globe in such places as Bosnia and Somalia. In May 2003, approximately 364 nurse anesthetists had been deployed to the Middle East for the military mission for "Operation Iraqi Freedom" and "Operation Enduring Freedom."

Data gathered from the U.S. Armed Forces anesthesia communities' reveal that CRNAs have often been the sole anesthesia providers at certain facilities, both at home and while forward deployed. For decades CRNAs have staffed ships, isolated U.S. bases, and forward surgical teams without physician anesthesia support. The U.S. Army Joint Special Operations Command Medical Team and all Army Forward Surgical Teams are staffed solely by CRNAs. U.S. Air Force Medical Special Operation Teams are staffed solely by CRNAs. Anesthesiologists rarely substitute into these billets. Military CRNAs have a long proud history of providing independent support and quality anesthesia care to military men and women, their families and to people from many nations who have found themselves in harm's way.

In the current mission "Operation Iraqi Freedom" CRNAs will continue to be deployed both on ships and on the ground, as well as in U.S. special operations forces. In addition, military CRNAs are called upon to assist with humanitarian efforts on the home front and abroad. This committee must ensure that we retain and recruit CRNAs now and in the future to serve in these military overseas deployments and humanitarian efforts, and to ensure the maximum readiness of America's armed services.

CRNA RETENTION AND RECRUITING: HOW THIS COMMITTEE CAN HELP THE DEFENSE DEPARTMENT

In all of the Services, maintaining adequate numbers of active duty CRNAs is of utmost concern. For several years, the number of CRNAs serving in active duty has fallen somewhat short of the number authorized by the Department of Defense (DOD). This is further complicated by strong demand for CRNAs in both the public and private sectors.

However, it is essential to understand that while there is strong demand for CRNA services in the public and private healthcare sectors, the profession of nurse anesthesia is working effectively to meet this workforce challenge. Our evidence suggests that while vacancies exist, there is not a crisis in the number of anesthesia providers. As of January 2006, there are 99 accredited CRNA schools to support the profession of nurse anesthesia. The number of qualified registered nurses applying to CRNA schools continues to climb. The growth in the number of schools, the number of applicants, and in production capacity, has yielded significant growth in the number of nurse anesthetists graduating and being certified into the profession. The Council on Certification of Nurse Anesthetists reports that in 2005, our schools produced 1,790 graduates, an 89 percent increase since 1999, and 1,595 nurse anesthetists were certified. The growth is expected to continue. The Council on Accreditation of Nurse Anesthesia Educational Programs (COA) projects CRNA schools to produce over 1,900 graduates in 2006.

This committee can greatly assist in the effort to attract and maintain essential numbers of nurse anesthetists in the military by their support to increase special pays.

INCENTIVE SPECIAL PAY (ISP) FOR NURSE ANESTHETISTS

According to a March 1994 study requested by the Health Policy Directorate of Health Affairs and conducted by the Department of Defense, a large pay gap existed between annual civilian and military pay in 1992. This study concluded, "this earnings gap is a major reason why the military has difficulty retaining CRNAs." In order to address this pay gap, in the fiscal year 1995 Defense Authorization bill Congress authorized the implementation of an increase in the annual Incentive Special Pay (ISP) for nurse anesthetists from \$6,000 to \$15,000 for those CRNAs no longer under service obligation to pay back their anesthesia education. Those CRNAs who remain obligated receive the \$6,000 ISP. New nurse anesthesia graduates should be eligible to receive the full ISP and not a reduced portion when they are completing their obligated service.

Both the House and Senate passed the Fiscal Year 2003 Defense Authorization Act Conference report, H. Rept. 107-772, which included an ISP increase to \$50,000. The report included an increase in ISP for nurse anesthetists from \$15,000 to \$50,000. There had been no change in funding level for the ISP since the increase was instituted in fiscal year 1995, while it is certain that civilian pay has continued to rise during this time. Per the testimony provided earlier this month from the three services Nurse Corps leaders, the AANA is aware that there is an active effort to work with the Surgeons General to closely evaluate and adjust ISP rates and policies needed to support the recruitment and retention of CRNAs. Major General Gale Pollock, MBA, MHA, MS, CRNA, FACHE, Deputy Surgeon General, Army Nurse Corps of the U.S. Army stated earlier this month in testimony before this subcommittee,

"I am particularly concerned about the retention of our certified registered nurse anesthetists (CRNAs). Our inventory of CRNAs is currently at 73 percent. The restructuring of the incentive special pay program for CRNAs last year, as well as the 180 (day)-deployment rotation policy were good first steps in stemming the loss of these highly trained providers. We are working closely with the Surgeon General's staff to closely evaluate and adjust rates and policies where needed."

Military CRNAs face frequent and lengthy deployments. The fewer military CRNAs, the more frequent the deployments, the more frequent the deployments, the greater the attrition. Congress needs to continue to support Military education of CRNA programs such as USUHS and FT Sam that produce our "replacement" military CRNAs.

In addition, there still continues to be high demand for CRNAs in the healthcare community leading to higher incomes, widening the gap in pay for CRNAs in the civilian sector compared to the military. The fiscal year 2005 AANA Membership Survey measured income in the civilian sector by practice setting. The median income in a hospital setting is \$135,000, anesthesiologist group \$120,000, and self-employed CRNA \$160,000. These median incomes include salary, call pay, overtime, bonus/incentives and other income. The median incomes in the Army, Navy and Air Force are \$80,000, \$87,750, and \$88,824 respectively. These figures also include salary, call pay, overtime, bonus/incentives and other income, if applicable.

In civilian practice, all additional skills, experience, duties and responsibilities, and hours of work are compensated for monetarily. Additionally, training (tuition and continuing education), healthcare, retirement, recruitment and retention bonuses, and other benefits often equal or exceed those offered in the military. Civilian

practice offers a more stable lifestyle without threat of frequent moves or deployment into harms way. Salaries in the civilian sector will continue to create incentives for CRNAs to separate from the military, especially at the lower grades without a competitive incentive from the military to retain CRNAs. Therefore, it is vitally important that the Incentive Special Pay (ISP) be increased to ensure the retention of CRNAs in the military.

The AANA thanks this committee for its support of the annual ISP for nurse anesthetists. The AANA strongly recommends the continuation and an increase in the annual funding for ISP for fiscal year 2007. The ISP recognizes the special skills and advanced education that CRNAs bring to the Department of Defense healthcare system.

BOARD CERTIFICATION PAY FOR NURSE ANESTHETISTS

Included in the fiscal year 1996 Defense Authorization bill was language authorizing the implementation of a board certification pay for certain healthcare professionals, including advanced practice nurses. AANA is highly supportive of board certification pay for all advanced practice nurses. The establishment of this type of pay for nurses recognizes that there are levels of excellence in the profession of nursing that should be recognized, just as in the medical profession. In addition, this type of pay may assist in closing the earnings gap, which may help with retention of CRNAs.

The AANA encourages the Department of Defense and the respective Services to continue to support board certification pay. We greatly appreciate the support since it contributes to minimizing the Military/Civilian pay gap.

DOD/VA RESOURCE SHARING: U.S. ARMY-VA NURSE ANESTHESIA SCHOOL: UNIVERSITY OF TEXAS HOUSTON HEALTH SCIENCE CENTER, HOUSTON, TEXAS

The establishment of the joint U.S. Army-VA program in nurse anesthesia education at Fort Sam Houston in San Antonio, Texas holds the promise of making significant improvements in the VA CRNA workforce, as well as improving retention of VA registered nurses in a cost effective manner. The current program utilizes existing resources from both the Department of Veterans Affairs Employee Incentive Scholarship Program (EISP) and VA hospitals to fund tuition, books, and salary reimbursement for student registered nurse anesthetists (SRNAs).

This VA nurse anesthesia program started in June 2004 with three openings for VA registered nurses to apply to and earn a Master of Science in Nursing (MSN) in anesthesia granted through the University of Texas Houston Health Science Center. Due to continued success and interest by VA registered nurses for the school, the program increased to five openings for the June 2005 class. This program continues to attract registered nurses into VA service, by sending RNs the strong message that the VA is committed to their professional and educational advancement. The faculty director would like to expand the program with an additional three VA registered nurses for the June 2006 class. In order to achieve this goal, it is necessary for full funding of the current and future EISP to cover tuition, books, and salary reimbursement.

The 30-month program is broken down into two phases. Phase I, 12 months, is the didactic portion of the anesthesia training at the U.S. AMEDD Center and School (U.S. Army School for Nurse Anesthesia). Phase II, 18 months, is clinical practice education, in which VA facilities and their affiliates would serve as clinical practice sites. In addition to the education taking place in Texas, the agency will use VA hospitals in Augusta, Georgia, increasing Phase II sites as necessary. Similar to military CRNAs who repay their educational investment through a service obligation to the U.S. Armed Forces, graduating VA CRNAs would serve a 3-year obligation to the VA health system. Through this kind of Department of Defense—DVA resource sharing, the VA will have an additional source of qualified CRNAs to meet anesthesia care staffing requirements.

At a time of increased deployments in medical military personnel, VA–DOD partnerships are a cost-effective model to fill these gaps in the military healthcare system. At Fort Sam Houston nurse anesthesia school, the VA faculty director has covered her Army colleagues' didactic classes when they are deployed at a moments notice. This benefits both the VA and the DOD to ensure the nurse anesthesia students are trained and certified in a timely manner to meet their workforce obligation to the Federal government as anesthesia providers.

We are pleased to note that the Department of Veterans' Affairs Acting Deputy Under Secretary for Health and the U.S. Army Surgeon General approved funding to start this VA nurse anesthesia school in 2004. With modest levels of additional funding in the EISP, this joint U.S. Army-VA nurse anesthesia education initiative

can grow and thrive, and serve, as a model for meeting other VA workforce needs, particularly in nursing.

Department of Defense and VA resource sharing programs effectively maximize government resources while improving access to healthcare for Veterans.

CONCLUSION

In conclusion, the AANA believes that the recruitment and retention of CRNAs in the armed services is of critical concern. By Congress supporting these efforts to recruit and retain CRNAs, the military is able to meet the mission to provide benefit care and deployment care—a mission that is unique to the military. The AANA would also like to thank the Surgeons General and Nurse Corp leadership for their support in meeting the needs of the profession within the military workforce. Last, we commend and thank this committee for their continued support for CRNAs in the military.

Senator STEVENS. Thank you. We note you have suggested that the incentive pay be increased to \$50,000. How did you arrive at that figure?

Colonel AUSTIN. Actually, the authorization already went through for it to be increased to \$50,000, and that is currently being implemented, depending on the number of years that the member signs his contract.

Senator STEVENS. It is already authorized at that level?

Colonel AUSTIN. It is.

Senator STEVENS. I didn't understand. Senator Inouye.

Senator INOUE. What is the shortage among nurses?

Colonel AUSTIN. I'm sorry, sir?

Senator INOUE. What is the shortage in the nurse anesthetist field?

Colonel AUSTIN. Currently, nationwide the vacancy rate is approximately 10 to 12 percent.

Senator INOUE. Thank you.

Senator STEVENS. Well, thank you very much.

Colonel AUSTIN. Thank you, sir.

Senator STEVENS. Appreciate your testimony. Now, we will turn to Chris Hahn with the Applied Research Foundation.

STATEMENT OF CHRIS HAHN, EXECUTIVE DIRECTOR, MESOTHELIOMA APPLIED RESEARCH FOUNDATION (MARF)

Mr. HAHN. Chairman Stevens, ranking member Inouye, and the distinguished members of the U.S. Senate Defense Appropriations Subcommittee, thank you for this opportunity a few days before Memorial Day to address a fatal disease afflicting our veterans.

My name is Chris Hahn. I am the Executive Director of the Mesothelioma Applied Research Foundation, the national nonprofit advancing research to develop treatments for mesothelioma.

Mesothelioma, or Meso, is an aggressive cancer caused by asbestos exposure. It is among the most painful of cancers, as the tumor invades the chest wall, destroys vital organs, and crushes the lungs. It is also among the worst prognoses. Meso patients survive 4 to 14 months average. There is no cure.

From the 1930s through the 1970s, asbestos was used literally everywhere on Navy ships, from engine rooms to living spaces. Millions of servicemen and shipyard workers were exposed. Today, many of them are developing mesothelioma following the disease's 10 to 50 year latency period.

These are heroes who served our country's defense. Former Chief of Naval Operations Elmo Zumwalt developed mesothelioma in

2000, and died just 3 months later. His son, Colonel James Zumwalt, is here with us today. Louis Dietz volunteered for the Navy at age 18. He was decorated for his courage in combat in Vietnam. On the U.S.S. *Kitty Hawk*, he tended the boilers. At age 55, he developed mesothelioma, and died 3 months later.

Admiral Zumwalt's and sailor Dietz's stories are all too common. Of the 3,000 Americans each year who die of mesothelioma, one-third were exposed on U.S. ships and shipyards. That is 1,000 U.S. servicemen and shipyard workers each year lost through service to our country, just as if they had been on a battlefield. Many more heroes are being exposed now, and will develop the disease in the next 10 to 50 years. 9/11 first responders were exposed to hundreds of tons of pulverized asbestos, and even though asbestos usage is not as heavy today as in the past, even low dose incidental exposures can cause Meso.

Minnesota Congressman Bruce Vento happened to work near an asbestos-insulated boiler at his summer job while putting himself through college. In 2000, he developed mesothelioma and died.

Despite this deadly toll on our heroes and patriots, mesothelioma research has been an orphan. The National Cancer Institute has provided virtually no funding. Of the \$3.75 billion spent so far through the DOD congressionally directed medical research program, none has been invested in Meso research, despite the military service connection. As a result, treatments for mesothelioma lag far behind other cancers. In fact, for decades, there was no treatment better than doing absolutely nothing at all.

The hopelessness is starting to lift. Brilliant researchers and physicians are dedicated to mesothelioma. Just 2 years ago, the first drug ever for mesothelioma was approved when Doctor Nicholas Vogelsang, the head of the Nevada Cancer Institute and a member of our board of directors, proved that it was effective against the cancer. Dr. Harvey Pass, the Chief of Thoracic Surgery at NYU, is developing promising biomarkers for the disease. Gene therapy, anti-angiogenesis, and other promising approaches are being developed.

There is hope, but we need the Federal Government to make a concerted investment. So we ask the DOD to include mesothelioma in the peer-reviewed medical research program. This will enable Meso investigators to compete for Federal funds, and will provide urgently needed resources to develop new treatments.

Thank you very much, and we look to the subcommittee for your leadership to provide hope to our veterans who develop this cancer.

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

[The statement follows:]

PREPARED STATEMENT OF CHRIS HAHN

Chairman Stevens, Ranking Member Inouye, and the distinguished members of the U.S. Senate Defense Appropriations Subcommittee:

Thank you for this opportunity, a few days before Memorial Day, to address a fatal disease afflicting our military veterans, and those who helped build and protect our Nation. My name is Chris Hahn, I am the Executive Director of the Mesothelioma Applied Research Foundation, the national nonprofit collaboration of researchers, physicians, advocates, patients and families dedicated to advancing medical research to improve treatments for mesothelioma.

MALIGNANT MESOTHELIOMA

Mesothelioma or meso is an aggressive cancer of the lining of the lungs, abdomen or heart, caused by asbestos exposure. The mesothelioma tumor is among the most painful of cancers, as it invades the sensitive chest wall, destroys vital organs, and crushes the lungs. It is also among the worst prognosis of cancers. Meso patients survive an average of 4 to 14 months; today there is no cure.

THE "MAGIC MINERAL"—EXPOSURES WERE WIDESPREAD

As you may know, asbestos has so many beneficial properties that, until its fatal toxicity became fully recognized, it was regarded as the magic mineral. It has excellent fireproofing, insulating, filling and bonding properties. By the late 1930's and through at least the late 70's the Navy was using it extensively. It was used in engines, nuclear reactors, decking materials, pipe covering, hull insulation, valves, pumps, gaskets, boilers, distillers, evaporators, soot blowers, air conditioners, rope packing, and brakes and clutches on winches. In fact it was used all over Navy ships, even in living spaces where pipes were overhead and in kitchens where asbestos was used in ovens and in the wiring of appliances. Aside from Navy ships, asbestos was also used on military planes extensively, on military vehicles, and as insulating material on quonset huts and living quarters.

As a result, military defense personnel, especially servicemen and shipyard workers, were heavily exposed. A study at the Groton, Connecticut shipyard found that over 100,000 workers had been exposed to asbestos over the years at just this one shipyard. Because of the 10 to 50 year latency of the disease, many of the millions of exposed servicemen and shipyard workers are just now developing meso.

MESOTHELIOMA TAKES OUR HEROES

These are the people who served our country's defense and built its fleet. They are heroes like former Chief of Naval Operations Admiral Elmo Zumwalt, Jr., who led the Navy during Vietnam and was renowned for his concern for enlisted men. Despite his rank, prestige, power, and leadership in protecting the health of Navy servicemen and veterans, Admiral Zumwalt died at Duke University in 2000, just 3 months after being diagnosed with mesothelioma.

Lewis Deets was another of these heroes. Four days after turning the legal age of 18, Lewis joined the Navy. He was not drafted. He volunteered, willingly putting his life on the line to serve his country in Vietnam. He served in the war for over 4 years, from 1962 to 1967, as a ship boilerman. For his valiance in combat operations against the guerilla forces in Vietnam he received a Letter of Commendation and The Navy Unit Commendation Ribbon for Exceptional Service. In December 1965, while Lewis was serving aboard the U.S.S. *Kitty Hawk* in the Gulf of Tonkin, a fierce fire broke out. The boilers, filled with asbestos, were burning. Two sailors were killed and 29 were injured. Lewis was one of the 29 injured; he suffered smoke inhalation while fighting the fire. After the fire, he helped rebuild the boilers, replacing the burned asbestos blocks. In 1999 he developed mesothelioma, and died 4 months later at age 55.

Admiral Zumwalt's and Boilerman Deets' stories are not atypical. Of the approximately 3,000 U.S. citizens who die each year of meso, it is estimated that one-third were exposed on U.S. Navy ships or shipyards. That's 1,000 U.S. veterans and shipyard workers per year, lost through service to country, just as if they had been on a battlefield.

In addition to these heroes, exposed 10 to 50 years ago and developing the disease today, many more are being exposed now and will develop the disease in 10 to 50 years. There is grave concern now for the heroic first responders from 9/11 who were exposed to hundreds of tons of pulverized asbestos at Ground Zero and throughout the city. Asbestos exposures have been reported among the troops now in Iraq. The utility tunnels in this very building may have dangerous levels. While active asbestos usage is not as heavy today as in the past, even low-dose, incidental exposures can cause meso. Congressman Bruce Vento, the distinguished Member from Minnesota, happened to work near an asbestos-insulated boiler in a brewery in Minneapolis for two summers while putting himself through college. As a result, he died of meso in 2000. His wife Susan now champions efforts to raise awareness about this deadly disease and the need for a federal investment in research toward a cure.

MESOTHELIOMA FUNDING HAS NOT KEPT PACE

Despite this deadly toll on our heroes and patriots, meso has been an orphan disease. With the huge federal investment in cancer research through the NCI, and \$3.75 billion spent in biomedical research through the DOD Congressionally Di-

rected Research Program since 1992, we are winning the war on cancer and many other diseases. But for meso, the National Cancer Institute has provided virtually no funding, in the range of only \$1.7 to \$3 million annually over the course of the last 5 years, and the DOD does not yet invest in any meso research despite the military-service connection. As a result, advancements in the treatment of mesothelioma have lagged far behind other cancers. In fact, for decades, there was no approved treatment better than doing nothing at all.

NEW OPPORTUNITIES

But there is good news. A small but passionate community of physicians and researchers is committed to finding a cure. The decades-long hopelessness that treatment was futile is no longer true. Two years ago, the FDA approved a drug shown to be effective against the tumor. This was based on the largest phase III trial ever conducted in meso, led by Meso Foundation Board of Directors member Nicholas Vogelzang, head of the Nevada Cancer Institute. Two very promising biomarkers have just been identified. Two of the most exciting areas in cancer research generally—gene therapy and anti-angiogenesis—look particularly applicable in meso. With its seed-money grant funding, the Meso Foundation is supporting research in these and other areas. To date we have funded over \$3 million to investigators working on novel, promising research projects. The scientific community believes that we can continue to advance the treatment of this disease and increase its survivability if the federal government makes a concerted investment.

Therefore, we urge the DOD to partner in the progress being made, by including meso as an area of emphasis in the DOD's Peer Reviewed Medical Research Program. Inclusion in the list of congressionally identified priority research areas will enable mesothelioma researchers to compete for Federal funds based on the scientific merit of their work. This will provide urgently needed resources to explore new treatments and build a better understanding this disease. We look to the Senate Defense Appropriations Subcommittee to provide leadership and hope to the servicemen and women and veterans who develop this cancer after serving our Nation. Thank you for the opportunity to provide testimony before the subcommittee and we hope that we can work together to develop life-saving treatments for mesothelioma.

Senator STEVENS. Our next witness is—you do not have any questions, Senator? Senator Inouye, you have any questions?

[No response.]

Senator STEVENS. Next is Captain Robert Hurd and Jessica Vance, a Naval Sea Cadet.

STATEMENTS OF:

PETTY OFFICER FIRST CLASS JESSICA A. VANCE, 2006 NAVAL SEA CADET OF THE YEAR, U.S. NAVAL SEA CADET CORPS
CAPTAIN ROBERT C. HURD, U.S. NAVY (RETIRED)

Captain HURD. Good morning, Mr. Chairman, Senator Inouye. It is my pleasure to introduce Petty Officer Vance, who is selected as a Naval Sea Cadet Corps cadet of the year, out of 10,000 cadets last year. This Friday, she graduates from high school and is off to the Naval Academy almost immediately following that. Petty Officer Vance?

Petty Officer VANCE. Good morning. I am Naval Sea Cadet Corps Petty Officer Jessica Vance, leading Petty Officer of the Spruance Division in Fort Lauderdale, Florida, as well as a senior at Pine Crest School.

It is an honor to address you on behalf of the Naval Sea Cadet Corps. There are now just under 10,000 young men and women ages 11 to 17 and adult volunteers proudly wearing the Naval Sea Cadet uniform in 374 units throughout the country. We are a congressionally chartered youth development and education program sponsored by the Navy League of the United States and supported by the Navy and Coast Guard. The program's main goals are devel-

opment of young men and women while promoting interest and skill in seamanship and aviation, and instilling a sense of patriotism, courage, commitment, self-reliance, and honor, along with other qualities that mold strong moral character and self-discipline in a drug and gang-free environment.

After completing boot camp, sea cadets choose from a variety of 2-week summer training sessions, including training aboard Navy and Coast Guard ships. Last summer, I was privileged to train aboard a Russian ship as one of the first U.S. participants in an international exchange program with Russia. During the year, we drill every weekend, and may complete Navy correspondence courses for advancement: this being the basis for accelerated promotion if a cadet should choose to enlist in the Navy or Coast Guard after leaving the program.

Four hundred seventy-three former sea cadets now attend the United States Naval Academy, and approximately 400 former cadets annually enlist in the armed services, pre-screened, highly motivated, and well-prepared. I will be joining them in a few weeks as a new midshipman at the Naval Academy. Knowing nothing about the military, the sea cadet program has prepared me for a life of service. Prior sea cadet experience has proven to be an excellent indicator of a potentially high career success rate, both in and out of the military.

Whether or not we choose a service career, we all carry forth the forged values of good citizenship, leadership, and moral courage that we believe will benefit us and our country. A major difference between this and other federally chartered youth programs is that we are responsible for our own expenses, including uniforms, travel, insurance and training costs, which can amount to over \$500 a year.

The Corps, however, is particularly sensitive that no young person is denied access to the program because of socioeconomic status. Some units are financed in part by local sponsors. Yet this support, while greatly appreciated, is not sufficient to support all cadets. Federal funds over the past 6 years have been used to help offset cadets' out-of-pocket training costs. However, for a variety of reasons, current funding can no longer adequately sustain the program. These include inflation, base closures, and reduced base access, reduced afloat training opportunities, a lack of previously provided transportation, on-base berthing and based transportation, increase needs-base support for the cadets.

We respectfully request your consideration and support for funding that will allow for the full amount of \$2 million requested for the next year. Unfortunately, time precludes sharing the many stories that Captain Hurd has shared with your staffs this year, pointing out the many acts of courage, community service, and successful youth development of my fellow sea cadets, as well as those ex-cadets who are serving in our Armed Forces in Iraq, Afghanistan, and around the world. These stories and many more like them are unfortunately the youth stories that you do not always read about in the press.

Thank you for this opportunity to speak to you today. I and the entire Sea Cadet Corps appreciate your support for this fine pro-

gram that has meant so much to me over the past 5½ years, and will continue to influence me for the rest of my life. Thank you.

Senator STEVENS. Thank you very much. That is a nice statement. And Captain, we appreciate your support and we will do our best.

Do you have any questions, Senator?

[No response.]

Senator STEVENS. Thank you very much. Good luck to you at the Academy.

Petty Officer VANCE. Thank you.

[The statement follows:]

PREPARED STATEMENT OF ROBERT C. HURD

REQUEST

It is respectfully requested that \$300,000 be appropriated for the NSCC in fiscal year 2007, so that when added to the Navy budgeted \$1,700,000 will restore full funding at the \$2,000,000 level. Further, in order to ensure future funding at the full \$2,000,000 requirement, consideration of including the following conference language is requested:

“Congress is pleased to learn that Navy has funded the U.S. Naval Sea Cadet Corps in the fiscal year 2007 budget as urged by the Senate and House in the 2006 Defense Budget Conference Report. Conferees include an additional \$300,000 for the U.S. Naval Sea Cadet Corps, that when added to the \$1,700,000 in the fiscal year 2007 budget request will fund the program at the full \$2,000,000 requested. Conferees urge the Navy to continue to fund this program and increase the POM level to \$2,000,000 for the U.S. Naval Sea Cadet Corps.”

BACKGROUND

At the request of the Department of the Navy, the Navy League of the United States established the Naval Sea Cadet Corps in 1958 to “create a favorable image of the Navy on the part of American youth.” On September 10, 1962, the U.S. Congress federally chartered the Naval Sea Cadet Corps under Public Law 87-655 as a non-profit civilian youth training organization for young people, ages 13 through 17. A national board of directors, whose chairman serves as the National Vice President of the Navy League for Youth Programs, establishes NSCC policy and management guidance for operation and administration. A full-time executive director and small staff in Arlington, Virginia administer NSCC’s day-to-day operations. These professionals work with volunteer regional directors, unit commanding officers, and local sponsors. They also collaborate with Navy League councils and other civic, or patriotic organizations, and with local school systems.

In close cooperation with, and the support of, the U.S. Navy and U.S. Coast Guard, the Sea Cadet Corps allows youth to sample military life without obligation to join the Armed Forces. Cadets and adult leaders are authorized to wear the Navy uniform, appropriately modified with a distinctive Sea Cadet insignia.

There are currently over 374 Sea Cadet units with a program total of over 10,000 participants (2,500 adult officers and instructors and 10,000 cadets (about 33 percent female). This is an all time high enrollment for the program.

NSCC OBJECTIVES

Develop an interest and skill in seamanship and seagoing subjects.

Develop an appreciation for our Navy’s history, customs, traditions and its significant role in national defense.

Develop positive qualities of patriotism, courage, self-reliance, confidence, pride in our Nation and other attributes, which contribute to development of strong moral character, good citizenship traits and a drug-free, gang-free lifestyle.

Present the advantages and prestige of a military career.

Under the Cadet Corps’ umbrella is the Navy League Cadet Corps (NLCC), a youth program for children ages 11 through 13. While it is not part of the Federal charter provided by Congress, the Navy League of the United States sponsors NLCC. NLCC was established “. . . to give young people mental, moral, and physical training through the medium of naval and other instruction, with the objective

of developing principles of patriotism and good citizenship, instilling in them a sense of duty, discipline, self-respect, self-confidence, and a respect for others."

BENEFITS

Naval Sea Cadets experience a unique opportunity for personal growth, development of self-esteem and self-confidence. Their participation in a variety of activities within a safe, alcohol-free, drug-free, and gang-free environment provides a positive alternative to other less favorable temptations. The Cadet Corps introduces young people to nautical skills, to maritime services and to a military life style. The program provides the young cadet the opportunity to experience self-reliance early on, while introducing this cadet to military life without any obligation to join a branch of the Armed Forces. The young cadet realizes the commitment required and routinely excels within the Navy and Coast Guard environments.

Naval Sea Cadets receive first-hand knowledge of what life in the Navy or Coast Guard is like. This realization ensures the likelihood of success should they opt for a career in military service. For example, limited travel abroad and in Canada may be available, as well as the opportunity to train onboard Navy and Coast Guard ships, craft and aircraft. These young people may also participate in shore activities ranging from training as a student at a Navy hospital to learning the fundamentals of aviation maintenance at a Naval Air Station.

The opportunity to compete for college scholarships is particularly significant. Since 1975, 188 cadets have received financial assistance in continuing their education in a chosen career field at college.

ACTIVITIES

Naval Sea Cadets pursue a variety of activities including classroom, practical and hands-on training as well as field trips, orientation visits to military installations, and cruises on Navy and Coast Guard ships and small craft. They also participate in a variety of community and civic events.

The majority of sea cadet training and activities occurs year round at a local training or "drill" site. Often, this may be a military installation or base, a reserve center, a local school, civic hall, or sponsor-provided building. During the summer, activities move from the local training site and involve recruit training (boot camp), "advanced" training of choice, and a variety of other training opportunities (depending on the cadet's previous experience and desires).

SENIOR LEADERSHIP

Volunteer Naval Sea Cadet Corps officers and instructors furnish senior leadership for the program. They willingly contribute their time and effort to serve America's youth. The Cadet Corps programs succeed because of their dedicated, active participation and commitment to the principles upon which the Corps was founded. Cadet Corps officers are appointed from the civilian sector or from active, reserve or retired military status. All are required to take orientation, intermediate and advanced officer professional development courses to increase their management and youth leadership skills. Appointment as an officer in the Sea Cadet Corps does not, in itself, confer any official military rank. However, a Navy-style uniform, bearing NSCC insignia, is authorized and worn. Cadet Corps officers receive no pay or allowances. Yet, they do derive some benefits, such as limited use of military facilities and space available air travel in conjunction with carrying out training duty orders.

DRUG-FREE AND GANG-FREE ENVIRONMENT

One of the most important benefits of the sea cadet program is that it provides participating youth a peer structure and environment that places maximum emphasis on a drug and gang free environment. Supporting this effort is a close liaison with the U.S. Department of Justice Drug Enforcement Administration (DEA). The DEA offers the services of all DEA Demand Reduction Coordinators to provide individual unit training, as well as their being an integral part of our boot camp training program.

Among a variety of awards and ribbons that cadets can work toward is the Drug Reduction Service Ribbon, awarded to those who display outstanding skills in the areas of leadership, perseverance and courage. Requirements include intensive anti-drug program training and giving anti-drug presentations to interested community groups.

Local Training

Local training, held at the unit's drill site, includes a variety of activities supervised by qualified Sea Cadet Corps officers and instructors, as well as Navy and Coast Guard instructors.

Cadets receive classroom and hands on practical instruction in basic military requirements, military drill, water and small boat safety, core personal values, social amenities, drug/alcohol abuse, cultural relations, Navy history, naval customs and traditions and other nautical skills. Training may be held aboard ships, small boats or aircraft, depending upon platform availability. In their training cadets also learn about and are exposed to a wide variety of civilian and military career opportunities through field trips and educational tours.

Special presentations by military and civilian officials augment the local training, as does attendance at special briefings and events throughout the local area. Cadets are also encouraged and scheduled, to participate in civic activities and events to include parades, social work and community projects, all part of the "whole person" training concept.

For all Naval sea cadets the training during the first several months is at their local training site and focuses on general orientation to and familiarization with, the entire program. It also prepares them for their first major away from home training event, the two weeks recruit training which all sea cadets must successfully complete.

The Navy League Cadet Corps training program teaches younger cadets the virtues of personal neatness, loyalty, obedience, courtesy, dependability and a sense of responsibility for shipmates. In accordance with a Navy-oriented syllabus, this education prepares them for the higher level of training they will receive as Naval sea cadets.

Summer Training

After enrolling, all sea cadets must first attend a 2-week recruit training taught at the Navy's Recruit Training Command, at other Naval Bases or stations, and at regional recruit training sites using other military host resources. Instructed by Navy or NSCC Recruit Division Commanders, cadets train to a condensed version of the basic training that Navy enlistees receive. The curriculum is provided by the Navy and taught at all training sites. In 2005 there were 19 recruit training classes at 18 locations, including one class conducted over the winter holiday break and another held over spring break for the first time. About 18 nationwide regional sites are required to accommodate the steady demand for quotas and also to keep cadet and adult travel costs to a minimum. Approximately 2,000 cadets attended recruit training in 2005 supported by another 300 adult volunteers.

A cadet who successfully completes recruit training is eligible for advanced training in various fields of choice. Cadets can experience the excitement of "hands-on" practical training aboard Navy and Coast Guard vessels, ranging from tugboats and cutters to the largest nuclear-powered aircraft carriers. Female cadets may also train aboard any ship that has females assigned as part of the ship's company. Qualified cadets choose from such sea cadet advanced training as basic/advanced airman, ceremonial guard, seamanship, sailing, SEAL training, amphibious operations, leadership, firefighting and emergency services, homeland security, mine warfare operations, Navy diving submarine orientation and training in occupational specialties, including health care, legal, music, master-at-arms and police science and construction.

The Cadet Corp programs excel in quality and diversity of training offered, with more than 8,000 training orders carried out for the 2005 summer training program. Cadets faced a myriad of challenging training opportunities designed to instill leadership and develop self-reliance, enabling them to become familiar with the full spectrum of Navy and Coast Guard career fields.

This steady and continuing participation once again reflects the popularity of the NSCC and the positive results of Federal funding for 2001 through 2005. The NSCC still continues to experience an average increased recruit and advanced training attendance of well over 2,000 cadets per year over those years in which Federal funding was not available.

While recruit training acquaints cadets with Navy life and Navy style discipline, advanced training focuses on military and general career fields and opportunities, and also affords the cadets many entertaining, drug free, disciplined yet fun activities over the summer. The popularity of the training continues to grow not with just overall numbers but also as evidenced with numerous cadets performing multiple 2-week training sessions during the summer of 2005.

Training highlights for 2005: The 2005 training focus was once again on providing every cadet the opportunity to perform either recruit or advanced training during the year. To that end emphasis was placed on maintaining all traditional and new training opportunities developed since Federal funding was approved for the NSCC. These include more classes in sailing and legal (JAG) training, expanded SEAL training opportunity, more SCUBA and diving training classes, more seamanship training onboard the NSCC training vessels on the Great Lakes, more aviation related training and additional honor guard training opportunities. Other highlights included:

- With Federal funding continuing to be available, maintained once again national recruit training opportunities for every cadet wanting to participate with 19 training camps in 2005.
- In spite of escalating costs and increased competition for base resources, kept cadet summer training cost at only \$40 per week for the second consecutive year.
- Continued NSCC's expanded use of Army and National Guard facilities to accommodate demand for quotas for recruit training.
- Maintained an aggressive NSCC Officer Professional Development Program with three different weekend courses tailored to improving volunteer knowledge and leadership skills. Between 400 and 500 volunteers attended 2005 training at over 37 different training evolutions. In support of this adult volunteer training, maintained for a second year NSCC's program for reducing volunteer out-of-pocket expenses.
- Expanded opportunity for culinary arts training for cadets from one to three classes at three different locations.
- Implemented for the first time naval engineering classes for NSCC cadets at the Naval Training Command, Great Lakes.
- Increased attendance at the NSCC Petty Officer Leadership Academies and implemented a pilot junior petty officer leadership program for younger and more junior cadets new to the program.
- Expanded sail training to include two additional classes onboard "tall ships" in Newport, Rhode Island.
- Conducted first NSCC marksmanship program at ANG Camp Perry, Port Clinton, Ohio with the assistance and support of the Civilian Marksmanship Program headquartered there.
- Conducted first NSCC military vehicle maintenance class at Fort Custer Training Center, Battle Creek, Michigan.
- Placed cadets aboard USCG *Barque Eagle* for an orientation cruise from Lisbon, Portugal to New London, Connecticut.
- Placed cadets onboard U.S. Navy ships and USCG stations, cutters and tenders.

INTERNATIONAL EXCHANGE PROGRAM

For 2005 the NSCC again continued for the fourth year its' redesigned and highly competitive, merit based and very low cost to the cadet, International Exchange Program. Cadets were placed in Australia, United Kingdom, Sweden, Netherlands, Hong Kong, Korea and Bermuda to train with fellow cadets in these host nations. The NSCC and Canada maintained their traditional exchanges in Nova Scotia and British Columbia and the NSCC hosted visiting cadets in Newport, Rhode Island and at ANG Gowen Field in Boise, Idaho for 2 weeks of NSCC sponsored training. New in 2005 were exchanges to Saint Petersburg, Russia and also to Scotland.

NAVY LEAGUE CADET TRAINING

In 2005, over 1,120 Navy league cadets and escorts attended orientation training at 17 different sites. This diversity in location made training accessible and reasonably available to each cadet who wished to attend. Over 373 league cadets and escorts attended advanced training at several sites. The advanced program was developed in recognition of the need to provide follow-on training for this younger age group to sustain their interest and to better prepare them for the challenges of Naval Sea Cadet Corps training. Navy league cadets who attend recruit orientation training are exceptionally well prepared for sea cadet "boot camp."

SCHOLARSHIPS

The Naval Sea Cadet Corps Scholarship program was established to provide financial assistance to deserving cadets who wished to further their education at the college level. Established in 1975, the scholarship program consists of a family of funds: the NSCC Scholarship Fund; the Navy League Stockholm Scholarship and the NSCC "named scholarship" program, designed to recognize an individual, cor-

poration, organization or foundation. In 2005, Morgan & Helen Fitch Scholarship was added to this group. Since the inception of the scholarship program, 198 scholarships have been awarded to 188 cadets (includes some renewals) totaling over \$229,500.

SERVICE ACCESSIONS

The Naval Sea Cadet Corps was formed at the request of the Department of the Navy as a means to "enhance the Navy image in the minds of American youth." To accomplish this, ongoing presentations illustrate to Naval sea cadets the advantages and benefits of careers in the armed services, and in particular, the sea services.

While there is no service obligation associated with the Naval Sea Cadet Corps program, many sea cadets choose to enlist or enroll in officer training programs in all the Services.

Annually, the NSCC conducts a survey to determine the approximate number of cadets making this career decision. This survey is conducted during the annual inspections of the units. The reported cadet accessions to the services are only those that are known to the unit at that time. There are many accessions that occur in the 2-5 year timeframe after cadets leave their units, which go unreported. With about 80 percent of the units reporting, the survey indicates that 408 known cadets entered the Armed Forces during the reporting year ending December 31, 2004. Further liaison with the USNA indicates that in fact, there are currently 482 Midshipmen with sea cadet backgrounds—almost 10 percent of the entire Brigade. Navy accession recruiting costs have averaged over \$14,500 per person, officer or enlisted, which applied to the number of sea cadet accessions represents a significant financial benefit to the Navy. Equally important is the expectation that once a more accurate measurement methodology can be found, is, that since sea cadets enter the Armed Forces as disciplined, well trained and motivated individuals, their retention, graduation and first term enlistment completion rates are perhaps the highest among any other entry group. USNA officials are currently studying graduation rates for past years for ex-sea cadets as a group as compared to the entire Brigade. Their preliminary opinion is that these percents will be among the highest. It is further expected that this factor will be an excellent indicator of the following, not only for the USNA, but for all officer and enlisted programs the sea cadets may enter:

- Extremely high motivation of ex-cadets to enter the Service.
- Excellent background provided by the U.S. Naval sea cadet experience in preparing and motivating cadets to enter the Service.
- Prior U.S. Naval Sea Cadet Corps experience is an excellent pre-screening opportunity for young men and women to evaluate their interest in pursuing a military career. This factor could potentially save considerable tax-payer dollars expended on individuals who apply for, then resign after entering the Academy if they decide at some point they do not have the interest or motivation.
- U.S. Naval sea cadet experience prior to entering the Service is an excellent indicator of a potentially high success rate.

Data similar to the above has been requested from the United States Coast Guard Academy and the United States Merchant Marine Academy.

Whether or not they choose a service career, all sea cadets carry forth learned values of good citizenship, leadership and moral courage that will benefit themselves and our country.

PROGRAM FINANCES

Sea cadets pay for all expenses, including travel to/from training, uniforms, insurance and training costs. Out-of-pocket costs can reach \$500 each year. Assistance is made available so that no young person is denied access to the program, regardless of social or economic background.

Federally funded at the \$1,000,000 level in fiscal year's 2001, 2002, and 2003, and at \$1,500,000 in fiscal year 2004 and \$1,700,000 in 2005 (of the \$2,000,000 requested), all of these funds were used to offset individual cadet's individual costs for summer training, conduct of background checks for adult volunteers and for reducing future enrollment costs for cadets. In addition to the Federal fund received, NSCC receives under \$700,000 per year from other sources, which includes around \$226,000 in enrollment fees from cadets and adult volunteers. For a variety of reasons, at a minimum, this current level of funding is necessary to sustain this program and the full \$2,000,000 would allow for program expansion:

- All time high in number of enrolled sea cadets.
- General inflation of all costs.

- Some bases denying planned access to sea cadets for training due to increased terrorism threat level alerts and the associated tightening of security measures—requiring cadets to utilize alternative, and often more costly training alternatives.
- Reduced availability of afloat training opportunities due to the Navy's high level of operations related to the Iraq war.
- Reduced training site opportunities due to base closures.
- Non-availability of open bay berthing opportunities for cadets due to their elimination as a result of enlisted habitability upgrades to individual/double berthing spaces.
- Lack of available "Space Available" transportation for group movements.
- Lack of on-base transportation, as the Navy no longer "owns" busses now controlled by the GSA.
- Navy outsourcing of messing facilities to civilian contractors increases the individual cadet's meal costs.

Because of these factors, cadet out-of-pocket costs have skyrocketed to the point where the requested \$2,000,000 alone would be barely sufficient to handle cost increases.

It is therefore considered a matter of urgency that the full amount of the requested \$2,000,000 be authorized and appropriated for fiscal year 2005.

Senator STEVENS. Our next witness is Sherry Salway Black, Executive Director of the Ovarian Cancer National Alliance.

STATEMENT OF SHERRY SALWAY BLACK, EXECUTIVE DIRECTOR, OVARIAN CANCER NATIONAL ALLIANCE

Ms. BLACK. Good morning Chairman Stevens, Senator Inouye, and other members of the subcommittee. My name is Sherry Salway Black, and I am a 4-year survivor of ovarian and endometrial cancers. As such, I am lucky to stand before you today as the Executive Director of the Ovarian Cancer National Alliance. On behalf of the Alliance, thank you for the opportunity to testify about the Ovarian Cancer Research Program at the Department of Defense.

As a national organization with 50 regional, State, and local groups, the Alliance unites and reaches more than 800,000 grassroots activists, women health advocates, health care professionals, and the public, to bring national attention to ovarian cancer. Since its inception 9 years ago, the Alliance has worked to increase awareness of ovarian cancer and boost Federal resources to support scientific research into diagnostics and treatments of the disease.

Among the most urgent challenges in the ovarian cancer field is late detection, which leads to poor survival rates. To that end, the Alliance respectfully requests the subcommittee to provide a federal investment of \$15 million for the DOD Ovarian Cancer Research Program in fiscal year 2007. This amount would be a \$5 million increase, and would be the first increase for the program in 4 years. According to the Centers for Disease Control and Prevention, \$2.2 billion is spent on treatment for ovarian cancer yearly. This figure could be greatly reduced with an earlier diagnosis, which could only be achieved through an effective screening tool. Research conducted through the ovarian cancer research program aims at developing such a tool.

Like many women, I was lucky when I received my diagnosis. I am considered truly one of the lucky ones. My two cancers were found early in stage one when I had the best chance of surviving, something only 19 percent of women with this disease can claim. Most of the 20,000 women who will receive a diagnosis of ovarian cancer this year will never have the opportunity to speak before

this subcommittee, because they will fight ovarian cancer until it claims their lives. Currently, almost half, 45 percent, of women with ovarian cancer die within 5 years of diagnosis.

Like most women diagnosed early, my good fortune was not the result of my awareness of the symptoms or knowledge that I was a higher risk, and it was not the result of my having access to a currently nonexistent early screening test. My good fortune was the lucky result of my perseverance with my doctor and my subsequent treatment by an appropriate gynecologic oncologist specialist.

All women should have the opportunity to survive ovarian cancer. No one should have to rely on luck for survival. Consistent investment in ovarian cancer research is vital in our fight against this deadly disease. The DOD Ovarian Cancer Research Program is essential in our national research portfolio. This program strives to fill the myriad of gaps in our knowledge, and is searching for innovative unique approaches to solve the enigma of early detection.

Awards made by the DOD ovarian cancer research program are designed to stimulate research that will attract new investigators into the field, challenge existing paradigms, and support collaborative ventures including partnerships with private and public institutions. The innovation grants offered by the DOD Ovarian Cancer Research Program are paramount to our success, since traditional research models have failed to make timely progress against ovarian cancer.

Today, we rely on the grace of luck for protection against ovarian cancer, and therefore, mortality rates have not significantly decreased in decades. If your wife, mother, daughter, or friend, were diagnosed with ovarian cancer this year, her chances of surviving ovarian cancer would not be significantly different than your grandmother's chances. In the 21st century, it is no longer acceptable to depend on luck to save women's lives. We must continue to learn more about this disease so we can definitively change the future for our daughters, granddaughters, and all women.

The DOD Ovarian Cancer Research Program is small but it does tremendous work for the Nation. It is financially and scientifically sound, with a track record of success. The program operated with only a 6 percent management cost in 2005, and has received accolades. Just last week we learned that the House committee subcommittee agreed to appropriate \$15 million for the DOD Ovarian Cancer Research Program. For the second year in a row they have recognized the urgent need to support this program with a \$5 million increase, despite a tough budget climate.

It is my sincere hope that this subcommittee will join them by appropriating \$15 million to the Ovarian Cancer Research Program in fiscal year 2007. Thank you for the opportunity to testify, and I'm happy to answer any questions you might have.

Senator STEVENS. Thank you very much. Since this subcommittee first added money to the defense budget in 1981 for medical research, and it was breast cancer at the time, and AIDS I think in 1982, it has grown from \$25 million a year to over \$1 billion. I expect we will get requests from every segment here today to increase that funding, but it really has reached its level where it would be very difficult to increase that much further, and main-

tain the support we have to maintain for our troops in the field. But we will try. Thank you very much.

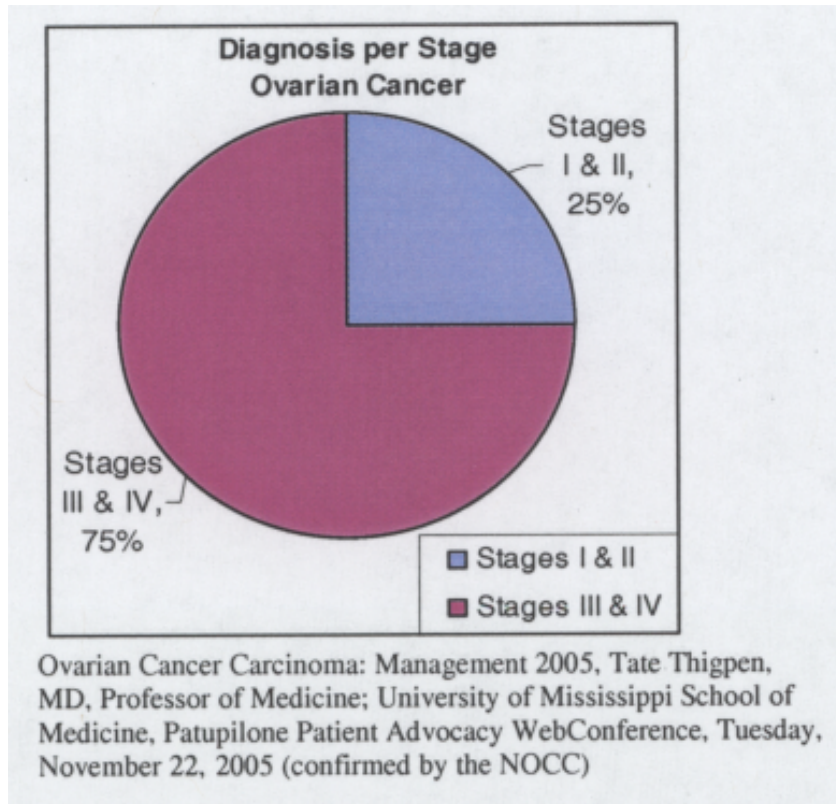
Ms. BLACK. Thank you very much.

[The statement follows:]

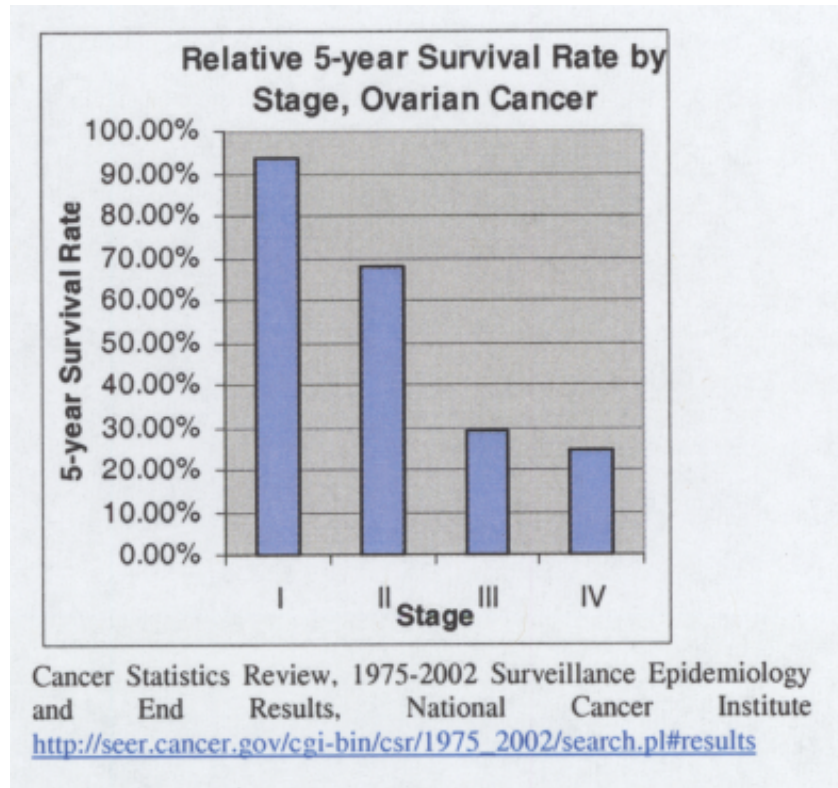
PREPARED STATEMENT OF SHERRY SALWAY BLACK

OVARIAN CANCER'S DEADLY STATISTICS

According to the American Cancer Society, in 2006 more than 20,000 American women will be newly diagnosed with ovarian cancer, and more than 15,000 women will lose their lives to it, making this disease the fifth leading cause of cancer death in women. Currently, almost half (45 percent) of women with ovarian cancer will die within 5 years of diagnosis. More than 75 percent of women with ovarian cancer are diagnosed in later stages, when the 5-year survival rate drops below 30 percent. When detected early, the 5-year survival rate increases to more than 90 percent. The key to increased survival rates is early detection, but a valid and reliable screening test does not yet exist.



Graph 1



Graph 2

Today, it is both striking and disheartening to see that despite progress made in the scientific, medical and advocacy communities, ovarian cancer mortality rates have not significantly decreased. Behind the sobering statistics are the lost lives of our loved ones, colleagues and community members. While we have been waiting for the development of an early detection test, hundreds of thousands of our loved ones have lost their battle to ovarian cancer.

Today, early diagnosis is rarely a result of a patients' awareness of symptoms or their physicians' awareness. Rather, early diagnosis is often the result of pure luck. In a country as wealthy and scientifically advanced as the United States, women should not have to rely on luck for their survival. Ovarian cancer research must continue through all possible avenues, building a comprehensive knowledge of its symptoms, causes and treatments. All women should have access to treatment by a specialist. All women should have access to a valid and reliable screening test. We must deliver new and better treatments to patients and the health care professionals who treat them. Research conducted through the DOD Ovarian Cancer Research Program works toward a better understanding of this cancer in collaboration with the National Cancer Institute (NCI) and the National Institutes of Health to avoid duplication of research.

THE OVARIAN CANCER RESEARCH PROGRAM AT THE DEPARTMENT OF DEFENSE

Congress has appropriated funds for the DOD Ovarian Cancer Research Program since 1997. The program was charged to attract new investigators into the field and fund multidisciplinary research that investigates innovative study methods for learning about early detection, screening and treatment of ovarian cancer. The program offers awards that specifically seek to fill gaps in ongoing research and to complement initiatives sponsored by other agencies.

Since its inception, the DOD Ovarian Cancer Research Program has led to numerous discoveries, including:

- Risk Factor Breakthrough.*—The discovery that the hormone progesterin is a key agent in oral contraceptives' activity in reducing the risk of ovarian cancer.
- Treatment Breakthrough.*—The recognition of three new anti-angiogenesis agents; in cancer, excessive angiogenesis feeds the cancerous tissue oxygen and nutrients, destroying surrounding healthy tissues while allowing tumor cells to metastasize. The development of anti-angiogenesis agents through ovarian cancer research has had implications for all cancers.
- Early Detection Breakthrough.*—The identification of new biomarkers which have the potential to improve early detection. Increased funding will allow investigators to begin early stage clinical trials to determine the utility of their discoveries.
- Treatment Breakthrough.*—The use of alpha radiation to treat advanced ovarian cancer; alpha radiation efficiently kills ovarian cancer cells with multivesicular liposomes to control negative results.

SPRINGBOARD OF DISCOVERY

Research conducted through the DOD Ovarian Cancer Research Program has contributed 246 publications and 274 abstracts, serving to bolster and expand the limited body of scientific knowledge of ovarian cancer. Perhaps most significantly, the Ovarian Cancer Research Program is responsible for the recruitment of 28 new investigators. Additionally, the Fox Chase Cancer Center and the Fred Hutchinson Cancer Research Center reported that the progress made through their DOD Program Project Awards enabled both institutions to successfully compete for NCI SPORE (Specialized Programs of Research Excellence) funding to pursue additional long-term ovarian cancer research.

This body of scientific accomplishments would enjoy significant growth with expanded funding. In fiscal year 2005, the Ovarian Cancer Research Program was only able to fund less than 15 percent of its received research proposals. With increased funding, additional research initiatives could be supported, resulting in an increase in our scientific knowledge of ovarian cancer.

The maturation of the DOD Ovarian Cancer Research Program infrastructure and management, plus the culmination of past investments have combined for an explosion of exciting scientific discoveries in the past 2 years. In 2005 the pace of discovery increased notably. Researchers funded by the DOD Ovarian Cancer Research Program made substantial progress with the following breakthroughs:

- Early Diagnosis.*—Identification of three genes that control the development of ovarian cancer, which may serve as molecular markers for improved early diagnosis.
- Early Diagnosis.*—Recognition of two new serum biomarkers expressed in early stage ovarian cancer, which may serve as the basis for an early detection test.
- Treatment Improvement.*—Discovery of immune cells' role in ovarian cancer, leading to the development of a new therapy that will help prevent tumors from receiving the nutrients necessary to grow and metastasize.
- Treatment Improvement.*—Detection of the inhibitory qualities of a genetically-engineered protein on the growth of ovarian cancer, which may develop into a viable treatment option.
- Treatment Improvement.*—Findings on the benefits of squalamine (an organic compound) in increasing the effectiveness of classic ovarian cancer chemotherapy treatments.

These breakthroughs demonstrate that the science is ripe for significant advancement in our knowledge of ovarian cancer. We must take advantage of this opportunity by supporting the DOD Ovarian Cancer Research Program through sustained appropriations in fiscal year 2007.

INCREASED INVESTMENT NEEDED

In fiscal year 2005, the DOD Ovarian Cancer Research Program received 225 proposals, but due to resource limitations, was only able to fund 16 awards. The program has achieved great success, but to decrease ovarian cancer mortality rates we must sustain our investment in ovarian cancer research. Without enhanced funding the discoveries outlined in this testimony will never be translated into clinical research.

Funding allocated in fiscal year 2006 will support grants in three research areas: (1) etiology and tumor biology, (2) preclinical development of targeted therapeutics, and (3) early detection and diagnosis. If granted, fiscal year 2007 funds would help expand these research areas.

- Concept Awards are grants that focus on attracting researchers who wish to challenge current approaches in ovarian cancer research, explore innovative concepts and pursue under-explored hypotheses.
- Idea Development Awards are grants for researchers who wish to improve current approaches to prevention, detection, diagnosis and treatment of ovarian cancer. These awards focus on the implementation of innovative methods of research or novel adaptations of existing methods of research.
- Historically Black Colleges & Universities/Minority Institutions Collaborative Research Awards link novice investigators with well-established ovarian cancer researchers to encourage the involvement of minority institutions in the fight against ovarian cancer.

The DOD Ovarian Cancer Research Program has received \$10 million for each of the past 5 years for which we thank the subcommittee. However, when biomedical inflation is taken into account, the allocation represents an overall diminished level of funding—at the same time ovarian cancer mortality rates remain constant. With additional funding, the DOD Ovarian Cancer Research Program can support new grants, provide funding to promising young investigators, and allocate additional resources to grants that should be extended or renewed.

SUMMARY AND CONCLUSION

We still do not fully understand the risk factors, symptoms or causes of ovarian cancer. We still do not have an early detection test for ovarian cancer. As a result, mortality rates for this deadly disease have remained constant far too long. Previous appropriations Congress has made for the DOD Ovarian Cancer Research Program are appreciated and have helped move the field forward. New resources are needed in the coming year to sustain current efforts, but more importantly to continue to reap benefits from previous and current Federal investments.

The Alliance maintains a long-standing commitment to work with Congress, the administration, and other policymakers and stakeholders to improve the survival rate from ovarian cancer through education, public policy, research and communication. Please know we appreciate and understand that our Nation faces many challenges and Congress has limited resources to allocate; however, we are concerned that without increased funding to bolster and expand ovarian cancer research efforts, the Nation will continue to see growing numbers of women lose their battle with this terrible disease.

Thank you for your consideration of our views and for providing \$15 million in fiscal year 2007 for the DOD Ovarian Cancer Research Program.

Senator STEVENS. Our next witness is Captain Marshall Hanson, the National Military Veterans Alliance. Good morning.

Captain HANSON. Thank you, Mr. Chairman.

STATEMENT OF CAPTAIN MARSHALL HANSON, UNITED STATES NAVY RESERVE (RETIRED), CO-DIRECTOR, NATIONAL MILITARY VETERANS ALLIANCE

Captain HANSON. As co-director of the National Military Veterans Alliance (NMVA), I am honored to testify on behalf of the National Military and Veterans Alliance. The Alliance has grown to 30 military retiree, veterans, and survivor associations, representing over 3.5 million members. The overall goal of the NMVA is a strong national defense.

In the long war, recruiting and retention has become paramount. The willingness of our young people today to serve in this war will relate to their perception of how the veterans of this war are being treated. The NMVA supports various incentives and bonuses to encourage participation. Our serving members are patriots willing to accept peril and sacrifice to defend the value of this country. All they ask for is fair recompense for their actions. At a time of war, compensation really offsets the risks. Let's not undervalue our young warriors. These payments are an investment toward our national security.

The targeted pay increases included in Senate Bill 2766 align with NMVA's goals. It is also crucial that the military health care is funded. NMVA is concerned that the President's DOD health care budget may have been underestimated because of some suggested Pentagon initiatives. We ask that you continue to fully fund military health care in fiscal year 2007. We do not want our serving members to be distracted from their mission with worries about their families' health care. And if our servicemembers pay that ultimate sacrifice, we need to provide every financial support to their families to help them in transition.

The survivor benefit plan dependency and indemnity compensation offset is a conflict between a purchased annuity and an indemnity program. It affects our serving members. Recently, Congress created active duty survivor benefit plan (SBP) as a benefit intended for families who lost servicemembers. With the present offsets, the vast majority of our enlisted families receive no benefit from this new program because SBP is completely offset by dependency and indemnity compensation (DIC). This affects both younger and older surviving families.

Senate Bill 2766, section 642, repeals the requirement of reducing SBP to offset DIC. The NMVA respectfully requests that this subcommittee fund that provision.

Further, NMVA supports funding section 606, which extends a continuation of housing allowances for spouses and dependents of members who have died on active duty. The NMVA also supports funding of full payment of premiums for coverage under the servicemembers' group life insurance program during service in Operation Enduring Freedom, or Operation Iraqi Freedom.

Our Active and Reserve serving members face enough challenges as they adapt to a lifestyle with an ever-present war. The NMVA is confident in your ongoing support, and the Alliance would like to thank the subcommittee for its efforts, and this opportunity to testify. Please let us know how we can assist.

Senator STEVENS. Well, thank you very much. I think a lot of the things you suggested require the authorization subcommittee's concurrence first, before we can appropriate the moneys, but will follow their lead if we—

Captain HANSON. Right, and they have been placed in the markup of the bill, and of course the Senate will be looking at that in the next couple of weeks.

Senator STEVENS. All right. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF MARSHALL HANSON

INTRODUCTION

Mr. Chairman and distinguished Members of the committee, the National Military and Veterans Alliance (NMVA) is very grateful for the invitation to testify before you about our views and suggestions concerning defense funding issues. The overall goal of the National Military and Veteran's Alliance is a strong National Defense. In light of this overall objective, we would request that the committee examine the following proposals.

While the NMVA highlights the funding of benefits, we do this because it supports National Defense. A phrase often quoted "The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their country," has been frequently attributed to General George

Washington. Yet today, many of the programs that have been viewed as being veteran or retiree are viable programs for the young veterans of this war. This phrase can now read "The willingness with which our young people, today, are willing to serve in this war is how they perceive the veterans of this war are being treated."

In a long war, recruiting and retention becomes paramount. The National Military and Veterans Alliance, through this testimony hope to address funding issues that apply to the veterans of various generations.

PAY AND COMPENSATION

Our serving members are patriots willing to accept peril and sacrifice to defend the values of this country. All they ask for is fair recompense for their actions. At a time of war, compensation rarely offsets the risks.

The NMVA requests funding so that the annual enlisted military pay raise equals or exceeds the Employment Cost Index (ECI).

Further, we hope that this committee supports targeted pay raises for those mid-grade members who have increased responsibility in relation to the overall service mission.

NMVA would apply the same allowance standards to both Active and Reserve when it comes to Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, Hazardous Duty Incentive Pay and other special pays. We thank Congress for recognizing, last year that foreign language professional pay was for a special skill needing to be maintained 365 days a year.

The Service chiefs have admitted one of the biggest retention challenges is to recruit and retain medical professionals.

NMVA urges the inclusion of bonus/cash payments (Incentive Specialty pay IPS) into the calculations of retirement pay for military health care providers. NMVA has received feedback that this would be incentive to many medical professionals to stay in longer.

FORCE POLICY AND STRUCTURE

End Strength

The NMVA supports funding increases in support of the end strength boosts of the active duty component of the Army and Marine Corps that have been recommended by Defense authorizers. New recruits need to be found and trained now to start the process so that American taxpayer can get a return on this investment. Such growth is not instantaneously productive. NMVA also hopes that this subcommittee would include language reminding the Department of Defense that once appropriated that each service should proactively recruit to try to attain these numbers.

The NMVA would like to also put a freeze on reductions to the Guard and Reserve manning levels. With the Commission on the Guard and Reserve now active, it makes sense to put a moratorium on changes to End Strength until after they report back to Congress with recommendations. NMVA urges this subcommittee to fund to last year's levels.

SURVIVOR BENEFITS PLAN (SBP) AND SURVIVOR IMPROVEMENTS

The Alliance wishes to deeply thank this subcommittee for your funding of improvements in the myriad of survivor programs.

However, there are still two remaining issues to deal with to make SBP the program Congress always intended it to be:

—Ending the SBP/DIC offset and

—Moving up the effective date for paid up SBP to October 1, 2006.

SBP/DIC Offset affects several groups. The first is the family of a retired member of the uniformed services. At this time the SBP annuity he or she has paid for is offset dollar for dollar for the DIC survivor benefits paid through the VA, this puts a disabled retiree in a very unfortunate position. If he or she is leaving the service disabled it is only wise to enroll in the Survivor Benefit Plan (perhaps being uninsurable in the private sector). If death is service connected then the survivor loses dollar for dollar for what the DIC pays.

SBP is a purchased annuity, an earned employee benefit. It is a retirement plan for the surviving spouse. Dependency and Indemnity Compensation (DIC) is an indemnity program to compensate a family for the loss of a loved one due to his or her military service. They are different programs created to fill different purposes and needs.

A second group affected by this dollar for dollar offset is made up of families whose servicemember died on active duty. Recently Congress created active duty

SBP. These service members never had the chance to pay into the SBP program. But clearly Congress intended to give these families a benefit. With the present offset in place the vast majority of families receive no benefit from this new program, because the vast number of our losses are young men or women in the lower paying ranks. SBP is completely offset by DIC payments.

Other affected families are servicemembers who have already served a substantial time in the military. Their surviving spouse is left in a worse financial position than a younger widow. The older widows will normally not be receiving benefits for her children from either Social Security or the VA and will normally have more substantial financial obligations (mortgages etc). This spouse is very dependent on the SBP and DIC payments and should be able to receive both.

Thirty Year Paid-Up SBP.—In the fiscal year 1999 Defense Authorization Act Congress created a simple and fair paid up provision for the Survivor Benefit Plan. A member who had paid into the program for 30 years and reached the age of 70 could stop paying premiums and still have the full protection of the plan for his or her spouse. Except that the effective date of this provision is October 1, 2008. Many have been paying for as long as 34 years.

The NMVA respectfully requests this subcommittee fund the SBP/DIC offset and 30 year paid-up SBP if authorized.

CURRENT AND FUTURE ISSUES FACING UNIFORMED SERVICES HEALTH CARE

The National Military and Veterans Alliance must once again thank this committee for the great strides that have been made over the last few years to improve the health care provided to the active duty members, their families, survivors and Medicare eligible retirees of all the Uniformed Services. The improvements have been historic. TRICARE for Life and the Senior Pharmacy Program have enormously improved the life and health of Medicare Eligible Military Retirees their families and survivors. It has been a very successful few years.

Yet there are still many serious problems to be addressed:

Full Funding For The Defense Health Program

The Alliance applauds the subcommittee's role in providing adequate funding for the Defense Health Program (DHP) in the past several budget cycles. As the cost of health care has risen throughout the country, you have provided adequate increases to the DHP to keep pace.

This is again one of the Alliance's top priorities. With the additional costs that have come with the deployments to Southwest Asia, Afghanistan and Iraq, we must all stay vigilant against future budgetary shortfalls that would damage the quality and availability of health care.

With the authorizers having postponed the Department of Defense's suggested fee increases, NMVA is concerned that the budget saving have already been adjusted out of the President's proposed budget. NMVA is confident that this subcommittee will continue to fund the DHP so that there will be no budget shortfalls.

The National Military and Veterans Alliance urges the subcommittee to continue to ensure full funding for the Defense Health Program including the full costs of all new programs.

TRICARE Pharmacy Programs

DOD is suggesting an increase in co-payments at retail pharmacy from \$3 to \$5 for generic prescriptions, and from \$9 to \$15 for brand drugs. Generic pharmacy mail order prescriptions would drop from \$3 to \$0 to align with military clinics.

DOD's rationale is that it costs the government twice as much for a drug through the TRICARE Retail Pharmacy program (TRRx) than it does for the same drug through the TRICARE Mail Order Pharmacy Program (TMOP). DOD believes the rise in the TRRx co-payments will increase revenue and force beneficiaries migrate to the TMOP program, where the costs for their prescriptions are lower.

NMVA may understand the motives for this change, but has concerns about how it is being implemented. Often times the retail pharmacy network is the only source to immediately fill a prescription, as many pharmacy beneficiaries are unable to go to a military clinic for the initial prescription. To truly motivate beneficiaries to a shift from retail to mail order adjustments need to be made to both generic and brand name drugs co-payments.

Ideally, the NMVA would like to see the reduction in mail order co-payments without an increase in co-payments for retail pharmacy, but . . .

NMVA suggests that if pharmacy co-payments are adjusted that:

- (1) The higher retail pharmacy co-payments not apply on an initial prescription, but on refills of a serial maintenance prescription, and

—(2) If co-payments must be raised on retail pharmacy, that both generic and brand name mail order prescriptions be reduced to zero \$ co-payments.

The National Military and Veterans Alliance urges the subcommittee to adequate fund adjustments to co-payments in support of recommendations from defense authorizers.

TRICARE Standard Improvements

TRICARE Standard grows in importance with every year that the global war on terrorism continues. A growing population of mobilized and demobilized Reservists depends upon TRICARE Standard. A growing number of younger retirees are more mobile than those of the past, and likely to live outside the TRICARE Prime network.

An ongoing challenge for TRICARE Standard involves creating initiatives to convince health care providers to accept TRICARE Standard patients. Health care providers are dissatisfied with TRICARE reimbursement rates that are tied to Medicare reimbursement levels. The Alliance was pleased and relieved by the administration's and Congress' recent corrections and improvements in Medicare reimbursement rates, which helped the TRICARE program.

Yet this is not enough. TRICARE Standard is hobbled with a reputation and history of low and slow payments as well as what still seems like complicated procedures and administrative forms that make it harder and harder for beneficiaries to find health care providers that will accept TRICARE. Any improvements in the rates paid for Medicare/TRICARE should be a great help in this area. Additionally, any further steps to simplify the administrative burdens and complications for health care providers for TRICARE beneficiaries hopefully will increase the number of available providers.

The Alliance asks the Defense Subcommittee to include language encouraging continued increases in TRICARE/Medicare reimbursement rates.

TRICARE Retiree Dental Plan (TRDP)

The focus of the TRICARE Retiree Dental Plan (TRDP) is to maintain the dental health of Uniformed Services retirees and their family members. Several years ago we saw the need to modify the TRDP legislation to allow the Department of Defense to include some dental procedures that had previously not been covered by the program to achieve equity with the active duty plan.

With ever increasing premium costs, NMVA feels that the Department should assist retirees in maintaining their dental health by providing a government cost-share for the retiree dental plan. With many retirees and their families on a fixed income, an effort should be made to help ease the financial burden on this population and promote a seamless transition from the active duty dental plan to the retiree dental plan in cost structure. Additionally, we hope the Congress will enlarge the retiree dental plan to include retired beneficiaries who live overseas.

The NMVA would appreciate this committee's consideration of both proposals.

NATIONAL GUARD AND RESERVE HEALTH CARE

Funding Improved Tricare Reserve Select

It is being suggested that the TRICARE Reserve Select healthcare plan be changed to allow the majority of Selected Reserve participate at a 28 percent co-payment level with the balance of the premium being paid by the Department of Defense.

NMVA asks the committee for funding to support a revised TRICARE Reserve Select program.

Mobilized Health Care—Dental Readiness Of Reservists

The number one problem faced by Reservists being recalled has been dental readiness. A model for healthcare would be the TRICARE Dental Program, which offers subsidized dental coverage for Selected Reservists and self-insurance for SELRES families.

In an ideal world this would be universal dental coverage. Reality is that the services are facing challenges. Premium increases to the individual Reservist have caused some junior members to forgo coverage. Dental readiness has dropped. The military services are trying to determine how best to motivate their Reserve Component members but feel compromised by mandating a premium program if Reservists must pay a portion of it.

Services have been authorized to provide dental treatment as well as examination, but without funding to support this service. By the time many Guard and Reserve are mobilized, their schedule is so short fused that the processing dentists don't have time for extensive repair.

The National Military and Veterans Alliance supports funding for utilization of Guard and Reserve Dentists to examine and treat Guardsmen and Reservists who have substandard dental hygiene. The TRICARE Dental Program should be continued, because the Alliance believes it has pulled up overall dental readiness.

Demobilized Dental Care

Under the revised transitional healthcare benefit plan, Guard and Reserve who were ordered to active duty for more than 30 days in support of a contingency and have 180 days of transition health care following their period of active service.

Similar coverage is not provided for dental restoration. Dental hygiene is not a priority on the battlefield, and many Reserve and Guard are being discharged with dental readiness levels much lower than when they were first recalled. At a minimum, DOD must restore the dental state to an acceptable level that would be ready for mobilization, or provide some subsidize for 180 days to permit restoration from a civilian source.

Current policy is a 30 day window with dental care being space available at a priority less than active duty families.

NMVA asks the committee for funding to support a DOD's demobilization dental care program. Additional funds should be appropriated to cover the cost of TRICARE Dental premiums and co-payment for the 6 months following demobilization if DOD is unable to do the restoration.

OTHER RESERVE/GUARD ISSUES

MGIB-SR Enhancements

Approximately 7.8 percent of the enlisted Reservists have a Bachelors degree or higher. This makes the Montgomery G.I. Bill for Selective Reserves (MGIB-SR) an important recruiting and retention tool. With massive troop rotations the Reserve forces can expect to have retention shortfalls, unless the government provides incentives such as a college education. Education is not only a quality of life issue or a recruiting/retention issue it is also a readiness issue. Education a Reservist receives enhances their careers and usefulness to the military. The ever-growing complexity of weapons systems and support equipment requires a force with far higher education and aptitude than in previous years.

The problem with the current MGIB-SR is that the Selected Reserve MGIB has failed to maintain a creditable rate of benefits with those authorized in Title 38, Chapter 30. Other than cost-of-living increases, only two improvements in benefits have been legislated since 1985. In that year MGIB rates were established at 47 percent of active duty benefits. The MGIB-SR rate is 27 percent of the chapter 30 benefits. Overall the allowance has inched up by only 7 percent since its inception, as the cost of education has climbed significantly.

The NMVA requests appropriations funding to raise the MGIB-SR and lock the rate at 50 percent of the active duty benefit. Cost: \$25 million/first year, \$1.4 billion over 10.

Bonuses

Guard and Reserve component members may be eligible for one of three bonuses, prior enlistment bonus, reenlistment bonus and Reserve affiliation bonuses for prior service personnel. These bonuses are used to keep men and woman in mission critical military occupational specialties (MOS) that are experiencing falling numbers or are difficult to fill. During their testimony before this committee the reserve chiefs addressed the positive impact that bonuses have upon retention. This point cannot be understated. The operation tempo, financial stress and civilian competition for jobs make bonuses a necessary tool for the DOD to fill essential positions. Though the current bonus program is useful there is a change that needs to be addressed to increase effectiveness.

The primary requirement for eligibility and payment of a bonus upon reenlistment is that the member must have completed less than 14 years of total military service and not be paid more than one 6-year bonus or two 3-year bonuses under this section. Increasing the eligibility for reenlistment bonuses to 20 years of total military service and increasing the number of bonuses that can be paid under this section could expand the available force pool, as mid-level enlisted Reserve members could take advantage of the new bonus criteria. Using a 20 year service cutoff instead of a 14 year period would encourage selected experienced mid-level subject matter experts to reenlist to established high year of tenure or mandatory separation dates and the added retained experience would boost each service's retention effort in critical skill areas. As each Service uses members of the Selected Reserve in different capacities, each Service Secretary may use this new authority as required as a force management tool.

The NMVA would like to see the Reserve chiefs receive the funds and the authority to an increase in eligibility from 14 to 20 years and the ability for Reservists to receive bonuses while on active duty orders.

Reserve/Guard Funding

We are concerned about ongoing DOD initiatives to end “2 days pay for 1 days work,” and replace it with a plan to provide one-thirtieth of a month’s pay model, which would include both pay and allowances. Even with allowances, pay would be less than the current system. When concerns were addressed about this proposal, a retention bonus was the suggested solution to keep pay at the current levels. Allowances differ between individuals and can be affected by commute distances and even zip codes. Certain allowances that are unlikely to be paid uniformly include geographic differences, housing variables, tuition assistance, travel, and adjustments to compensate for missing health care.

The NMVA strongly recommends that the Reserve pay system “2 days pay for 1 days work,” be funded and retained, as is.

Ensure adequate funding to equip Guard and Reserve at a level that allows them to carry out their mission. Do not turn these crucial assets over to the active duty force. In the same vein we ask that the Congress ensure adequate funding that allows a Guardsman/Reservist to complete 48 drills, and 15 annual training days per member, per year. DOD has been tempted to expend some of these funds on active duty support rather than personnel readiness.

The NMVA strongly recommends that Reserve Program funding remain at sufficient levels to adequately train, equip and support the robust Reserve force that has been so critical and successful during our Nation’s recent major conflicts.

ARMED FORCES RETIREMENT HOMES

Following Hurricane Kristina, Navy/Marine Corps residents from AFRJ-Gulfport were evacuated from the hurricane-devastated campus and were moved to the AFRH-Washington DC campus. Dormitories were reopened that are in need of refurbishing.

NMVA urges this subcommittee to fund upgrades to the Washington DC facility, and also provide funding to rebuild the Gulfport facility.

CONCLUSION

Mr. Chairman and distinguished Members of the subcommittee the Alliance again wishes to emphasize that we are grateful for and delighted with the large steps forward that the Congress has affected the last few years. We are aware of the continuing concern all of the subcommittee’s Members have shown for the health and welfare of our service personnel and their families. Therefore, we hope that this subcommittee can further advance these suggestions in this committee or in other positions that the Members hold. We are very grateful for the opportunity to submit these issues of crucial concern to our collective memberships. Thank you.

Senator STEVENS. Our next witness is Seth Benge, the Associations for America’s Defense. Good morning.

STATEMENT OF SETH BENGE, DIRECTOR OF LEGISLATION, RESERVE ENLISTED ASSOCIATION, ON BEHALF OF THE ASSOCIATIONS FOR AMERICA’S DEFENSE (A4AD)

Mr. BENGE. Mr. Chairman, good morning.

As a sergeant in the Marine Corps Reserve, I was deployed last year to Ramadi, Iraq for 7 months, from March to October. Presently, I serve as the legislative director for the Reserve Enlisted Association. I am testifying on behalf of the Associations for America’s Defense. A4AD looks at national defense, equipment, force structure and policy issues not normally addressed by the military support community.

First, we would like to thank the subcommittee for the ongoing stewardship on defense issues at a time of war. Its pro-defense, nonpartisan leadership sets the example.

Support for our troops fighting the global war on terror is of primary importance and warrants top priority. The military needs to

continually train with not only the tactics, techniques, and procedures, but with the equipment they will use while deployed. It is tempting to focus only on those that are in the fight. And they should be given what they need to complete the mission. But before any soldier gets to combat, they first must be trained, and we should continue to follow the axiom, "train as you fight."

If we could buy enough equipment for units before deployment, the commanders would have a better chance to evaluate new gear and give our forces time to become more proficient in its use. Prior training frees soldiers to engage in more important aspects of their mission. Armored Humvees, personal body armor, and improvise explosive device (IED) jamming devices are saving lives. But we would rather stop the IEDs before they explode. I saw vehicles with their front ends blown off, or hit by rocket powered grenades (RPG), with relatively minor injuries to the crew. Conversely, the terrorists have tried to overcome the armor by larger explosives, and changing their tactics.

Having Iraqis tell us the location of the IEDs, individual soldiers spotting them, or explosive ordnance disposal teams finding and clearing them, are the most common and preferred methods of defense against roadside bombs. Trying to master a vehicle can be a distraction from these important measures.

Equipment is only a tool, and is far more effective when soldiers are given the time in advance to develop the skills to use it. A vehicle that weighs several tons more than an unarmored one drives differently. It turns, accelerates, and decelerates, and stops differently. The skills required to operate this equipment need to be learned before driving out the front gate of a base in a foreign land.

Individual movement with personal gear should be a matter of muscle memory brought on by months of use. Just moving in and out of an armored vehicle with full gear and weapons is not the same as simply getting out of an unarmored Humvee with just a flack and Kevlar on. Running down streets or climbing over walls, or going into and out of houses, is also different in full combat gear. Without practice, it is easy to get tangled, tripped up, slowed down, and become an easy target.

Recently, there was some debate in the media regarding marines being issued even more body armor; specifically, side plates. Many troops feel that the 70-plus pounds of gear, armor, and ammo, that today's marines and soldiers wear, is too much. These troops need to wear the gear earlier to adjust. Otherwise, it may not be worn or shed in the heat of battle.

Another glaring area is with communication equipment. Currently, we have small handheld radios used to speak among individuals. But we didn't receive these until we were in the country for several weeks. In an environment where the enemy can appear and disappear into the crowd, where there are firefights around the corner, the ability to share information horizontally among the soldiers is as important as the ability to send information up the chain of command. Combat is not the time or place for hands-on training with such important tools.

In the Guard and Reserve this training is especially difficult because they have become increasingly underequipped. With the shift to have these troops train, mobilize, deploy, so that they can be

more operational, we need to assure that the Guard and Reserve also have the proper funding for equipment.

As you continue to buy new equipment and start to put money into resetting the force, I would urge the subcommittee to remember that victory in combat begins the moment that young men and women step off of a bus and into basic training.

Thank you again for this opportunity to testify before this subcommittee.

Senator INOUE [presiding]. I thank you very much, sir.

Mr. BENGE. Thank you, Senator.

[The statement follows:]

PREPARED STATEMENT OF SETH BENGE

INTRODUCTION

Mr. Chairman and distinguished Members of the committee, the Associations for America's Defense (A4AD) are very grateful for the invitation to testify before you about our views and suggestions concerning current and future issues facing the defense appropriations.

The Association for America's Defense is an adhoc group of 11 military and veteran associations that have concerns about national security issues that are not normally addressed by either The Military Coalition, or the National Military and Veterans Alliance. Among the issues that are addressed are equipment, end strength, force structure, and defense policy. Collectively, we represent about members, who are serving our Nation, or who have done so in the past.

A4AD, also, cooperatively works with other associations, who provide input while not including their association name to the membership roster.

CURRENT VERSUS FUTURE; ISSUES FACING DEFENSE

The Associations for America's Defense would like to thank this subcommittee for the on-going stewardship that it has demonstrated on issues of defense. At a time of war, its pro-defense and non-partisan leadership continues to set the example.

Lessons learned from the war have only fueled the debate on what is needed for National Defense. Your committee faces numerous issues and decisions. You are challenged at weighing people against technology, and where to invest dollars. Multi-generations of weapons are being touted, forcing a competition for limited budgetary resources.

Members of A4AD group are concerned that hasty recommendations about U.S. Defense policy could place national security at risk. Careful study is needed to make the right choice. A4AD is pleased that Congress and this subcommittee continue oversight in these decisions.

Pentagon criticism is that our Armed Forces are archaic; structured for a Cold War. Yet it has been those legacy systems that have brought success in Iraq and Afghanistan.

Are Business Practices Practical?

The 2005 QDR emphasizes the needs of the area combat commanders, and seeks a "demand driven" approach to "reduce unnecessary program redundancy, improve joint interoperability and streamline acquisition and budgeting processes." In industry "demand driven" flow is called Just-in-Time (JIT) management.

JIT attacks waste in the manufacturing process, working to identify and reduce or eliminate excess set-up and lead times, inventory, and scrap by exposing problems and bottlenecks and streamlining production.

DOD's JIT concept is to reduce the amount and length in the logistics tail. The idea is to minimize investment, and get the bullet and spare parts to the troops on the line as they need them. The Pentagon wants to eliminate a "steel mountain" of supplies.

Industry has been trying to perfect JIT for 30 years. A few industries have been able to use it, in others it causes hiccups. The risk is a shut down in production, and the more complex the system, the higher the risk. In many cases, the inventorying costs are shifted from producer to supplier to stock parts at a different site, which increases the costs of spare parts. Shipping expenses go up, as shortages tend to be "overnighted" when the scheduling goes haywire. In most cases, the bottom line is a more expensive product, which for the Pentagon would mean a higher DOD expense.

The Pentagon has suggested the reduction of redundancy by consolidation and the elimination of military positions which would be replaced by contractors. The question that arises is "What are the elements that ensure successful implementation outcomes between the government purchasing offices and various commercial contractors?" If outcomes become less predictable the risk is not to contractors but to soldiers, sailors, marines, and airman and the war effort.

Dependence On Foreign Partnership

The QDR highlights DOD's move "from a large institutional force to a future force that is tailored for expeditionary operations." The QDR also states that "the future force must be more tailored, more accessible to the joint commander, and better configured to operate with other agencies and international partners in complex operations," and that "combatant commanders will expand the concept of contracting volunteers . . ."

Echoing the QDR, Gordon England, the deputy defense secretary stated in March at the Defense Security Cooperation Agency Worldwide Conference that in order "to meet the diverse security challenges of the future, DOD must strengthen and adapt long-term alliances, as well as form relationships with new international partners, enabling them to enhance their capabilities."

"Effective multinational efforts are essential to solve the problems we face together," England added.

The Navy seeks a "1,000-ship Navy." The Chief of Naval Operations, Admiral Mike Mullen, called for "a fleet-in-being . . . comprised of all freedom-loving nations, standing watch over the seas, standing watch over each other." Mullen's concept is to build on existing international security agreements to extend the global reach of sea power. "We need to be a team player, a leader, for that 1,000-ship Navy and a citizen in good standing for the city at sea," he said.

The risk of basing a national security policy on foreign interests and good world citizenship is increasing uncertainty because the United States does not necessarily control our foreign partners, countries whose objectives may differ with from own. This is more an exercise of consensus building rather than security integration. Alliances should be viewed as a tool and a force multiplier, but not the foundation of National Security.

While an idea or a vision can be a catalyst to enthusiasm, this should not lead directly to change. Ideas should be tested and be judged not by a logic structure but by an outcome. The United States will always need a minimum force structure that permits us to defend ourselves.

IS THERE A PLACE FOR LEGACY WEAPONS?

A4AD suggests that existing legacy weapons be shifted from the active component to the Reserve. The last war's legacy may be the next war's necessity. Before 9/11 the Navy wanted to eliminate its USNR CB battalions as being a Cold War legacy. In Operation Iraqi Freedom, not only is the integrated Active and Reserve CB force national rebuilding, but is also involved in explosive disposal. In both the Army and the Marine Corps, artillery units are being retrained in civil affairs, but if military conflict breaks out in Korea, the units will be needed with their artillery.

Both the Pentagon and the Task Force on a Unified Security Budget for the United States have suggested cutting \$62 billion from what has been labeled as Cold War weapons programs. While the Pentagon emphasizes the need to seek new technologies, the Task Force wants to use this "dividend" for homeland security, halt the spread of nuclear weapons.

The F-22 fighter, Joint Strike Fighter, the Virginia-class submarine, the DD(X) destroyer, the V-22 tilt-rotor aircraft and the C-130J cargo plane are just examples of new technology that has been labeled as legacy weapons. The key is that these weapons are needed to replace earlier aging weapons systems.

AGING EQUIPMENT

Crash Highlights An Aging Fleet.—A giant C-5A Air Force cargo plane that crashed and broke apart while making an emergency landing at Dover Air Force Base was part of an aging fleet whose future is being debated. The 21-year-old aircraft that crashed was one that's been modernized.

The U.S. Military has a number of aging air frames, besides the C-5A, the Air Force has the F-15 fighter. The Navy and the Marines are flying C-9 transports and H-46 helicopters. GAO Report 01-163 reported that tactical Aircraft modernization plans would not reduce the average age of these aircraft. Nearly 5 years of war have just added to the wear and fatigue.

Tactical Air

The rapidly aging F-15 Eagle first flew in the 1970s. In mock combat against MiG, Sukhoi and Mirage fighters, foreign air forces have scored unexpected successes against the Eagles. Modern, Russian-designed “double-digit” surface-to-air missile systems (SAMs) now available on the export market have also caught up to the F-15 in capability. New air dominance platforms are urgently needed. The F/A-22 Raptor and the Joint Strike F-35 fighters represent vital and complementary capabilities must be fully funded.

The recent Quadrennial Defense Review has cut the Air Force’s planned F-22 buy in half—from 381 to 183 fighters. To compensate, the Air Force will be forced to extend the service lives of other fighters and depend more on advanced unmanned systems. Congress should reinstate full procurement of 381 fighters for a minimum deployment of one squadron for each of the service’s 10 Air Expeditionary Forces. Air National Guard needs E-8C, A-10, F-16 block 42 re-engining.

A4AD supports modernization of critical USMC aviation capabilities available through MV-22, JSF-STOVL, and HLR programs. The JSF development and support of constructive cost-control practices should be fully funded for both the Navy and Marine Corps.

The Navy and Marine Corps are also approaching aging aircraft in a different fashion. They are transferring tactical F-18 aircraft from the Reserve to the Active Component. This will leave Reserve Component units without hardware this will either reduce readiness of Reserve operational units, or cause units to be disbanded.

Airlift

Air Mobility Command assets fly 36,478 hours per month and participate in major operations including earthquake and hurricane relief, Operation Enduring Freedom, Operation Iraqi Freedom, Operation Noble Eagle, and SOUTHCOM. Their contributions in moving cargo and passengers are absolutely indispensable to American warfighters in the Global War on Terrorism. Both Air Force and Naval airframes and air crew are being stressed by these lift missions.

As the U.S. military continues to become more expeditionary, it will require more airlift. DOD should complete the planned buy of 180 C-17s, and add an additional 60 aircraft at a rate of 15 aircraft per year to account to ensure an adequate airlift force for the future and allow for attrition—C-17s are being worn out at a higher rate than anticipated in the Global War on Terrorism.

DOD should also continue with a joint multi-year procurement of C-130Js and press ahead with a C-5 Reliability Enhancement and Re-engining Program test to see where airlift funds may be best allocated.

The Navy and Marine Corps need C-40A replacements for the C-9B aircraft. The Navy requires Navy Unique Fleet Essential Airlift. The maximum range for the C-40A is approximately 1,500 miles more than the C-9 with a greater airlift capacity. The C-40A, a derivative of the 737-700C is a Federal Aviation Administration (FAA) certified, while the aging C-9 fleet is not compliant with either future global navigation requirements or noise abatement standards that restrict flights into European airfields. Twenty-two aircraft remain to be replaced.

Tankers

In need for air refueling is reconfirmed on a daily basis in worldwide DOD operations. A significant number of tankers are old and plagued with structural problems. The Air Force would like to retire as many as 131 of the Eisenhower-era KC-135E tankers by the end of the decade.

The controversy that surrounded the KC-767 tanker-lease proposal has delayed acquisition of a new tanker. DOD and Congress must work together to replacement of these aircraft. A replacement could come in the form of a hybrid tanker/airlifter aircraft, which when produced could “swing” from one mission to the other as required. Congress should also look at re-engining a portion of the KC-135 fleet as a short-term fix until newer platforms come online.

Procurement F-22, F-35, MV-22A, C40A and a replacement for the KC-135 needs to be accelerated and modernized, and mobility requirements need to be reported upon.

Navy Fleet Size

The number of ships in the fleet is dropping to 281 ships. The Chief of Naval Operations, Admiral Mike Mullen, has set the target for the new fleet at 313 ships.

The Administration procurement rate has been too low.

A4AD favors a fleet no smaller than 313 ships because of an added flexibility to respond to emerging threats. Congress should explore options to current methods

of ship design, configuration, and shipbuilding that have created billion dollar destroyers.

OTHER ISSUES

Increasing End Strength

Op tempo and deployment rotation will begin to wear. The official position of rotation of 1 year deployed for 3 years duty for active duty and 1 year in 6 for the Guard and Reserve are targets, but not yet reality. Increases are needed in the active component to reduce the building stress, and to reduce the need for Guard and Reserve call-up. Any unfunded end-strength increases would put readiness at risk.

The A4AD supports funding increases in support of the end strength boosts of the Active Duty Component of the Army and Marine Corps that have been recommended by Defense authorizers.

A4AD also hopes that this subcommittee would include language reminding the Department of Defense that once appropriated that each service should proactively recruit to try to attain these numbers.

Now is not the time to be cutting the Guard and Reserve. Incentives should be utilized to attract prior service members into a growing Reserve. Additionally, a moratorium on changes to end strength of the Guard and Reserve should be put into place until Commission on the Guard and Reserve can report back to Congress with recommendations.

The A4AD would like to also put a freeze on reductions to the Guard and Reserve manning level, holding to the fiscal year 2006 levels.

Regeneration/Resetting of Equipment

A4AD would like to thank this committee for the regeneration money that was included in the supplemental.

Aging equipment, high usage rates, austere conditions in Iraq, and combat losses are affecting future readiness. Equipment is being used at 5 to 10 times the programmed rate.

Additionally, to provide the best protection possible for soldiers and marines in the combat theater, many units have left their equipment behind for follow-on units, and are returning with no equipment. Without equipment on which to train after de-mobilization, readiness will become an issue.

The Army, Army Reserve, Army National Guard, Marines and Marine Forces Reserve need continued funding by Congress for equipment replacement.

Counter-measures to Improvised Explosive Devices

A4AD would like to commend the committee for supporting enhanced counter-measures for air and ground troops now deployed. For ground troops, the biggest threat to safety continues to be the improvised explosive device or IED.

Cost effective solutions that can provide an enhanced degree of safety do exist, however, in the form of electronic countermeasures. These devices work in one of two ways: either by pre-detonating an IED or by preventing the detonation through jamming of the signal. Officers returning from the field indicate the better choice is pre-detonation. Insurgents seem to be able to adapt to jamming technologies.

Also, insurgents can overcome armored protection by increasing the explosive payload. With the right technology, it could be possible to detonate these weapons in the workshops.

We encourage the committee to look at specifying additional funds for the purpose of researching, purchasing and deploying more electronic countermeasures for ground troops. In this way we can provide a greater degree of safety to all of the troops facing the IED threat, no matter what type of vehicle they may be operating.

Continued emphasis is needed for the procurement of sufficient quantities of electronic countermeasures to protect personnel deployed in the battle space.

Aircraft Survivability Equipment

Air crews face non-traditional threats used by non-conventional forces and deserve the best available warning and countermeasure equipment available to provide the greatest degree of safety possible. The majority of funds have been expended on fixed aircraft protection; approximately 75 percent of U.S. air losses have been rotary wing.

A4AD hopes that the committee will continue to support the purchase and deployment of warning and countermeasures systems with an emphasis on rotary wing aircraft across all of the services and insure that the latest and most advanced versions of these protections are made available to all units now deployed or slated for deployment in the future—be they Active Duty, Guard or Reserve.

Maintaining the National Guard and Reserve Equipment List

A single equipment appropriation for each service would not guarantee that the National Guard and Reserve Components would get any new equipment. The National Guard and Reserve Equipment Account (NGREA) is vital to ensuring that the Guard and Reserve has some funding to procure essential equipment that has not been funded by the services. Without congressional oversight, dollars intended for Guard and Reserve equipment might be redirected to Active Duty non-funded requirements. This will lead to decreased readiness.

This move is reminiscent of the attempt by DOD to consolidate all pay and O&M accounts into one appropriation per service. Any action by the Pentagon to circumvent congressional oversight should be resisted.

A4AD asks this committee to continue to provide appropriations against unfunded National Guard and Reserve equipment requirements. To appropriate funds to Guard and Reserve equipment would help emphasize that the Active Duty is exploring dead-ends by suggesting the transfer of Reserve equipment away from the Reservists.

Unfunded Equipment Requirements. (The services are not listed in priority order.)

[In millions of dollars]

Agency	Amount
Air Force:	
F/A-22 and F/35 Joint Strike Fighter .....	.....
Accelerate C-17 and C-130J procurement .....	.....
Update Tanker Fleet .....	.....
E-10 multi-sensor Command and Control Aircraft .....	.....
Space Radar & Transformational Satellite (TSAT) system .....	.....
Air Force Reserve:	
C-5A ADS	11.8
LAIRCM (Large Aircraft I/R Counter Measures)	228.5
F-16 ALR-69A	18.8
C-130 APN-241 Radar	21.0
MC-130E CARA/ETCAS	14.6
Air Guard:	
Helmet Mounted Cueing System (HMCS)	270.8
A-10 SATCOM Radio	6.3
KC-135 Night Vision Compatibility Lighting	47.5
C-130, C-5, C-17 LAIRCM/C-5 ADS	656
F-16, A-10, C-130, C-5 Simulators .....	.....
Army:	
M88 Improved Recovery Vehicles	331.9
C-47 Chinook Helicopters	331.5
UH-60 Blackhawk replacement Helicopters	71
Army Reserve:	
Light Medium Tactical Vehicles [LMTV]	306
Medium Tractors	304
Night Vision systems .....	.....
Chemical/Bio/Radiological detection/alarm systems .....	.8
Medical Equipment	3
Army Guard:	
High Mobility Multi-Purpose Wheeled Vehicle (HMMWV)	3,285
Family of Medium Tactical Vehicles	4,582
Single Channel Ground Air Radio Sys (SINCGARS replaces VRC-12)	222
Small Arms	96
Night Vision (AN/PVS-14/PAS-13)	1,439
Marine Corps:	
V-22 Osprey Aircraft in fiscal year 2007 (2)	154
(APN) KC-130J Aircraft Procurement (8)	678.7
(PMC) High Mobility Artillery Rocket System (HIMARS)	170.7
(PMC) M777A1 Lightweight 155MM Howitzer (LW 155) Program	12.4
Reserve Marine Corps:	
(OMMCR)—Infantry Combat Equipment (ICE)—Reserves	11.7
Field Medical Equipment (FFME)	3.5
Shelter and Tents (Command Post Large Tactical Shelter)	2.2
Shelters and Tents (Ultra Lightweight Camouflage Net System)	5.3
Individual First Aid Kit (IFAK)	3.5
Infantry Combat Equipment (ICE)	11.7

[In millions of dollars]

Agency	Amount
Portable Tent Lighting	3.5
Navy:	
Improvised Explosives Device Countermeasure	16.8
MH-60S/MH-60R procurement	140
Lease (3) commercial Scan Eagle (SHUAV) Systems	39.7
Expeditionary Riverine Funding	20
Accelerate (2) LCS	520
Naval Reserve:	
Naval Coastal Warfare Table of Allowance Equipment	24.3
Explosive Ordnance Disposal Table of Allowance Equipment	2.4
NCF Tactical Vehicles and Support Equipment	30.1
C-40 A Combo cargo/passenger Airlift	76

CONCLUSION

A4AD is a working group of military and veteran associations looking beyond personnel issues to the broader issues of National Defense.

Cuts in manpower and force structure, simultaneously in the Active and Reserve Component are concerns in that it can have a detrimental effect on surge and operational capability.

This testimony is an overview, and expanded data on information within this document can be provided upon request.

Thank you for your ongoing support of the Nation, the Armed Services, and the fine young men and women who defend our country. Please contact us with any questions.

Senator INOUE. The next witness will be Lieutenant General Dennis McCarthy.

**STATEMENT OF LIEUTENANT GENERAL DENNIS M. MCCARTHY,
UNITED STATES MARINE CORPS (RETIRED), EXECUTIVE DIRECTOR,
RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES**

General MCCARTHY. Senator Inouye, thank you very much. And to the chairman and the members of the subcommittee, I appreciate the opportunity to give a brief statement.

The magnificent contributions of over 500,000 members of the Reserve components have enabled our Nation to conduct the first extended war to be fought with an all volunteer force. When the concept of an all volunteer force was originated in the 1970s, it was considered primarily a peacetime solution. Most believed that an extended war would force the Nation to return to the draft. Instead, no draft has been necessary because the Reserve components have surged forward to augment and reinforce the Active component. In a very real sense, the Reserve components have saved the country from a draft.

The Reserve component that surged in the past 5 years was not formed after September 11. It was formed in the 1990s based on the investments made by the Congress and by the dedication of its leaders, both Active and Reserve. The condition of the Reserve today is different than it was 5 years ago. In some ways, it is better. Almost every leader is a combat-tested veteran, and experience and confidence abound.

In other ways, however, the condition is worse. Equipment has been destroyed, worn out, or left overseas. Financial resources are stressed. And although every defense leader has recognized the need to reset the force, my concern is that we are not putting suffi-

cient resources toward resetting the Reserve force. I see a number of ominous signs.

First, funding for Reserve training has been cut. Aviation units of several services are transferring aircraft from the Reserve component to the Active component, and decommissioning or putting into cadre status squadrons that flew just recently in combat. There is a widespread lack of equipment needed for homeland security and consequence management; primarily, engineering and vehicles. And there continues to be a serious lack of interoperable communications equipment.

The rationale for these conditions is that current operations must be funded first, and that maybe the Reserve should just take a few years off and rest up. I believe that approach is fatally flawed. The caliber of young men and women that we have today are not going to sit around empty training centers and twiddle their thumbs because they do not have the equipment or funds to train. If the country is not interested in funding them, they will find other things to do.

History teaches a valuable lesson. At the end of the Korean War, just about everybody in the Guard and Reserve was a combat veteran. And the units were probably at the high water mark of their combat capability. Ten or so years later, in the 1960s, those same units were in very poor shape. The country lacked confidence in them, called them "weekend warriors," and used the draft to fill out the Active force.

If we do not reset the Reserve force starting now, we will begin the trip down the same road. The next time the Nation needs its Guard and Reserve, whether at home or abroad, will they be the combat-capable citizen warriors of 2006, or will they be the next generation of weekend warriors? Put another way, will the Reserves be as ready for the next crisis as they were for this one? If they are not, is the Nation ready for a draft?

These are tough questions, and I understand the competing priorities. I thank you and the subcommittee for your willingness to take action on them. Thank you, sir.

Senator INOUE. Thank you, General McCarthy. And I can assure you that my colleagues and I are very sensitive to the questions you just raised.

General MCCARTHY. Thank you, sir. We know you are.
[The statement follows:]

PREPARED STATEMENT OF DENNIS M. MCCARTHY

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our Nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "... support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The association's 75,000 members include Reserve and Guard soldiers, sailors, marines, airmen, and coast guardsmen who frequently serve on active duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disas-

ters and help prepare for homeland security. ROA is represented in each State with 55 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the State. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition where it co-chairs the Tax and Social Security Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans and family support organizations.

ROA PRIORITIES

The Reserve Officers Association calendar year 2006 legislative priorities are:

- Full funding of equipment and training requirements for the National Guard and Reserves.
- Providing adequate resource and authorities to support the current recruiting and retention requirements of the National Guard and Reserves.

Issues To Help Fund, Equip, and Train

Fully fund Military Pay Appropriation to guarantee a minimum of 48 drills and 2 weeks training for each selected Reservist in every service.

Sustain authorization and appropriation to National Guard and Reserve Equipment Account (NGREA) to permit flexibility for Reserve Chiefs in support of mission and readiness needs.

Optimize funding for additional training, preparation and operational support.

Regenerate the Reserve Components (RC) with current field, combat, and communication compatible equipment.

Keep Active and Reserve personnel and Operation and Maintenance funding separate.

Equip Reserve Component members with equivalent personal protection as Active Component Forces.

Issues To Assist Recruiting and Retention

Support incentives for affiliation, reenlistment, retention and continuation in the RC. Allow RC bonus payments through 20 years of service.

Pay and Compensation

Differential pay for federal employees.

Professional pay for RC medical professionals.

Eliminate the one-thirtieth rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.

Education

Increase MGIB-Selected Reserve to 47 percent of MGIB-Active.

Health Care

Expand the 28 percent co-payment to TRICARE Reserve Select to unemployed and uninsured Ready Reservists.

Extend military coverage for restorative dental care for up to 180 days following deployment.

Spouse Support

Repeal the SBP-Dependency Indemnity Clause (DIC) offset.

ROA's goals come from our members as they identify problems or suggest improvements to the situations they encounter. Since we are not in the Department of Defense's chain of command we provide a source for candid discourse without fear of retaliation. ROA will continue to support the troops in the field in any way we can.

NATIONAL GUARD AND RESERVE EQUIPMENT AND PERSONNEL ACCOUNTS

Resetting the Force

Resetting or reconstitution of the force is the process to restore people, aircraft and equipment to a high state of readiness following a period of higher-than-normal, or surge, operations. The purpose of force reconstitution is to restore optimum combat power.

Operations Iraqi Freedom and Enduring Freedom are consuming the force's equipment. Wear and tear is at a rate many times higher than planned. Battle damage expends additional resources. Factors affecting equipment availability:

- Equipment Left in Theater.*—Leaving equipment behind for follow is practical. Yet, it also affects the returning units from which the equipment was the original allowance. Future training is downgraded, directly affecting readiness.
- Repair.*—Encompasses cost of parts, stand-down of assets while waiting for parts, scheduling backlogs for added contingency equipment into a normal repair cycle. This may require hiring additional personnel to reduce scheduling overloads.
- Depot Level Maintenance.*—Factors in delayed scheduled maintenance resulting in aircraft and equipment being in violation of maintenance requirements during engagements.
- Cannibalization.*—Can be commonplace as units strip essential parts and components from already “broken” equipment in order to spare parts. This practice can lead to equipment loss.
- Replace.*—Loss of inventory that can’t be salvaged and must be replaced must be considered as part of the reconstitution effort.

Personnel

Training.—When Reserve Component personnel participate in an operation they are focused on the needs of the particular mission, which may not include everything required to maintain qualification status in their military occupation specialty (MOS, AFSC, NEC).

There are many different aspects of training that are affected.

- Skills that must be refreshed for specialty.
- Training needed for upgrade but delayed.
- Ancillary training missed.
- Professional military education needed to stay competitive.
- Professional continuing education requirements for single-managed career fields and other certified or licensed specialties required annually.
- Graduate education in business related areas to address force transformation and induce officer retention.

Loss.—There are particular challenges that occur to the force when a loss occurs during a mobilization or operation and depending on the specialty this can be a particularly critical requirement that must be met.

- Recruiting may require particular attention to enticing certain specialties or skills to fill critical billets.
- Minimum levels of training (84 days basic, plus specialty training).
- Retraining may be required due to force leveling as emphasis is shifted within the service to meet emerging requirements.

End Strength

The ROA would like to also put a freeze on reductions to the Guard and Reserve manning levels. ROA urges this subcommittee to fund to last year’s levels.

In a time of war and the highest OPTEMPPO in recent history, it is wrong to make cuts to the end strength of the Reserve Components. The Commission on National Guard and Reserve will be examining Reserve Force Structure, and will make recommendations as to size in its report to the Congress in March 2007.

As Congress maintained the Army Guard strengths, it is essential that the end strength of the Army Reserve should not be cut either. We urge you to fund the USAR at 205,000.

To meet the challenge of changes in end strength, the AF Reserve Command has prioritized all of its unit and IMA personnel positions. Until recommendations are made by the Commission on the Guard and Reserve, end strength should not be changed.

The Navy’s Reserve has been cut over 18 percent in the last 5 years and by half in the last 15 years. We need to pause to permit force planning and strategy to catch-up with budget reductions.

Readiness

Readiness is a product of many factors, including the quality of officers and enlisted, full staffing, extensive training and exercises, well-maintained weapons and authorized equipment, efficient procedures, and the capacity to operate at a fast tempo. The pace of wartime operations has a major impact on service members.

The Defense Department does not attempt to keep all active units at the C-1 level. The risk is without resetting the force returning Active and Reserve units will be C-4 or lower because of missing equipment, and without authorized equipment their training levels will deteriorate.

NONFUNDED ARMY RESERVE

Funding must be increased across the board for the Department of Defense. Shortfalls are especially glaring relative to the Army and the Army RC components of the Reserve and Guard. We urge substantial increases in funding for all these Army entities.

If the USAR is to be an operational force in a high OPTEMPO then an investment must be made. The AR will have a deficit of over \$632 million for fiscal year 2007 in its Personnel (\$446 million) and Operations and Maintenance (\$186 million) accounts.

The AR is projecting a long-term shortfall of nearly 5,000 company grade officers, yet its budget for the Army Reserve Basic Officer Course, which trains both new officers entering the Army Reserve and the Army National Guard, is funded for about 850 of the 2,300 AR and ARNG officers programmed for attendance. Similar major shortfalls will occur in recruiting and retention incentives (\$322 million), sustainment training (\$41 million), tuition assistance (\$20 million), and in a variety of programs related to recruiter support (\$14 million), family (\$9 million), marketing program (\$11 million) and chaplain support (\$8 million), and other areas as well.

New Usar Equipment Strategy—How It Works

The Army Reserve has developed a new strategy to make the most effective and efficient use of its equipment. The new strategy supports the Army Force Generation and the Army Reserve Expeditionary Force (AREF) management systems. It ensures the best available equipment is provided to Army Reserve soldiers where and when they need it, as they move through the pre-mobilization training phase of the AREF cycle toward mobilization and deployment.

Individual equipment, such as weapons and masks, will be maintained at unit stations, with enough of a unit's major items—trucks, forklifts, etc.—to allow for effective training and to support homeland defense requirements.

In the new model, units will be moved to the equipment located at the training sites, rather than moving equipment to the units. Creating centrally located equipment pools to support directed and focused training, will enable the Army Reserve to yield efficiencies in resourcing and maintaining its equipment.

ARMY RESERVE EQUIPMENT PRIORITIES

[In millions of dollars]

Equipment	Amount
Procurement of equipment to support modularity:	
Light-medium trucks (25 percent compatibility)	306
Medium tractors (50 percent compatibility)	305
Night vision systems	
Chemical/biological/radiological detection/alarm systems	8
Medical Equipment	3
Sustainment:	
Sustainment of depot maintenance levels	
Recapitalization of tactical truck inventory	
Army Reserve tactical maintenance contract labor to reduce mobilization and training equipment backlogs	

AIR FORCE RESERVE EQUIPMENT PRIORITIES

ROA continues to support military aircraft Multi-Year Procurement (MYP) for more C-17s and more C-130Js for USAF. The Air Force Reserve (AFR) is working to continue as an interoperable member of the Total Air Force to support mission requirements of the joint warfighter. To achieve interoperability in the future, the Air Force Reserve top five priorities for "Other Equipment" are:

C-5A Airlift Defensive System (ADS)—\$11,800,000

Install ADS systems onto AFRC C-5As at Lackland and Wright-Patterson AFBs where current aircraft do not have defense systems against IR threats.

Large Aircraft Infrared Countermeasures (LAIRCM)—\$228,500,000

Program of record for Mobility Air Forces (MAF) aircraft. The system increases crew-warning time, decreases false alarm rates and automatically counters advanced infrared missile systems. The missile warning subsystem will use multiple sensors to provide full spatial coverage for C-5B, C-17, C-130 H2/H3/J and HC-130s.

Advanced Threat Warning/Targeting System (ALR-69A-V) for F-16B30/32—\$18,800,000

Program of record for MAF and Air Force Special Operations Forces. The world's first all-digital radar warning receiver (RWR), the ALR-69A(V) features capabilities previously unattainable in a tactical RWR: suppression of enemy air defenses, easy cross-platform integration, and enhanced spectral and spatial coverage for high-sensitivity detection in dense signal environments.

Low Power Color Radar (AN/APN-241) for C-130—\$21,000,000

Program of record for C-130 Avionics Modernization Program. Radar capabilities include high-resolution ground mapping that enables accurate low-level navigation and precision aerial drops.

Enhanced Traffic Alert and Collision Avoidance System (ETCAS) for MC-130—\$14,600,000

Install ETCAS (APN-241) all weather, color radar on MC-130s.

NAVY RESERVE EQUIPMENT PRIORITIES

Naval Coastal Warfare Table of Allowance Equipment—\$24,300,000

Replacements of over-aged and unreliable tactical vehicles, CSCE and communications equipment are needed to improve operational support of Combatant Commanders.

Explosive Ordnance Disposal Table of Allowance Equipment—\$2,400,000

Explosive Ordnance Disposal (EOD) Reserve personnel require dive and protective gear, up-armored vehicles, boats and communications gear to improve operational support of Combatant Commanders.

NCF Tactical Vehicles and Support Equipment—\$30,100,000

Tactical vehicles, CESE and communications equipment are needed to improve operational support of Combatant Commanders.

C-40 A Combo cargo/passenger Airlift—\$75,000,000

The Navy requires a Navy Unique Fleet Essential Airlift Replacement Aircraft. This aircraft was designated as the C-40A and will replace the aging C-9 fleet. The maximum range for the C-40A is approximately 1,500 miles more than the C-9.

The C-40A, a derivative of the 737-700C is a Federal Aviation Administration (FAA) certified, high performance, fixed wing aircraft that will accommodate 121 passengers, or eight pallets of cargo (40,000 lbs), or a combination configuration consisting of 3 pallets and 70 passengers. The Navy's aging C-9 fleet is not compliant with either future global navigation requirements or noise abatement standards that restrict flights into European airfields. Twenty-two aircraft remain to be replaced.

MARINE CORPS RESERVE EQUIPMENT PRIORITIES

[In millions of dollars]

Equipment	Amount
Field Medical Equipment (FFME)	3.5
Shelter and Tents (Command Post Large Tactical Shelter)	2.2
Shelters and Tents (Ultra Lightweight Camouflage Net System)	5.3
Individual First Aid Kit (IFAK)	3.5
Infantry Combat Equipment (ICE)	11.7
Portable Tent Lighting	3.5

NATIONAL GUARD AND RESERVE EQUIPMENT ALLOWANCE

Prior to 1997, the National Guard and Reserve Equipment Appropriation was a critical resource to ensure adequate funding for new equipment for the Reserve Components. The much-needed items not funded by the respective service budget were frequently purchased through this appropriation. In some cases it was used to bring unit equipment readiness to a needed state for mobilization.

With the war, the Reserve and Guard are faced with mounting challenges on how to replace worn out equipment, equipment lost due to combat operations, legacy equipment that is becoming irrelevant or obsolete, and in general replacing that which is gone or aging through normal wear and tear. In the past, the use of "cascading" equipment from the Active Component to the Reserve Component has been

a reliable source of serviceable equipment. However, with the changes in roles and missions that have placed a preponderance of combat support and combat service support in the reserve components, there has not been much left to cascade. Funding levels, rising costs, lack of replacement parts for older equipment, etc. has made it difficult for the Reserve Components to maintain their aging equipment, not to mention modernizing and recapitalizing to support a viable legacy force. The Reserve Components would benefit greatly from a National Military Resource Strategy that includes a National Guard and Reserve Equipment Appropriation.

To optimize the readiness of the Guard and Reserve it is also imperative to maintain separate Reserve funds from the Active duty.

Recruiting and Retention

The Reserve Officers Association would like to thank this committee for its support with funding recruiting and reenlistment bonuses for both the Active and Reserve.

Army Reserve

As combat operations in Iraq and Afghanistan become "stability" operations, it is expected that the Army Reserve and National Guard will make up 50 percent or more of the force. Both the Active Component and the Reserve Component will move to a rotational plan that will provide both predictability and stability for soldiers. Recruiting and retention bonuses are helping meet these requirements. The Army Reserve needs to fully fund their bonus program with \$332 million and increase AGR recruiter positions with funding to \$59.1 million.

Navy Reserve

In March, the Navy Reserve recruited 757 sailors, 87 percent of its goal. While the Navy's Reserve is downsizing to reach the new end-strengths set by Congress of 73,100 from 83,400. There still remains a need to recruit. The enlistment bonus program supports the Navy's emerging human capital strategy. It enables the Navy to enlist personnel with the right skill and education mix to meet the needs of the force.

Air Force Reserve

In a 10-year period the Air Force Reserve went from accessing 50,507 prior service members in 1992 to 14,950 in 2005. This has meant increased funding of \$20.4 million for recruiting of non-prior service personnel to meet recruitment quotas.

It can take from 1 to 2 years before an individual can perform military duty somewhat independently. Each year for the past 5 years, AF Reserve has enhanced its advertising effort due to the need to compete in the demographic pool with the Active and National Guard recruiters. The recruiting competition will be stiffer and the advertising dollar will produce less results.

ROA recommends supporting bonus incentives and reverse cost avoidance reduction trends that cut the reserve personnel and technician accounts.

CIOR/CIOMR FUNDING REQUEST

The Interallied Confederation of Reserve Officers (CIOR) was founded in 1948, and its affiliate organization, The Interallied Confederation of Medical Reserve Officers (CIOMR) was founded in 1947. The organization is a nonpolitical, independent confederation of national reserve associations of the signatory countries of the North Atlantic Treaty (NATO). Presently there are 16 member delegations representing over 800,000 reserve officers.

CIOR is recognized as the representative of NATO's Reserve Forces, formalized in 1976. An International Staff Liaison Officer is designated and has, on behalf of the NATO Secretary General, responsibility for formal contacts between NATO and CIOR and for providing political advice. A Reserve Affairs Advisor has been appointed at Supreme Headquarters Allied Powers Europe (SHAPE). This officer's principle duties include liaison with CIOR for Allied Command Europe (ACE).

CIOR supports four programs to improve professional development and international understanding.

Military Competition.—The CIOR Military Competition is a strenuous 3 day contest on warfighting skills among Reserve Officers teams from member countries. These contests emphasize combined and joint military actions relevant to the multinational aspects of current and future Alliance operations.

Language Academy.—The two official languages of NATO are English and French. As a non-government body, operating on a limited budget, it is not in a position to afford the expense of providing simultaneous translation services. The Academy offers intensive courses in English and French at proficiency levels 1, 2 and 3 as specified by NATO Military Agency for Standardization. The Language Academy affords

national junior officer members the opportunity to become fluent in English as a second language.

Partnership for Peace (PfP).—Established by CIOR Executive Committee in 1994 with the focus of assisting NATO PfP nations with the development of reserve officer and enlisted organizations according to democratic principles. CIOR's PfP Committee, fully supports the development of civil-military relationships and respect for democratic ideals within PfP nations. CIOR PfP Committee also assists in the invitation process to participating countries in the Military Competition.

Young Reserve Officers Workshop.—The workshops are arranged annually by the NATO International Staff (IS). Selected issues are assigned to joint seminars through the CIOR Defense and Security Issues (SECDEF) Commission. Junior grade officers work in a joint seminar environment to analyze Reserve concerns relevant to NATO.

Dues do not cover the workshops and individual countries help fund the events. The Department of the Army as Executive Agent hasn't been funding these programs.

ROA LAW CENTER

It was suggested that ROA could incorporate some federal military offices, such as recruiting offices, into the newly remodeled ROA Minuteman Memorial building. ROA would be willing to work with this committee on any suggestion.

The Reserve Officers Association's recommendation would be to develop a Servicemembers Law Center, advising Active and Reserve servicemembers who have been subject to legal problems that occur during deployment.

A legal center would help encourage new members to join the Active, Guard and Reserve components by providing a non-affiliation service to educate prior service about USERRA and Servicemember Civil Relief Act (SCRA) protections, and other legal issues. It would help retention as a member of the staff could work with Active and Reserve Component members to counsel those who are preparing to deploy, deployed or recently deployed members facing legal problems.

The Legal Center could advise, refer by providing names of attorneys who work related legal issues and amicus curiae briefs, encourage law firms to represent service members, and educate and training lawyers, especially active and reserve judge advocates on servicemember protection cases. The center could also be a resource to Congress.

ROA would set-aside office spaces. ROA's Defense Education Fund would hire an initial staff of one lawyer, and one administrative law clerk to man the Servicemembers Law Center to counsel individuals and their legal representatives.

Anticipated startup cost, first year: \$750,000.

CONCLUSION

DOD is in the middle of executing a war and operations in Iraq are directly associated with this effort. The impact of the war is affecting the very nature of the Guard and Reserve, not just the execution of roles and missions. Without adequate funding, the Guard and Reserve may be viewed as a source to provide fund to the Active Component. It makes sense to fully fund the most cost efficient components of the Total Force, its Reserve Components.

At a time of war, we are expending the smallest percentage of GDP in history on National Defense. Funding now reflects about 3.8 percent of GDP. ROA has a resolution urging that defense spending should be 5 percent to cover both the war and homeland security. While these are big dollars, the President and Congress must understand that this type of investment is what it will take to equip, train and maintain an all-volunteer force for adequate national security.

The Reserve Officers Association, again, would like to thank the subcommittee for the opportunity to present our testimony. We are looking forward to working with you, and supporting your efforts in any way that we can.

Senator INOUE. Our next witness is Dr. Gene E. Feigel, President of the American Society of Mechanical Engineers. Welcome, doctor.

Dr. FEIGEL. Thank you.

STATEMENT OF GENE E. FEIGEL, Ph.D., PRESIDENT, AMERICAN SOCIETY OF MECHANICAL ENGINEERS (ASME)

Dr. FEIGEL. Good morning, Mr. Chairman. My name is Gene Feigel. I'm President of ASME, a 120,000 member professional or-

ganization focused on technical, educational, and research issues of importance to the engineering community.

Engineers are a major portion of this Nation's technology base, a base that is essential for our defense and our economic vitality. We appreciate the opportunity to present our views on the DOD's science and technology programs, the S&T programs, which include basic and applied research, and advanced technology development programs at DOD.

I want to specifically thank this subcommittee and especially you, Mr. Chairman, for the past and ongoing support you've shown for the defense S&T programs.

The President's fiscal year 2007 budget request for defense S&T is \$11 billion, which is \$2 billion less than the fiscal 2006 appropriated amount of \$13 billion, representing a steep 16 percent reduction.

The 2001 Quadrennial Defense Review (QDR), the Defense Science Board, as well as senior Defense Department officials and commanders from the Air Force, Army, and Navy, have voiced strong support for the future allocation of at least 3 percent of the overall DOD budget for S&T programs. The fiscal 2007 request if implemented would represent a significantly reduced investment in defense S&T.

We strongly urge this subcommittee to consider additional resources to maintain at least stable funding in the S&T funding portion of the DOD budget. At a minimum, \$13.2 billion, or approximately \$2.1 billion above the President's request, is required to meet the 3 percent of total obligation authority guideline set in the 2001 QDR, and is also supported by many members of Congress.

We also urge this subcommittee to support the university research initiative by restoring funds for the program to the fiscal 2006 level of \$272 million for the forthcoming budget. A recent study by the National Academy of Sciences entitled, "Rising Above the Gathering Storm; Energizing and Employing America for a Brighter Economic Future," evaluated the position of the United States in several critical measures of technology, education, innovation, and high-skilled workforce development. While the report indicated that the United States maintains a slight lead in research and discovery, the academy committee observed that it is, quotes, "deeply concerned that the scientific and technological building blocks critical to our economic leadership are eroding at a time when many other nations are gaining strength."

Proper attention should be given to the vital role that DOD S&T programs play in meeting this challenge. Study after study has linked over 50 percent of our economic growth over the past 50 years to technological innovation. The "Gathering Storm" report places special emphasis on information sciences and basic research conducted by the DOD, because of its large influence on technological innovation and workforce development.

The DOD funds 40 percent of all engineering research performed at our universities. The technological superiority of our young men and women in the services and in the campaigns waged in Afghanistan and Iraq is a direct result of investments made in S&T several decades ago.

Moreover, this research is truly dual-use. As well as directly being critical to national security, it is critical to educating new generations of scientists and engineers.

Thank you for the opportunity to present our views on this very important subject.

Senator INOUE. Thank you very much, Dr. Feigel.

[The statement follows:]

PREPARED STATEMENT OF GENE E. FEIGEL, PH.D.

INTRODUCTION

Greetings Mr. Chairman, ranking member, and Members of the committee. My name is Gene Feigel and I am honored to be here as the President of the American Society of Mechanical Engineers (ASME) to share our perspectives on the fiscal year 2007 budget request for the Research, Development, Test and Evaluation (RDT&E) and the Science and Technology (S&T) portion of the Department of Defense budget request.

With 120,000 members, ASME is a worldwide engineering society focused on technical, educational and research issues. It conducts one of the world's largest technical publishing operations, holds approximately 30 technical conferences and 200 professional development courses each year, and sets many industry and manufacturing standards. This testimony represents the considered judgment of experts from universities, industry, and members from the engineering and scientific community who contribute their time and expertise to evaluate the budgets requests and legislative initiatives the DOD sends to Congress.

Our testimony addresses three (3) primary funding areas: overall Engineering (RDT&E); Science and Technology (S&T); and the University Research Initiative (URI). Our testimony also outlines the consequences of inadequate funding for defense research. These include a degraded competitive position in developing advanced military technology versus potential peer competitors, which could harm the United States' global economic and military leadership.

The fiscal year 2007 request, if implemented, would represent a significantly reduced investment in Defense S&T. We strongly urge this committee to consider additional resources to maintain stable funding in the S&T portion of the DOD budget. At a minimum, \$13.2 billion, or about \$2.1 billion above the President's request is required to meet the 3 percent of Total Obligational Authority (TOA) guideline set in the 2001 Quadrennial Defense Review and by Congress.

DOD REQUEST FOR RDT&E

The administration requested \$73.156 billion for the Research, Development, Test and Evaluation (RDT&E) portion of the fiscal year 2007 DOD budget. These resources are used mostly for developing, demonstrating, and testing weapon systems, such as fighter aircraft, satellites, and warships. This amount represents growth from last year's appropriated amount of \$71.046 billion of about 3.0 percent. Therefore, when adjusted for inflation, this represents a reduction of about 0.8 percent in real terms. Funds for Operational Test and Evaluation (OT&E) function remain low, where the proposed funding of \$182 million is little more than half of the 2005 appropriated amount of \$310 million. The OT&E organization and the testing it conducts was mandated by Congress, and is intended to insure that weapon systems are thoroughly tested so that they are effective and safe for our troops.

While this testimony focuses on the fiscal year 2007 budget, the task force notes that the last multi-year spending plan from 2006, as provided in the Future Years Defense Program (FYDP), generally shows reduced spending in RDT&E accounts over the next 5 years, with spending in fiscal year 2011 being just \$59.7 billion, or a 18.4 percent reduction from current levels. This reduced spending in R&D is inconsistent with the goal of developing new systems with advanced capabilities that support military transformation.

DOD REQUEST FOR SCIENCE AND TECHNOLOGY

The fiscal year 2007 budget request for Defense Science and Technology (S&T) is \$11.083 billion, which is \$2.11 billion less than the fiscal year 2006 appropriated amount of \$13.191 and represents a 16 percent reduction. The S&T portion of overall DOD spending of \$439 billion would remain at 2.5 percent. The 2001 Quadrennial Defense Review (QDR), the Defense Science Board (DSB), as well as senior Defense Department officials and commanders from the Air Force, Army, and Navy

have voiced strong support for the future allocation of at least three (3) percent for S&T programs. Clearly, this budget request is inadequate to meet the country's need for robust S&T funding.

A relatively small fraction of the RDT&E budget is allocated for S&T programs. While the fiscal year 2007 S&T request represents only about 15 percent of the RDT&E total, these accounts support all of the new knowledge creation, invention and technology developments for the military. Funds for Basic Research (6.1), Applied Research (6.2), and Advanced Technology Development (6.3) and all categories are programmed for significant funding reductions.

Basic Research (6.1) accounts would decrease from \$1.47 billion to \$1.43 billion, a 2.7 percent decline. While basic research accounts comprise only a small percentage over all RDT&E funds, the programs that these accounts support are critically important to fundamental, scientific advances and for maintaining a highly skilled science and engineering workforce.

Basic research accounts are used mostly to support science and engineering research and graduate, technical education at universities in all 50 States. Almost all of the current high-technology weapon systems, from laser-guided, precision weapons, to the global positioning satellite (GPS) system, have their origin in fundamental discoveries generated in these basic research programs. Proper investments in basic research are needed now, so that the fundamental scientific results will be available to create innovative solutions for future defense challenges. In addition, many of the technical leaders in corporations and government laboratories that are developing current weapon systems, such as the F-22 and Joint Strike Fighter, were educated under basic research programs funded by DOD. Failure to invest sufficient resources in basic, defense-oriented research will reduce innovation and weaken the future scientific and engineering workforce. The Task Force recommends that Basic Research (6.1) be funded at a minimum level of \$1.7 billion.

Applied Research (6.2) would be reduced from \$5.17 billion to \$4.48 billion, a 13 percent reduction. The programs supported by these accounts apply basic scientific knowledge, often phenomena discovered under the basic research programs, to important defense needs. Applied research programs may involve laboratory proof-of-concept and are generally conducted at universities, government laboratories, or by small businesses. Many of the successful demonstrations led to the creation of small companies, like the Small Business Innovative Research (SBIR) programs. Some devices created in these defense technology programs have dual use, such as GPS, and the commercial market far exceeds the defense market. However, without initial support by Defense Applied Research funds, many of these companies would not exist. Failure to properly invest in applied research would prevent stifle a key source of technological development and stunt the creation and growth of small entrepreneurial companies.

The largest reduction would occur in Advanced Technology Development (6.3), which would experience a 21.5 percent decline, from \$6.603 billion to \$5.183 billion. These resources support programs that ready technology to be transitioned into weapon systems. Without the real system level demonstrations funded by these accounts, companies are reluctant to incorporate new technologies into weapon systems programs.

The individual service's S&T accounts reflect the general trend of large reductions described above. However the largest reductions are in the Army's accounts, where Basic Research would be cut by 16.2 percent, Applied Research by 45.2 percent, and Advanced Technology Development by 48.0 percent. The only major S&T components with increases are "Defense-Wide" Basic Research (6.1) and Applied Research (6.2) where 9.1 percent and 6.5 percent increases are proposed respectively. We strongly support these increases, especially the 10.6 percent boost in the Defense Advanced Research Project Agency (DARPA) to \$3.3 billion.

DOD REQUEST FOR THE UNIVERSITY RESEARCH INITIATIVE (URI)

The University Research Initiative (URI) supports graduate education in Mathematics, Science, and Engineering and would see a \$23 million decrease from \$272 million to \$249 million in fiscal year 2007 next year, a 3.2 percent reduction. Sufficient funding for the URI is critical to educating the next generation of engineers and scientist for the defense industry. Since the URI programs were devolved, the services have not given a high priority to these programs. A lag in program funds will have a serious long-term negative consequence on our ability to develop a highly skilled scientific and engineering workforce to build weapons systems for years to come. While DOD has enormous current commitments, these pressing needs should not be allowed to squeeze out the small but very important investments re-

quired to create the next generation of highly skilled technical workers for the American defense industry. This would be shortsighted.

REDUCED S&T FUNDING THREATENS AMERICA'S NATIONAL SECURITY

Since World War II the United States has led the world in science, innovation, and defense technology. However, this lead is quickly eroding and within the next few years may be substantially reduced or may completely evaporate in some areas. A recent study performed by the National Academy of Sciences, entitled "Rising Above the Gathering Storm: Energy and Employing America for a Brighter Economic Future," evaluated the position of the United States in several critical measures of technology, education, innovation, and high skilled workforce development. While the report indicated that the U.S. maintains a slight lead in research and discovery, the committee states that it is "deeply concerned that the scientific and technological building blocks critical to our economic leadership are eroding at a time when many other nations are gaining strength." Proper attention should be given to the vital role that DOD S&T programs play in meeting this challenge.

S&T have played a historic role in creating an innovative economy and a highly skilled workforce. Study after study has linked over 50 percent of our economic growth over the past 50 years to technological innovation. The "Gathering Storm" report places a "special emphasis on information sciences and basic research" conducted by the DOD because of large influence on technological innovation and workforce development. The DOD, for example, funds 40 percent of all engineering research performed at our universities. U.S. economic leadership depends on the S&T programs that support the Nation's defense base, promote technological superiority in weapons systems, and educate new generations of sciences and engineers.

Prudent investments also directly affect U.S. national security. There is a general belief among defense strategists that the United States must have the industrial base to develop and produce the military systems required for national defense. Many Members of Congress also hold this view. A number of disconcerting trends, such as outsourcing of engineering activities and low participation of U.S. students in science and engineering, threaten to create a critical shortage of the native, skilled, scientific and engineering work force is required. Programs that boost the available number of highly educated workers who reside in the United States are important to stem our growing reliance on foreign nations, including potentially hostile ones, to fill the ranks of our defense industries and to ensure that we continue to produce the innovative, effective defense systems of the future.

RECOMMENDATIONS

In conclusion, we thank the subcommittee for its ongoing support of Defense S&T. This committee appreciates the difficult choices that Congress must make in this tight budgetary environment. We believe, however, that there are critical shortages in the DOD S&T areas, particularly in those that support in basic research and technical education that are critical to U.S. military and economic leadership.

The Task Force recommends the following:

- We urge this subcommittee to support an appropriation of \$13.2 billion for S&T programs, which is 3 percent of the overall fiscal year 2007 DOD budget. This request is consistent with recommendations contained in the 2001 Quadrennial Defense Review and made by the Defense Science Board (DSB), as well as senior Defense Department officials and commanders from the Air Force, Army, and Navy, who have voiced support for the future allocation of 3 percent as a worthy benchmark for science and technology programs.
- We also recommend that the subcommittee support the University Research Initiative by restoring funds for the program to the fiscal year 2006 level of \$272 million to the URI program for fiscal year 2007. A strong investment in advanced technical education will allow the Nation's armed services to draw from a large pool of highly-skilled, native-born workers for its science and engineering endeavors.

ASME International is a non-profit technical and educational organization with 125,000 members worldwide. The Society's members work in all sectors of the economy, including industry, academic, and government. This statement represents the views of the ASME Department of Defense Task Force of ASME's Technical Communities and is not necessarily a position of ASME as a whole.

Senator INOUE. Our next witness is Command Chief Master Sergeant Mark H. Olanoff, United States Air Force, retired, representing the Armed Forces Top Enlisted Association.

STATEMENT OF COMMAND CHIEF MASTER SERGEANT MARK H. OLANOFF, UNITED STATES AIR FORCE (RETIRED), ON BEHALF OF THE ARMED FORCES TOP ENLISTED ASSOCIATION

Sergeant OLANOFF. Good morning, Senator Inouye.

Senator INOUE. Good morning, sir.

Sergeant OLANOFF. It is nice to see you again. Thank you for everything that you've done for us in the past. And we know sometimes that we are preaching to the choir to you and Senator Stevens, because you've both done so much for us. I know time is short. There were comments earlier about the issues that we have to deal with—with the authorization committee, and we realize that, and you know that we brought up the issues here to you about the survivor benefits and the increases in retirement pay, the TRICARE problems, and those things.

But there is one thing from a standpoint of appropriations that I think that is interesting. I've put it in my full statement, but I want to read you a portion of what the Government Accountability Office (GAO) said about ways to increase collections for health care for DOD, which is very similar to what the Department of Veterans Affairs can do. GAO says that: "DOD's failure to effectively bill and collect from third-party insurers in effect reduces the amount third-party private sector insurance companies must pay out in benefits and unnecessarily add to DOD's increasing health care budget financed by taxpayers. While DOD has limited control over the burgeoning cost of providing health care benefits to DOD retirees and their dependents, and active duty dependents, DOD has an opportunity to offset the impact of its rising health care costs by collecting amounts due from its third-party collection program."

Now you know, Senator, that the Defense Department has proposed that military retirees pay more, and both the House and the Senate have rejected that. However, they haven't put the funding back into place, and it is about \$735 million that needs to be funded.

But overall, there is an imbalance between the discretionary funding and the mandatory funding; the operational cost and the personnel cost. And many of us have come before you over the years here, many of the associations, to bring this up. And we realize that although the authorization committees have to do things, we bring these things to your attention because many of us get to come here, and unfortunately the Armed Services Committee hearings are very limited. So we ask you to fully fund health care, and to look at all these other programs that we talk about in our statements, although we realize that the authorization committees have to do some things.

The last issue I want to talk about is the Reserve component. You just heard a little bit of testimony about that. In the President's budget, he has asked to cut the Reserve components by 22,800 people, specifically the Army National Guard by 17,100. And as someone who's very familiar with the Guard and Reserve, I find it very unbelievable that the Secretary of Defense and others come before these committees and ask you, and explain to you that the Guard and Reserve need to do more, but now we want to propose cuts in their manning. It just doesn't make a whole lot of sense.

And as you know, the National Guard is going to be supporting a mission to go to the border. And although the Secretary of Defense testified to you last week and said that most of that is going to be done through annual training tours, that can only be sustained for a very limited period of time.

So I realize time is short, and I have provided detailed explanation in my written statement, and hopefully the subcommittee will do what they can this year to support the programs. Thank you, Senator Inouye.

Senator INOUE. I can assure you that we will study your proposal very carefully, because we are concerned about the cutback.

Sergeant OLANOFF. Thank you, Senator Inouye.

[The statement follows:]

PREPARED STATEMENT OF MARK H. OLANOFF

AFTEA MISSION

The AFTEA mission is to advocate a strong national defense that will protect the security of the United States. We support a defense budget that will provide modern and sufficient equipment so that our military personnel can safely and effectively accomplish their mission.

We seek to educate the public and Members of Congress about the uniformed services and their most important asset, its people.

We promote improved quality-of-life and economic fairness that will support the well-being of the men and women of America's Uniformed Services and their families. We give voice to members' concerns about military pay, health care, pension and disability, survivor benefits, education, housing, child care, and other quality-of-life programs.

The Armed Forces Top Enlisted Association is a non-profit 501C(19) veteran's organization, representing the professional and personal interests of Active Duty and retired men and women of America's Uniformed Services, National Guard and Reserve. Members in AFTEA are Sergeant Majors, Master Chief Petty Officers, Master Gunnery Sergeants, and Chief Master Sergeants from all branches of the Uniformed Services: Army, Navy, Air Force, Marine Corp, and Coast Guard. We are unique in that each member must have either retired as or currently hold the grade of E-9.

Mr. Chairman and distinguished Members of the subcommittee: On behalf of our National President, Command Sergeant Major Albert G. Ybanez, USA (Ret), we are grateful to the subcommittee for this opportunity to express our views concerning the fiscal year 2007 Department of Defense budget as it relates to issues affecting the uniformed service community.

IMBALANCE BETWEEN OPERATIONAL AND PERSONNEL COSTS

Our National President recently said: "Faced with a budget that forced choices between costly weapons systems, first envisioned for war against the Soviets, and ground troops to fight wars like those in Afghanistan and Iraq, the Pentagon went for hardware. The 2007 budget gives hardware higher priority than men and women in uniform."

This budget proposes sharp increases in health care costs (enrollment fees, co-payments and deductibles) for the men and women of the armed services who served a career for their Nation, and are not yet eligible for TRICARE for Life (TFL). Further, this budget proposes increases in health care costs for those currently serving in reserve components. With the Nation at war, this is not the time to increase fees and co-payments for those who are currently serving and those who have served.

Over the past years, Congress has significantly improved pay for the men and women serving on Active Duty and in the Reserve Components. Also, Congress has improved benefits for those who have served, including significant progress in receipt of retired pay for those with service-connected disabilities, full commissary benefits for grey-area reserve retirees, and increased survivor benefits for widows and widowers of military retirees.

Yet, senior Defense Department officials have publicly stated in numerous newspaper "op-eds" and in testimony before committees of the Congress that these increased benefits are a "drain on the defense budget."

Pentagon officials told the Senate Armed Services Subcommittee on Personnel that "... a rich benefits package, coupled with expanded retiree coverage, has

thrust the Pentagon into the same financial predicament that is threatening the profitability of such major companies as General Motors Corp.” Dr. William Winkenwerder Jr., Assistant Secretary of Defense for Health Affairs, told the subcommittee “. . . the facts show that our expansion of health benefits, such as those for our senior retirees, underlies the growth, and that growth could put today’s operations and sustainability at risk.” He went on to say “. . . caring for military retirees is the principle underlying factor of the rising costs.”

DOD has also convinced the Joint Chiefs of Staff to endorse these fee increases, saying the budget savings are needed to help fund weapons and other needs. Only a few years ago, then chairman of the Joint Chiefs General Shelton told the Congress that the Nation had a moral obligation to those who served their Nation and are now retired.

So if the budget savings from these sharply higher costs to the men and women who served our Nation are needed to help fund weapons and other needs, let’s take a look at DOD’s track record of defense acquisitions according to the Government Accountability office (GAO).

According to the Government Accountability Office (GAO), GAO–06–391, *Defense Acquisitions: Assessments of Selected Major Weapon Programs*, dated March 31, 2006, “In the last 5 years, the Department of Defense has doubled its planned investments in new weapon systems from about \$700 billion in 2001 to nearly \$1.4 trillion in 2006”. Further, GAO states “GAO’s reviews over the past 30 years have found consistent problems with weapon acquisitions such as cost increases, schedule delays and performance shortfalls”. GAO also states “DOD often exceeds development cost estimates by approximately 30 to 40 percent and experiences cuts in planned quantities, missed deadlines, and performance shortfalls. Such difficulties, absent definitive and effective reform outcomes, are likely to cause great turmoil in a budget environment in which there are growing fiscal imbalances as well as increasing conflict over increasingly limited resources”.

On April 14, 2006 the GAO reported again, GAO–06–368, *Defense Acquisitions: Major Weapon Systems Continue to Experience Cost and Schedule Problems under DOD’s Revised Policy*. GAO states “The Department of Defense (DOD) is planning to invest \$1.3 trillion between 2005 and 2009 in researching, developing, and procuring major weapon systems. How DOD manages this investment has been a matter of congressional concern for years. Numerous programs have been marked by cost overruns, schedule delays, and reduced performance. Over the past 3 decades, DOD’s acquisition environment has undergone many changes aimed at curbing cost, schedule, and other problems. In order to determine if the policy DOD put in place is achieving its intended goals, we assessed the outcomes of major weapons development programs initiated under the revised policy. Additionally, we assessed whether the policy’s knowledge-based, evolutionary principles are being effectively implemented, and whether effective controls and specific criteria are in place and being used to make sound investment decisions. Changes made in DOD’s acquisition policy over the past 5 years have not eliminated cost and schedule problems for major weapons development programs. Of the 23 major programs we assessed, 10 are already expecting development cost overruns greater than 30 percent or have delayed the delivery of initial operational capability to the warfighter by at least 1 year. The overall impact of these costly conditions is a reduction in the value of DOD’s defense dollars and a lower return on investment. Poor execution of the revised acquisition policy is a major cause of DOD’s continued problems. DOD frequently bypasses key steps of the knowledge-based process outlined in the policy, falls short of attaining key knowledge, and continues to pursue revolutionary—rather than evolutionary or incremental—advances in capability. Nearly 80 percent of the programs GAO reviewed did not fully follow the knowledge-based process to develop a sound business case before committing to system development. Most of the programs we reviewed started system development with immature technologies, and half of the programs that have held design reviews did so before achieving a high level of design maturity. These practices increase the likelihood that problems will be discovered late in development when they are more costly to address. Furthermore, DOD’s continued pursuit of revolutionary leaps in capability also runs counter to the policy’s guidance. DOD has not closed all of the gaps in the policy that GAO identified nearly 3 years ago, particularly with regard to adding controls and criteria. Effective controls require decision makers to measure progress against specific criteria and ensure that managers capture key knowledge before moving to the next acquisition phase. However, DOD’s policy continues to allow managers to approach major investment decisions with many unknowns. Without effective controls that require program officials to satisfy specific criteria, it is difficult to hold decision makers or program managers accountable to cost and schedule targets. In this environment, decision-making transparency is crucial, but DOD is lacking in this area as well.

It appears to us that the country (and the tax payers) would be best served by the Defense Department “cleaning up” its acquisition policies and practices, and stop trying to balance their budget on the backs of the uniformed services men and women who serve and have served. A record budget that focuses more on modernization than people programs is forgetting that it is people who make the military run.

AFTEA was unable to find any GAO reports about planned investments in “people programs”.

AFTEA recommends an oversight hearing to include a complete review of the issues of entitlement and discretionary spending for the Department of Defense.

DOD HEALTH CARE

Over the past few years, Congress has recognized the contributions of the men and women in the armed services who served a career for their Nation, and then retired. One important recognition is now referred to as TRICARE for Life (TFL).

Now, the administration has proposed sharp increases in enrollment fees, co-payments and deductibles for those who have retired and are not yet eligible for TFL, specifically those under the age of 65. We view the Defense Department’s proposal as a “roll-back” in the health care benefit that career military men and women earned.

A great deal of the Pentagon’s concern over rising health care costs involves the nearly \$9 billion annual deposit to the Medicare-Eligible Retiree Health Care Fund that the administration wrongly counts against the defense budget.

Two years ago, when Defense leaders said the administration was making them take this deposit “out of hide” at the expense of other Defense programs, the Armed Services Committees acted to change the law to shift that deposit from the Defense budget to the U.S. Treasury budget. The clear intent was that TFL expenses were not to come at the expense of other readiness needs. Congress passed that provision as part of the fiscal year 2005 Defense Authorization Act (Public Law 108-375). Section 725 provided revised funding methodology for military retiree health care benefits. Section 1116 of title 10, United States Code was amended. Section 1116(a) states: “At the beginning of each fiscal year after September 30, 2005, the Secretary of Treasury shall promptly pay into the Fund from the General Treasury”. Subsections (1) and (2) provide for how the amount is determined. This section deals with the accrual amount for military retiree health care for those using TRICARE for Life.

But the Office of Management and Budget has since worked against the clear letter of the law and has continued to charge the deposit against the defense budget. That’s why the administration has wrongly forced the Joint Chiefs of Staff to choose between retiree health funding and weapons programs.

The fiscal year 2007 NDAA that was marked-up by the House Armed Services Committee includes a provision (section 589) to correct this error. Section 589(b) states “No funds authorized or appropriated to the Department of Defense may be used to fund, or otherwise provide for, the payments required by this section”.

The President’s budget request for the Office of Personnel Management (OPM) for fiscal year 2007 includes funding for the government’s share of the cost of health insurance for annuitants, which includes retirees (Title 5, USC 8901, subsection 3A). This section also covers Members of Congress and the President. The funding requested for fiscal year 2007 is \$8.78 billion.

AFTEA urges the subcommittee to:

- Fully fund DOD’s health care account.

- Appropriate the costs for military health care similar to federal civilians and retirees enrolled in the Federal Employee Health Benefits Plan (FEHBP). Provide the accrual funding for TRICARE For Life and the deposit to the Medicare-Eligible Retiree Health Care Fund by the Treasury, and not the Department of Defense.

- Direct report language that specifically prohibits the Department of Defense from raising any TRICARE co-payments or enrollment fees to include TRICARE Prime, TRICARE Extra, TRICARE Standard, TRICARE for Life, TRICARE Reserve Select, TRICARE Dental and TRICARE Prescriptions in fiscal year 2007.

On February 20, 2004, the General Accounting Office (now Government Accountability Office), sent a report to the House Subcommittee on National Security, Emerging Threats and International Relations, Subject: Military Treatment Facilities: Improvements Needed to Increase DOD Third-Party Collections. On page 2 under “Results in Brief”, GAO stated “Based on our previous audit work and our analysis or reports issued by military service auditors, conservatively, tens of millions of dollars are not being collected each year because key information required

to effectively bill and collect from third-party insurers is often not properly collected, recorded, or used by MTFs. DOD's failure to effectively bill and collect from third-party insurers, in effect, reduces the amount third-party private sector insurance companies must pay out in benefits and unnecessarily adds to DOD's increasing health care budget—financed by taxpayers. While DOD has limited control over the burgeoning cost of providing health care benefits to DOD retirees and their dependents and active duty dependents, DOD has an opportunity to offset the impact of its rising health care costs by collecting amounts due from its Third Party Collection Program.”

AFTEA urges the subcommittee to:

- Direct DOD to improve its collection of third-party insurance as recommended by the GAO.
- Support the House Armed Services Committee version of the fiscal year 2007 NDAA that directs a complete study of DOD's Healthcare system.

CONCLUSION

AFTEA is very concerned about the imbalance between “operational” and “personnel” costs. We are also concerned that DOD has proposed shifting greater health care costs to beneficiaries to help fund weapons and other hardware needs.

Defense Department officials would have the public believe that the growth in personnel costs, particularly for health care and retiree and survivor entitlements, is impacting on the military funding needed to carry out the Nation's wartime mission. They have complained about the cost of TRICARE for Life, concurrent receipt, SBP, and argued that these and other recent improvements in military and retirement benefits are unwarranted and will somehow bankrupt the defense budget.

We believe that argument by the DOD to be false. Instead of balancing the budget on the backs of the men and women who serve and have served, our leaders should be honestly considering the requisite level of defense funding during this time of war. They must realize that defending the Nation costs money and the cost goes up with demand during wartime.

This is a Nation of enormous wealth and it has not been the American tradition since the Civil War to spend, in support of war, with the intensity of war itself. Health care and other personnel costs are an ongoing cost of war. The administration and Congress need to adequately fund the war in all its dimensions, and mobilize and unit the country for the effort, and share in the sacrifice. However we fight the war, and whatever combination of military and nonmilitary means we use to win it, the war effort depends on the ability of the country to muster the needed resources and political will to pay for it.

AFTEA is very grateful for this opportunity to testify before the Defense Appropriations Subcommittee and would like to thank Chairman Stevens and ranking member Inouye for their military service and many years of support to the defense of our country.

We look forward to supporting a fiscal year 2007 Defense Appropriations bill that will not increase DOD's bottom line with ill-timed increases for those beneficiaries who have made a significant contribution to our Nation.

Senator INOUE. Our next witness is Colonel Steven Strobebridge, United States Air Force, retired, co-chairman of the Military Coalition. Colonel, welcome, sir.

STATEMENT OF COLONEL STEVEN P. STROBRIDGE, UNITED STATES AIR FORCE (RETIRED), DIRECTOR, GOVERNMENT RELATIONS, THE MILITARY COALITION

Colonel STROBRIDGE. Thank you very much, Senator Inouye, for the opportunity to be here today.

The Military Coalition is concerned, like the previous witnesses have stated, that the defense budget is being squeezed significantly on a variety of fronts. We are particularly troubled that this is happening even as our military members and their families, who comprise less than 1 percent of Americans, are being asked to bear virtually 100 percent of the national burden of sacrifice in the global war on terror. Our forces are undermanned for the mission they are being asked to bear. We are having difficulty recruiting new servicemembers, and increasing numbers of today's forces are won-

dering whether the rewards inherent in a military career are worth the sacrifices.

These concerns are being compounded as some in government now seek to carve funds from programs that are essential to sustain our troops and families through their extended trials. Our fervent hope is that the subcommittee will not allow that to happen.

We urge full funding for the troop levels recommended earlier this month by the Armed Services Committee, an increase of 30,000 for the Army, 1,000 for the Marine Corps, and 17,000 for the Army National Guard. These are all above the amounts requested in the President's budget, and additional funding is essential to ensure that the Pentagon is not forced to absorb these added costs in an already constrained budget.

Ensuring full funding of the defense health program is another top priority. Both the House and the Senate Armed Services Committees have already categorically rejected Pentagon plans to double or triple military retiree health fees. The problem is that the President's budget already reduced the defense health program by \$735 million in the expectation that these fees would dramatically reduce demand. And that is just not going to happen, and the \$735 million needs to be restored, or military medicine is going to run out of money next summer.

The House Appropriations Committee did not restore the necessary funding, saying it would wait to see what the authorizers would do. That has now been decided. They are not going to allow the fees. So it falls on this subcommittee to protect the integrity of the defense health program, and hopefully restore that vital \$735 million.

The coalition also asks the subcommittee to fund the full military pay raise proposed by the Armed Services Committee, including the additional targeted raises proposed for warrant officers and certain enlisted members. Family support funding is another vital area of interest. Military members will endure a lot in serving their country. Retention is a family issue. And military families are under a great deal of stress. Programs for Guard and Reserve families, most of whom do not live near military installations, are a continuing special priority.

As base realignment and closure (BRAC) and global re-basing begins, we will be relocating large numbers of families between installations. Funding simply has to be provided to ensure that support facilities at closing bases continue until the families are gone, and we must fund housing, schools, health care networks, and child care needs, among other things, so those facilities are fully ready at gaining installation before the incoming thousands of families arrive.

Finally, we've just seen reports that at least some services are dramatically curtailing funding for some on-base facilities, such as libraries, swimming pools, gymnasiums, and other base support facilities, in order to make up for operations and equipment shortfalls. We hope you will provide the operation and maintenance (O&M) funding as needed, and check into that so that these services do not have to further compound the already inordinate sacrifices the families are observing through these kinds of penny-wise and pound-foolish tradeoffs.

Thank you, Mr. Chairman, Senator Inouye, for this opportunity to provide the coalition's inputs.

Senator STEVENS [presiding]. Thank you for your testimony. Senator, do you have any questions?

[No response.]

Senator STEVENS. No. We appreciate, and we share your feelings. [The statement follows:]

PREPARED STATEMENT OF STEVEN P. STROBRIDGE

Mr. Chairman and distinguished Members of the committee. On behalf of The Military Coalition, a consortium of nationally prominent uniformed services and veterans' organizations, we are grateful to the committee for this opportunity to express our views concerning issues affecting the uniformed services community. This testimony provides the collective views of the following military and veterans' organizations, which represent approximately 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

- Air Force Association
- Air Force Sergeants Association
- Air Force Women Officers Associated
- American Logistics Association
- AMVETS (American Veterans)
- Army Aviation Association of America
- Association of Military Surgeons of the United States
- Association of the United States Army
- Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
- Commissioned Officers Association of the U.S. Public Health Service, Inc.
- Enlisted Association of the National Guard of the United States
- Fleet Reserve Association
- Gold Star Wives of America, Inc.
- Jewish War Veterans of the United States of America
- Marine Corps League
- Marine Corps Reserve Association
- Military Chaplains Association of the United States of America
- Military Officers Association of America
- Military Order of the Purple Heart
- National Association for Uniformed Services
- National Guard Association of the United States
- National Military Family Association
- National Order of Battlefield Commissions
- Naval Enlisted Reserve Association
- Naval Reserve Association
- Non Commissioned Officers Association
- Reserve Enlisted Association
- Society of Medical Consultants to the Armed Forces
- The Retired Enlisted Association
- United Armed Forces Association
- United States Army Warrant Officers Association
- United States Coast Guard Chief Petty Officers Association
- Veterans of Foreign Wars of the United States
- Veterans' Widows International Network

The Military Coalition, Inc., does not receive any grants or contracts from the Federal Government.

Mr. Chairman, The Military Coalition (TMC) thanks you and the entire subcommittee for your continued, unwavering support of our active duty, Guard, Reserve, retired members, and veterans of the uniformed services, to include their families and survivors.

In testimony today, The Military Coalition offers its collective recommendations on what needs to be done to address these important issues and sustain long-term personnel readiness.

HEALTH CARE

Full Funding for the Defense Health Program.—The Defense Department, Congress and The Military Coalition all have reason to be concerned about the rising cost of military health care. But it is important to recognize that the bulk of the problem is a national one, not a military-specific one. It's also important, in these

times of focus on deficits, to keep in perspective the government's unique responsibility as the recruiter, retainer, employer, and custodian of a career military force that serves multiple decades under extraordinarily arduous conditions to protect and preserve our national welfare.

In this regard, the government's responsibility and obligations to its servicemembers go well beyond those of corporate employers. The Constitution itself puts the responsibility on the government to provide for the common defense, and on Congress to raise and maintain military forces. No corporate employer shares any such awesome responsibility and obligation, and there is no other employee population upon whom the entire Nation depends for its very freedom.

Congress has pursued its responsibilities with vigor on behalf of those who are sacrificing, have sacrificed, and will continue to sacrifice so much for the rest of America. Continuing those vigorous efforts will be essential in addressing the budget challenges of the years ahead.

The Military Coalition urges the subcommittee to ensure continued full funding for Defense Health Program needs.

Protecting Beneficiaries Against Cost-Shifting.—The administration is proposing a significant increase in fees paid by retired uniformed services beneficiaries under age 65, including doubling or tripling enrollment fees for TRICARE Prime and tripling or quadrupling fees for TRICARE Standard. In addition, the President's budget recommends a 67-percent increase in retail pharmacy fees for all Active Duty, Guard, Reserve, retired, and survivor beneficiaries.

Eroding benefits for career service can only undermine long-term retention/readiness. Today's troops are very conscious of Congress' actions toward those who preceded them in service. One reason Congress enacted TRICARE For Life is that the Joint Chiefs of Staff at that time said that inadequate retiree health care was affecting attitudes among active duty troops.

Reducing military retirement benefits would be penny-wise and pound-foolish when recruiting is already a problem and an overstressed force is at increasing retention risk.

The Coalition believes strongly that these proposed increases are disproportional, inequitable, inappropriate, and unwise.

The Coalition recommends against implementing any increases in health fees for uniformed services beneficiaries this year. The Coalition believes strongly that America can afford to and must pay for both weapons and military health care.

Unrealistic Budget Assumptions Will Leave TRICARE Underfunded.—The DOD budget proposal assumes the proposed fee increases and co-payment changes will save money by shifting 14 percent of pharmacy users away from retail outlets and causing hundreds of thousands of current beneficiaries to exit TRICARE by 2011. Thus, DOD has reduced the amount budgeted for health care on the assumption that it will be treating fewer beneficiaries.

Many Defense and Service analysts believe it is unrealistic to assume that this number of beneficiaries will leave TRICARE if such fees are introduced, largely because switching to civilian coverage usually would entail even larger fees for beneficiaries.

Because the assumed level of beneficiary flight is extremely unlikely to occur, the Department almost certainly will experience a substantial budget shortfall before the end of the year. This would then require supplemental funding, further benefit cutbacks, and even greater efforts to shift more costs to beneficiaries in future years.

Thus, the most likely result of this misguided cost-shifting proposal would be to disproportionately penalize retirees, undermine military health benefits, and further threaten future retention and readiness.

Alternative Options to Make TRICARE More Cost-Efficient.—The Coalition believes strongly that the Defense Department has not sufficiently investigated other options to make TRICARE more cost-efficient without shifting costs to beneficiaries. The Coalition has offered a long list of alternative cost-saving options, including:

- Eliminating DOD-unique administrative requirements that drive higher overhead fees.
- Changing the law to limit incentives private firms can offer employees to shift to TRICARE, or require such matching payments to TRICARE.
- Improving education on the advantages of using the mail-order pharmacy.
- Centralizing the military treatment facility pharmacy budget/funding process, with emphasis on accountability.

Pharmacy Copayment Changes.—The Coalition is concerned that, 5 years after pharmacy copayment levels were established, the Department is proposing a 67-percent increase in retail copayments. The rationale for the proposed increase is the rapid growth in retail pharmacy use since enactment of TRICARE For Life.

The Coalition believes strongly that uniformed services beneficiaries deserve more stability in their benefit levels, and that DOD has not performed due diligence in exploring other ways to reduce pharmacy costs without shifting such increased expense burdens to beneficiaries. Thus far, the Department has refused to negotiate with drug companies for discounts in the retail arena. Not enough has been done to educate beneficiaries and providers on the advantages of the mail-order program. The Department has failed to centralize purchasing and filling of prescriptions for high-cost drugs, as the Air Force has done successfully.

The Department has ignored what the Coalition believes would create the most powerful incentive for beneficiaries to shift from the more costly retail program to the mail order program—eliminating mail-order copays. The average drug purchased in the mail-order system saves the government \$58 to \$157 relative to providing the drug through the retail system. If all mail-order copayments would be eliminated, the savings would still be at least \$50 per prescription. Elimination of mail-order copays would save the government \$20 million for each 1 percent of prescriptions that migrate from the retail to the mail-order pharmacy system.

The Coalition recommends eliminating beneficiary copayments in the mail-order pharmacy system for generic and brand name medications to incentivize use of this lowest-cost venue and generate substantial cost savings.

ACTIVE FORCE ISSUES

The Coalition appreciates the subcommittee's many actions to help relieve the stress of repeated deployments—end strength increases, bonus improvements, family separation, and danger area pay increases, and more.

From the servicemembers' standpoint, the increased personnel tempo necessary to meet continued and sustained training and operational requirements has meant having to work progressively longer and harder every year. They are enduring longer duty days; increased family separations; cutbacks in installation services; less opportunity to use education benefits; and significant out-of-pocket expenses with each permanent change of station move.

Intensified and sustained operations in Iraq and Afghanistan are being met by servicemembers' patriotic dedication, but retention must be an increasing concern as 1 percent of Americans continue to bear virtually 100 percent of the burden of national sacrifice in the global war on terrorism. Service leaders may tout seemingly high retention figures, but the Coalition cannot reconcile this with the ever-increasing stresses on military families.

Military families have continued to demonstrate their exceptional support of servicemembers' long, recurring deployments; yet, many servicemembers and their families debate among themselves whether the rewards of a service career are sufficient to offset the attendant demands and sacrifices inherent in uniformed service. Unless they see some prospect of near-term respite, many of our excellent soldiers, sailors, airmen and marines will opt for civilian career choices, not because they don't love what they do, but because their families just can no longer take the stress. High retention simply cannot continue to co-exist with such levels of high operations tempo and family separations, despite the reluctance of some to see anything but rosy scenarios.

The Coalition views with alarm the Defense Department's determination to sacrifice troop levels to pay for weapons systems, with seemingly little regard for the impact these decisions will have on servicemembers and their future retention. The finest weapon systems in the world will be of little use if the services don't have enough high quality, well-trained people to operate, maintain and support them.

The Coalition believes the "weapons or people" debate is a patently false one—akin to forcing a choice between one's left and right arms.

Pay Raises.—Since 1999, when the cumulative gap between military and private sector pay raises reached 13.5 percent—resulting in predictable readiness crises—this subcommittee has provided funding for increased military raises—reducing the pay gap to 4.5 percent in 2006.

The subcommittee also has supported previous Department of Defense plans to fix problems within the basic pay table by authorizing special "targeted" adjustments for specific grade and longevity combinations in order to align career servicemembers' pay with private sector earnings of civilians with similar education and experience.

The Coalition believes it is essential to continue that progress as the global war on terror enters its sixth year.

The Military Coalition strongly recommends providing military pay raises that exceed the Employment Cost Index until such time as full military pay comparability has been restored. The Coalition further recommends targeted increases for selected

non-commissioned officers/petty officers and warrant officers as needed to attain the 70th-percentile comparability standard.

Maintain Well-funded Family Readiness, Support Structure, and Morale, Welfare and Recreation (MWR) Programs.—Today, two-thirds of active duty families and virtually all Guard and Reserve families live off military installations, and more than one-half of these servicemembers are married. A fully funded family readiness program to include financial education and benefit information has never been a more crucial component to the military mission and overall readiness than it is today, especially when military families are coping with the increased deployments and separation.

More needs to be done to “connect” servicemembers and their families with important resources. Military One Source has provided a great start to improve family readiness; however, a more aggressive outreach effort is needed to educate servicemembers and their families on the benefits and programs to which they are entitled. These outreach efforts need to address the unique needs of National Guard and Reserve families to include transitioning to and from active duty status. Traditional delivery systems of “build it and they will come” no longer serve the transforming military community of today that is increasingly non-installation based. More robust outreach delivery systems and programs are called for that can be accessed anywhere and anytime.

Because of multiple DOD modernization efforts (global rebasing, Army modularity, and BRAC initiatives) that are occurring simultaneously, TMC is concerned about the synchronization, pace of planning, implementation timetables, timing of budgets and resource allocations, and the evaluation of the rebasing and BRAC plans. TMC asks Congress to ensure necessary family support/quality of life program dollars are in line with the DOD/Military Services overseas rebasing and BRAC plans. Further, the Coalition urges Congress to insist that support services and infrastructure remain in place at both the closing and the gaining installations, throughout the transition period.

The Coalition appreciates the recent congressional enhancements in military childcare, family readiness, and supportive counseling programs to assist families in dealing with deployments and the return of servicemembers. Family support, Quality of Life, and MWR programs are especially critical to the readiness of our forces and the support of their families during periods of conflict and extended separations. In order for these programs to flourish, they require consistent sourcing, deliberate outreach, and must remain flexible to meet emerging challenges.

The Military Coalition urges Congress to maintain a well-funded family readiness and support structure to enhance family well-being and to improve retention and morale.

The Coalition also asks Congress to highlight and protect the interests of all beneficiaries impacted by overseas rebasing, Army modularity, and BRAC and ensure support services and infrastructure remain in place throughout the entire transition period for all beneficiary populations.

Personnel Strengths.—The Coalition has been disappointed at the Defense Department’s annual resistance to Congress’ repeated offers to permanently increase service end strength to relieve the stress on today’s Armed Forces. While we are encouraged by the subcommittee’s work to fund increased Army and Marine Corps end strength and much needed recruiting and retention bonuses; however, we are deeply concerned that administration-proposed plans rely too heavily on overly optimistic retention assumptions, overuse of the Guard and Reserves, optimistic scenarios in Southwest Asia, and the absence of new contingency needs.

The Department has indicated that it prefers to “transform” forces, placing non-mission essential resources in core war fighting skills, and transferring certain functions to civilians. However, any such implementation will take a long time while we continue to exhaust our downsized forces.

In addition, the Department is already cutting back even on those plans, proposing to reduce six Army National Guard brigades, reduce planned growth in the number of active duty brigades, continue systematic personnel reductions within the Navy, and impose further dramatic reductions in Air Force personnel. Media reports indicate that previous plans to civilianize military positions have been changed, and that substantial numbers of military positions now will simply be eliminated, without civilian replacements—imposing even greater stress on the remaining force.

Force reductions envisioned in the Quadrennial Defense Review are being undertaken not because of any reduction in mission, but simply to free up billions of dollars for weapons programs.

Defense leaders warn that the long-term mission against terrorism will require sustained, large deployments to Central Asia and elsewhere, but the Services are

being denied the manpower to meet those requirements without unacceptable impacts on members' and families' quality of life.

If the administration does not recognize when extra missions exceed the capacity to perform them, Congress must assume that obligation. Deferral of additional meaningful action to address this problem cannot continue without risking serious consequences.

The Military Coalition strongly urges funding to sustain end strengths to meet mission requirements, and opposition to force reductions that have the primary purpose of paying for other programs.

Dependent Education Needs.—Quality education is an instrumental retention tool for DOD—we recruit the member, but retain the family. However, many ongoing initiatives—housing privatization, Service transformation, overseas rebasing, and BRAC—will have a direct impact on the surrounding communities that provide educational programs for our military families. A positive step in the right direction is reflected by the subcommittee's efforts that provided increased Impact Aid funding for highly impacted school districts with significant military student enrollment.

The Coalition urges the subcommittee to continue its priority of providing additional funding to support schools educating military children.

GUARD AND RESERVE ISSUES

More than a half million members of the National Guard and Reserve have been mobilized since September 11, 2001, and many thousands more are in the activation pipeline. Today, they face the same challenges as their active counterparts, with a deployment pace greater than at any time since World War II.

Guard/Reserve operational tempo has placed enormous strains on Reservists, their family members, and their civilian employers that were never anticipated by the designers of Guard and Reserve personnel and compensation programs.

The Coalition fully supports the prominent role of the Guard and Reserve forces in the national security equation. However, many Guard and Reserve members are facing increased family stresses and financial burdens under the current policy of multiple extended activations over the course of a Reserve career. Many Reserve component leaders are rightly alarmed over likely manpower losses if action is not taken to relieve pressures on Guard and Reserve troops.

The Coalition believes it is essential to substantively address critical Guard and Reserve personnel, pay, and benefits issues—along with active duty manpower increases—to alleviate those pressures and help retain these qualified, trained professionals.

We believe that more must be done to ensure that Guard and Reserve members' and their families' readiness remains a viable part of our national security strategy. It is clear that our country is absolutely dependent on these valuable members of our national military team to meet ongoing readiness requirements.

Guard/Reserve Health Care.—The Military Coalition recognizes Congress' significant progress over the last 2 years in authorizing and funding "TRICARE Reserve Select" coverage for all drilling Guard and Reserve members. Nevertheless, the Coalition believes strongly that the program approved last year fall short of meeting the needs of these members and their families.

We believe the enrollment fees will prove cost-prohibitive for members who have not been mobilized since 9/11, and the high fees represent an ill-advised deterrent to members we need to retain in the Reserve components. Such fees are particularly unfair for members who do not have access to other health insurance coverage.

The Coalition strongly recommends funding to increase subsidy levels for TRICARE coverage for drilling Guard/Reserve members not yet mobilized and having one premium for all members of the Guard and Reserve who continue to be drilling members.

Guard and Reserve Family Support Programs.—The increase in Guard and Reserve operational tempo is taking a toll on the families of these servicemembers. These families are routinely called upon to make more and more sacrifices as the global war on terror continues. Reserve component families live in communities throughout the Nation, and most of these communities are not close to military installations. These families face unique challenges in the absence of mobilized members, since they don't have access to traditional family support services enjoyed by active duty members on military installations.

Providing a core set of family programs and benefits that meet the unique needs of these families is essential to meeting family readiness challenges. These programs would promote better communication with servicemembers, specialized support for geographically separated Guard and Reserve families, and training (and back-up) for family readiness volunteers. Such access would include:

- Web-based assistance programs such as Military OneSource and Guard Family.org;
 - Expanded programs between military and community religious leaders to support servicemembers and families during all phases of deployments;
 - Robust preventive counseling services for servicemembers and families and training so they know when to seek professional help related to their circumstances;
 - Enhanced education for Guard and Reserve family members about their rights and benefits;
 - Meeting needs for occasional child care, particularly for preventive respite care, volunteering, and family readiness group meetings and drill time;
 - A joint family readiness program to facilitate understanding and sharing of information between all family members, no matter what the service.
- TMC urges Congress to continue and expand its emphasis on providing consistent funding and increased outreach to connect Guard and Reserve families with these support programs.

OVERSEAS REBASING, BASE REALIGNMENT AND CLOSURE (BRAC) ISSUES

Thousands military members and families will be under great stress in the months and years ahead as a result of rebasing, closure, and transformation actions. But the impact extends beyond the active duty personnel currently assigned to the affected installations. The entire local community—school districts, chambers of commerce, Guard/Reserve, retirees, survivors, civil servants, and others—experiences the traumatic impact of a rebasing or closure action. Jobs are lost or transferred, installation support facilities are closed, and beneficiaries who relied on the base for support are forced to search elsewhere.

The Coalition urges the subcommittee to ensure rebasing plans are not executed without ensuring full support funding is available to families as long as they are present at losing installations and before they arrive at gaining installations. The critical family support/quality of life programs include MWR, childcare, exchanges and commissaries, housing, health care, education, family centers, and other traditional support programs.

The Coalition will actively be engaged in ensuring the implementations of the BRAC decisions, Service transformation initiatives, global repositioning, and Army modularity initiatives not only take each beneficiary community into consideration, but also to advocate for beneficiaries significantly impacted by these initiatives.

The Military Coalition urges the subcommittee to monitor the implementation of rebasing, BRAC, and Service Transformation initiatives to ensure protection of funding for support services for all military members and their families.

CONCLUSION

The Military Coalition reiterates its profound gratitude for the extraordinary progress this subcommittee has made in funding a wide range of personnel and health care initiatives for all uniformed services personnel and their families and survivors in recent years. The Coalition is eager to continue its work with the subcommittee in pursuit of the goals outlined in our testimony. Thank you very much for the opportunity to present the Coalition's views on these critically important topics.

Senator STEVENS. Our next witness is Dr. Edwin Thomas from the Institute for Soldier Nanotechnologies. Good morning.

STATEMENT OF DR. EDWIN THOMAS, PROFESSOR, FOUNDING DIRECTOR, INSTITUTE FOR SOLDIER NANOTECHNOLOGIES, MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT)

Dr. THOMAS. Good morning, Chairman Stevens, Senator Inouye. I'm a professor at MIT, and it is a great honor to be able to testify before this subcommittee. I have written testimony, and I have some Powerpoints, and I do not know if you can find them. I might take you through them. My testimony is somewhat visual, but perhaps I can do it with words, as well.

Key thing here is that 4 years ago, the Army decided to put together a competition for a university affiliated research center that would focus on soldier protection using nanotechnology. About 50

schools competed, and this university affiliated research center was placed at MIT in 2002.

Well, nanotechnology is certainly in the news these days, and the notion here is to try to use nano approaches for soldier protection. Of course, a millennia-old problem of how to protect soldiers.

One of the sort of visions of the Institute for Soldier Nanotechnology (ISN) is to look at a typical paratrooper, who is carrying 120 pounds, a very bulky, heavy, good equipment but very burdensome. And these young men and women that we send into battle are not as well protected as one would hope, and they are burdened with heavy amounts of weight. So the notion and the vision of the ISN is to really use nanotechnology to dramatically decrease the weight and the volume that the warfighters need. So it is basic 6.1 research. It is nonclassified on-campus research.

Our vision is something called a dynamic battle suit. And if I might, when you get in your vehicle in the morning, you do not ask yourself the question whether or not you take your airbag. It is always there. And if you are in an accident, you do not reach over and say, "Ah, time to activate the airbag." The airbag system is all autonomous. It senses a threat, and it deploys to mitigate that threat.

Our notion for soldiers is in fact a dynamic battle suit that would have attributes of, kind of, airbags, except these would be defense mechanisms that would sense bio and chemical threats. They would sense ballistic and blast threats, and they would then act quickly, using nanotechnologies to mitigate those threats, and protect the soldier.

Let me take you through three kinds of examples of things we've been working on. Some are further off in the future, and some are in fact in Iraq right now. The first one is on situational awareness. We envision fibers that can actually see color and hear. So part of the fabric of the soldier's battle suit of the future would have these fibers that would have the ability to detect whether a soldier was being lazed, and by what wavelength the laser was. So in a sense, they could see in color, 360 degrees. This could be terrific, for example, avoiding fratricide, identification of friend or foe.

Another technology that we are working on is body armor. As you know, the interceptor body armor right now has been improved. I guess if you're not wearing it, it is improved. If you're wearing it, it went from 16 pounds to 31 pounds, and so we are asking our men and women to carry 31½ pounds of Kevlar and ceramic, not including the batteries and the bullets and the water, and all the rest of the kit that they have to carry. So a clear need that nano may be able to do something about is improved body armor.

And finally, an area that is something that is actually molecules, I'm proud to say, that are made in Cambridge, Massachusetts, are working to protect men and women in Iraq. These are molecules that can detect TNT, which is the main component in the IED threats. Working with an industrial partner called Nomadics, a sensor has been developed. The sensor works in the hands of an 18-year-old when it is hot and muddy and wet. It will actually work underwater. It will work in diesel fuel. It is being mounted and incorporated onto robots. They've been putting these at check-

points, and instead of having a soldier go up with a handheld device to be able to check for TNT in a vehicle or on a person, they are actually able to send a robot up and thus get standoff, and save lives.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF EDWIN L. THOMAS

The Institute for Soldier Nanotechnologies (ISN) is dedicated to the development of nano-enabled technologies to protect dismounted soldiers. Nanotechnological research approaches have not previously been significantly applied to soldier protection, thus presenting many opportunities for revolutionary advances in soldier survivability. Nanoscience and nanoengineering will lead to the development of new materials and properties unattainable with conventional materials. Nano allows minaturization and increased response speed for devices, key attributes for dramatic improvements of the soldier's kit.

The Future: Nanotechnology

NanoScience / NanoEngineering:

Properties become size and shape dependent below some property dependent critical length scale.

Novel phenomena in low-dimensional, nano-sized structures

Significant New Opportunities for Soldier Protection:

- *New materials, new properties, new phenomena.*
- *Unattainable hybrid material* combinations
- *Dynamically tunable* materials and properties
- *Time Compression:* faster response times/short distances
- *Versatility in design:*
e.g. switchable surface chemistry, morphing surface profiles

The ISN mission is to increase capabilities while simultaneously decreasing the weight soldiers must carry. Present day soldiers, like the young paratrooper from northern Iraq, often carry in excess of 120 pounds of equipment, which reduces their effectiveness and survivability in the field. The ISN is an on-campus basic, 6.1 research center (a University Affiliated Research Center (UARC)) started in 2002. The ISN vision is to design from the ground up, a new battlesuit with a number of integrated systems that sense for threats and automatically activate protection-on-demand, much in the same way as airbags deploy in automobiles. The future battlesuit will include sensing subsystems to detect chemical and biological threats as well as perform physiological monitoring. It will further provide mechanical performance enhancements, integrated power, and informational systems. Blast and ballistic protection are of key importance. Novel lightweight materials that can adapt and transform their properties are essential enabling components. Nanotechnology will help us to realize new properties and attributes and to integrate these many functions into the uniform. One materials platform we envision is the fabric of the uniform itself wherein a diversity of functional nanostructured fibers, will be developed which provide massive new capabilities to the soldier with an insignificant increase in weight and no loss of mobility. The ISN has over 30 ac-

tive research projects, but today I will focus on three examples of new nanotech systems for enhanced situational awareness, flexible body armor and IED detection.



ISN Mission:

“Use nanotechnology to dramatically improve the survivability of Soldiers.”



Massachusetts
Institute of
Technology






Reuters

Customers: **Soldiers**
plus **First Responders**,
Police
Firemen...


Goal: reduce weight carried while improving protection

from multiple threats, such as blast, ballistic, chemical/biological toxins, physical injury, climate, environment, terrain.




The ISN Vision: *Dynamic Battlesuit*

Enabled by Integrated Systems of Nanotechnologies

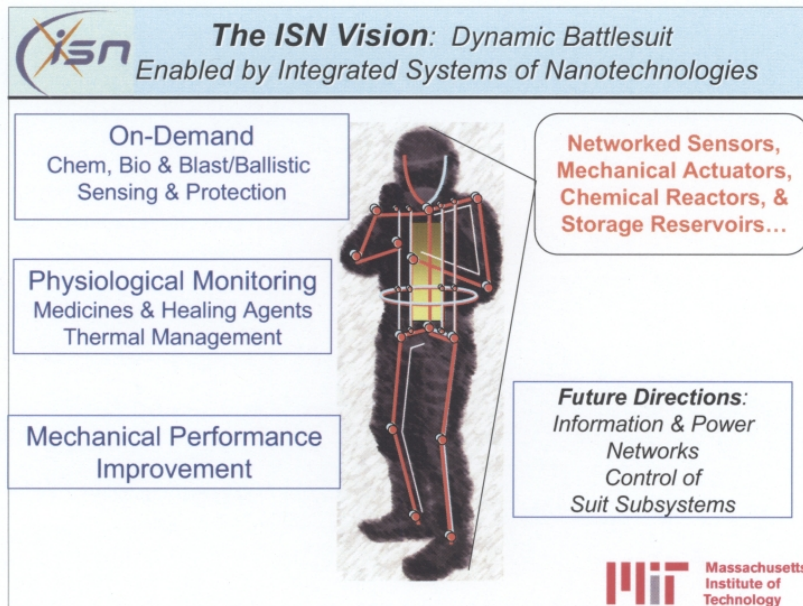


Battlesuit Guiding Concept:

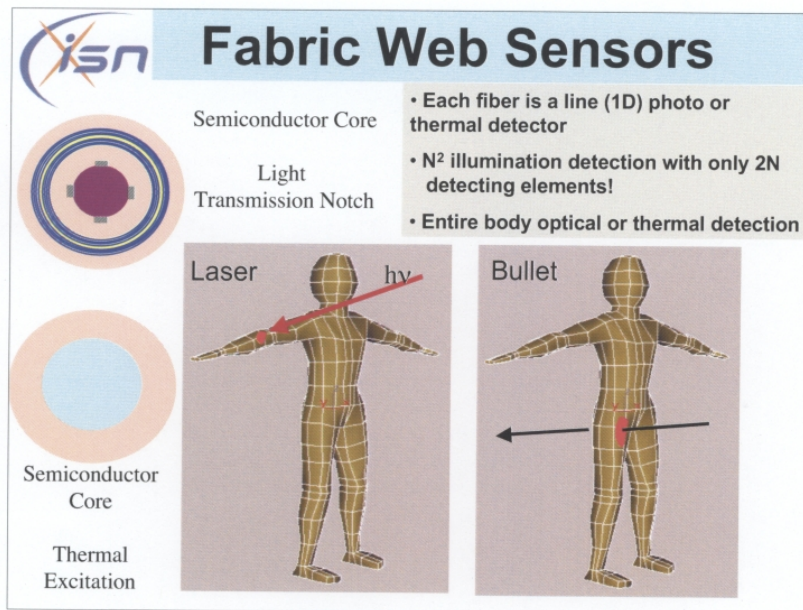
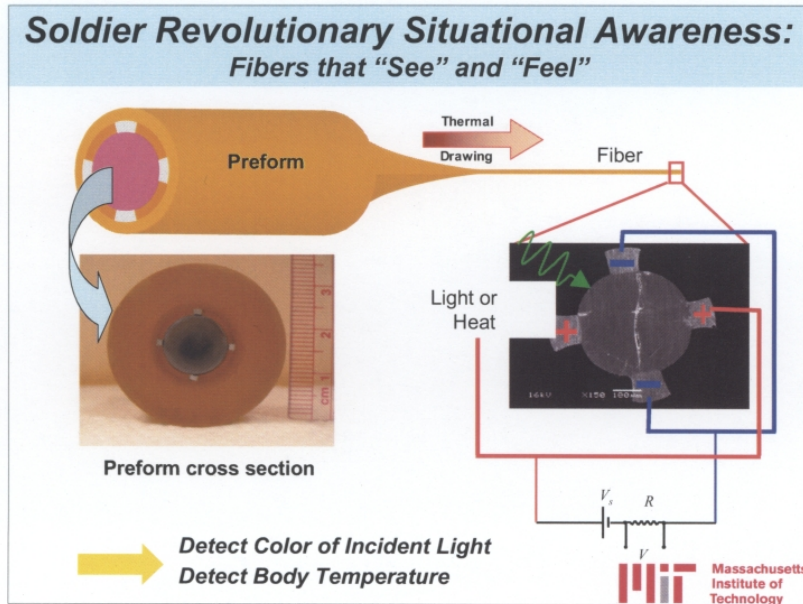
On board, on-demand protection systems,
automatically deployed
when threat sensed.



Massachusetts
Institute of
Technology



New nanostructured fibers have been developed to detect specific wavelengths of light from targeting lasers or to detect a local change in surface temperature, for example, from a wound. These fibers are comprised of semiconductors, metals and polymers and are produced by a drawing process. When illuminated with light, electrical currents are generated between the electrodes or if a fiber is exposed to a higher/lower temperature, the electrical current is altered. Thus, these fibers can “see” and “feel”. We are currently working on additional fibers with piezoelectric materials inside, so that the future battlesuit can also “hear.”



A huge need is to provide future soldiers with lightweight, flexible body armor that not only protects from ballistic threats (bullets, shrapnel etc.) but also protects from blast pressure waves. Current body armor weights 15 lbs. and the new add-on body armor pushes the weight up to 31.5 lbs. Engineers create lightweight, stiff and strong structures—such as cellphone towers using truss designs. Our idea is to extend this concept down to the nanometer regime using photolithography to sculpt polymers into ultralight, breathable microtrusses for unprecedented soldier protec-

tion. Interestingly, the “nano” sized nature of the struts in the truss structure imparts exciting new toughed mechanical behavior, highly promising for soldier protection.

Soldier Blast & Ballistic Protection *Lightweight, Flexible Body Armor*

- Current Body Armor -
 - 16 lbs. and stiff
 - (recent upgrade: +15 lbs. side plates, deltoids = 31 lbs. !!)
- Limited protection against **blast**

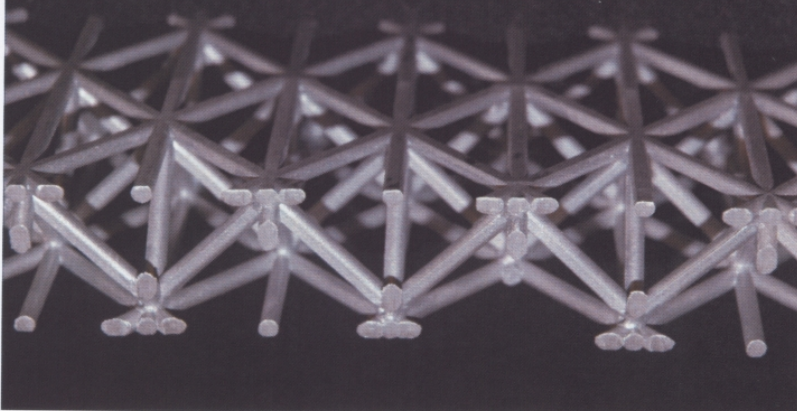
Unconventional ISN Approaches:

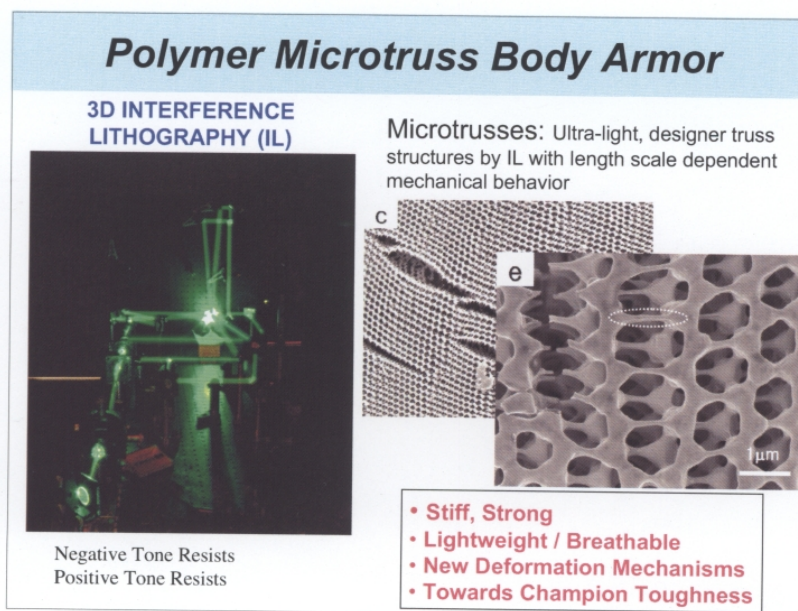
3D Polymer Microtrusses

Molecular Barbed Wire

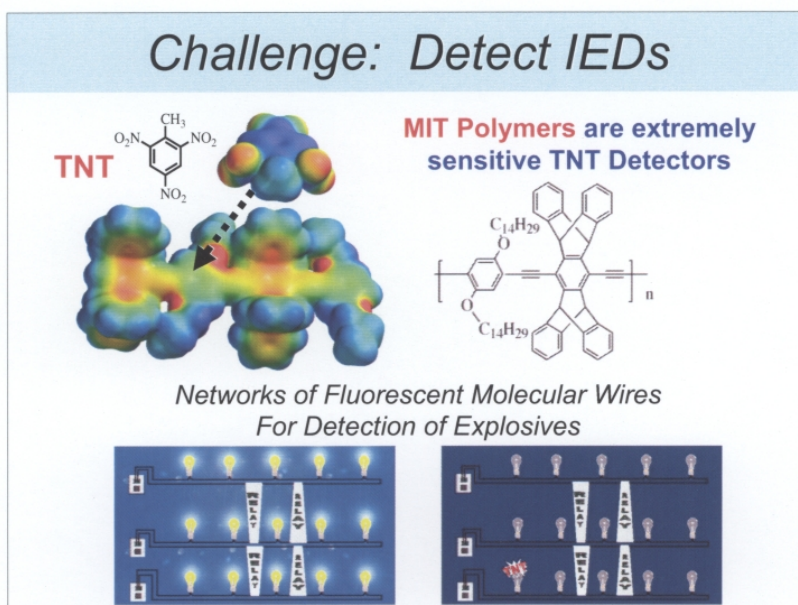


Trusses - Light Stiff and Strong





We have also developed networks of photonic molecular wires for the detection of explosives. These materials are electronic plastics that absorb and emit light and have a high sensitivity to explosives like TNT. The polymer chains have the unusual ability to self-amplify their own sensory responses due to the transport of energy packets throughout the network. This process behaves similarly to a string of holiday lights wherein only one light need be broken to cause the entire system to become dark. When illuminated using ultraviolet light, the set of sensor wires glows green. When molecules of TNT vapor bind to the polymers, the fluorescence is quenched—that is the green light goes out signaling detection of TNT. To transition our 6.1 proof of concept to an actual fieldable technology for the military, the ISN works with partner companies, both large and small, distributed throughout the United States. MIT has licensed our explosives detection technology to Nomadics, a small company based in Oklahoma, which has developed small, ultra-sensitive explosive detectors. The Nomadics sensor, known as Fido™, detects vapors of explosives as they pass through a capillary containing a nanocoating of the MIT electronic plastic. These systems can rapidly detect explosive vapors at distances more than 2 meters away from the source. Only trained dogs are capable of similar detection limits, and hence Fido represents an important new capability for our soldiers.





Warfighter Assessment 2005 in Iraq

FIDO XT + iRobot PackBot








iRobot

SAFETY FROM STANDOFF: PackBot carries the sensor to the vehicles, so Soldiers aren't exposed.



Fido™
Explosives Detector

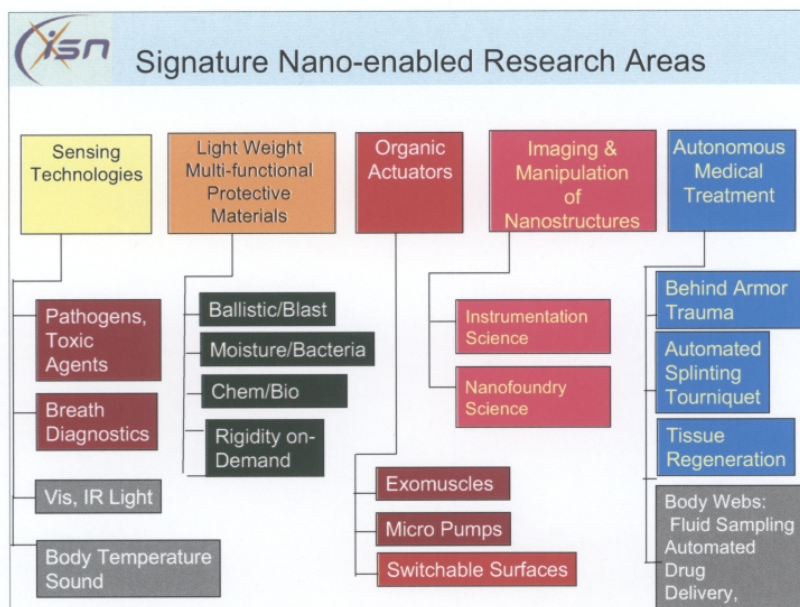


THE DETECTION OPPORTUNITY: Explosives leave invisible traces of vapors which FIDO can sniff and detect.

"The FIDO Sensor worked perfectly. With the physical setup forcing wind by the vehicles, FIDO was able to detect explosives 80 feet away. This allowed separation of the Soldiers and dog from the bomb, thus saving lives. . . ."

Fido sensors are undergoing evaluation in Iraq both as hand held systems and on robotic platforms. This integrated system can be used at checkpoints for vehicle interrogation at safe distances. It can also be used for investigating potential roadside bombs and identifying individuals who have recently handled explosives. The feedback from soldiers in Iraq to date has been very promising. This is a great example of how basic research at universities guided by Army needs with close coupling to industry has paid off.

The research portfolio of the ISN continues to evolve as faculty bring their ideas on how nano can provide for soldier and first responder needs. Exciting new areas of research have been initiated via a combination of applications-pull and fundamental discovery-push. Science for the soldier is one way that universities can both work at the cutting edge of research and help with national needs.



Senator STEVENS. Well, thank you. I do not understand that one exhibit you have, which shows the bullet still traveling through the fabric. What's that meant to mean?

Dr. THOMAS. What we imagined they are on the bullet going to the fabric, these are fibers that would sense temperature. So one of the problems is when someone is wounded, the medic who comes up doesn't know where the wound is, generally, and has to strip search the person, taking off that 120 pounds worth of stuff to find the worst wound.

The notion here is that these fibers would be incorporated into the uniform next to the body, and would measure the temperature of the body at all times. So when you are wounded, the notion is there would be blood flow, say, and then there would be a local excursion of temperature that would be a way to wirelessly communicate to the medic that (a) "tell the person, tell the medic that someone's down," and (b) where to look on that person to look for the wound.

Senator STEVENS. Well, we appreciate your statement. We are quite interested in that, and we will be pleased to follow up on it. I do think that there's a lot to reducing the weight. We had one young woman who came to testify, and she weighed less than the pack she jumped with. So it is a real problem.

Dr. THOMAS. Yes, sir.

Senator STEVENS. Thank you very much.

Our next witness is Master Chief Joseph Barnes, the National Executive Secretary of the Fleet Reserve Association.

STATEMENT OF MASTER CHIEF JOSEPH L. BARNES, UNITED STATES NAVY (RETIRED), NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION

Chief BARNES. Mr. Chairman, thank you for the opportunity to present the Fleet Reserve Association's (FRA's) views on the 2007 defense budget.

FRA's top priority is supporting adequate funding for protective devices, body armor, equipment, and specially outfitted combat vehicles, to protect personnel serving in Operations Iraqi Freedom and Enduring Freedom.

We must also ensure that resources are available so that wounded troops, their families, and the survivors of those killed in action, are cared for by a grateful nation.

Fleet Reserve Association is committed to working with Congress and DOD to ensure full funding of the defense health budget, and ensure access to the health care system for all uniformed services beneficiaries. This is critical to readiness and the retention of qualified uniform services personnel. FRA opposes the establishment of a TRICARE standard enrollment fee, and supports the restoration of \$735 million to the defense health care budget. FRA believes other cost-saving initiatives should be implemented as alternatives to DOD's drastic plan to shift health care costs to military retirees.

The association also supports appropriations to make TRICARE available on an optional basis for all selected reservists and families, on a cost-sharing basis. FRA supports appropriations necessary to implement a 2.7 percent across-the-board military pay increase on one January 2006, plus funding for additional targeted pay increases for senior enlisted personnel, and certain officer grades.

These increases will help achieve additional progress toward closing the pay gap between military and civilian pay levels. Adequate Active and Reserve end strengths are important to maintaining readiness, and FRA strongly supports increasing the Marine Corps end strength to 180,000. If force size is inadequate and op tempo too intense, the performance of individual servicemembers is negatively affected.

An issue important to FRA's membership is the acceleration of SBP paid update from 2008 to 2006 for participants having paid premiums for 30 years, and being at least 70 years of age. If authorized, the association asks for support from this distinguished subcommittee to fund this enhancement.

FRA also supports funding to maintain the commissary benefit, increase Reserve Montgomery G.I. bill (MGIB) education benefits, fund family readiness and spouse employment opportunities, and supplemental impact aid funding for school districts with large numbers of military-sponsored students.

Thank you, Mr. Chairman, for the opportunity to present the association's recommendations.

Senator STEVENS. Thank you, Chief. We appreciate your testimony.

[The statement follows:]

PREPARED STATEMENT OF JOSEPH L. BARNES

Mr. Chairman and other distinguished Members of the subcommittee: The Fleet Reserve Association (FRA) is most grateful for your support of our military men and women and, particularly, those serving or having served in Afghanistan, Iraq and other troubled spots around the globe. At the top of the association's gratitude list is the quality of life improvements funded during the First Session of the 109th Congress. Thanks so much for the effort. FRA appreciates the support to making a tough life much easier for those that might make the ultimate sacrifice in the service of this Nation. BRAVO ZULU.

This statement lists the concerns of our members, keeping in mind that the association's primary goal is to endorse any positive safety programs, rewards, and quality of life improvements that support members of the uniformed services, particularly those serving in hostile areas, and their families, and survivors.

FRA remains concerned that many of our sailors, marines and coast guardsmen serving in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) may not be fully armed with the best protective devices available for their personal safety. Advocating the funding for and receipt of these protective devices, including vehicle protection, armor and electronic equipment to disrupt IEDs for every uniformed member sent into harm's way is FRA's No. 1 priority.

The association's next priority is to ensure adequate resources so our wounded troops, their families, and the surviving families of the men and women killed in action are cared for by a grateful Nation.

HEALTH CARE

Full Funding for the Defense Health Program: A top priority for FRA is to continue to work with Congress and DOD to ensure adequate funding for the Defense Health Program in order to meet readiness needs, and improve access to all beneficiaries regardless of age, status, or location. FRA believes other cost saving options should be reviewed by DOD before TRICARE fees are increased as proposed in the administration's fiscal year 2007 budget request. DOD has not sufficiently investigated other options to make TRICARE more cost-efficient as alternatives to shifting costs to retiree beneficiaries who have earned this benefit by serving their country.

FRA recommends making TRICARE a true second-payer to other health insurance. The association questions DOD's assumptions about driving some 150,000 retirees with other health care coverage away from TRICARE.

DOD should also negotiate with drug manufacturers for retail pharmacy discounts, or change the law to mandate Federal pricing for the retail pharmacy network. FRA believes this change could result in significant savings to the Defense Health System.

DOD should eliminate all mail-order co-pays to boost use of this lowest cost option for beneficiaries to receive prescription medications. The elimination of all co-pays will help drive many more beneficiaries to this pharmacy cost-savings benefit option. Accelerating DOD/VA cost sharing initiatives will ensure full implementation of seamless transition, including electronic medical records and one stop military discharge physicals—all strongly supported by FRA.

The proposed future fee adjustments which are pegged to health care inflation will also significantly erode the value of retired pay, particularly for enlisted retirees who retired prior to larger and targeted recent pay adjustments enacted to close the pay gap. Military service is very different from work in the corporate world and requires service in often life threatening duty commitments and the associated benefits offered in return must be commensurate with these realities.

PROTECT PERSONNEL PROGRAMS

FRA is concerned about DOD's apparent decision to reduce end strength to pay for weapons systems. DOD's priority of money for weapons before people will have an impact on retention and recruitment.

Active Duty Pay.—FRA supports additional annual active duty pay increases that are at least .05 percent above the Employment Cost Index (ECI) along with increases for mid-career and senior enlisted personnel to help close the pay gap between active duty and private sector pay, and work to restore the ratio of pay between junior and senior enlisted personnel which existed prior to the advent of the All Volunteer Force.

For fiscal year 2007, the administration recommended a 2.2 percent across the board basic pay increase for members of the Armed Forces. This increase will be the smallest increase since 1994.

The statutory requirement to peg annual active duty pay adjustments at 0.5 percent above the Employment Cost Index (ECI) expired in fiscal year 2006. Compensation is directly related to recruitment and retention of quality personnel in an all-volunteer environment and FRA believes that maintaining a high level of morale and readiness is critical in winning the war on terror. With the addition of targeted raises authorized by Congress since fiscal year 2001, the formula has reduced the pay gap with the private sector from 13.5 percent to 4.4 percent. These targeted pay increases for middle grade and senior petty and noncommissioned officers and warrant officers have contributed significantly to improved morale, readiness, and retention, and the Association strongly supports targeted increases for fiscal year 2007.

Military service is very different from work in the private sector and often involves life threatening duty assignments, with long periods of separation from service member's families. Their pay and benefits must reflect these realities.

Commissaries.—FRA supports adequate funding for the Defense Commissary Agency (DeCA) to preserve the value of the current benefit for all patrons. FRA is concerned about store closures, staff reductions, or other initiatives that may diminish the scope and quality of the benefit.

Family Readiness and Support.—FRA supports a well-funded family readiness and support structure to enhance family cohesion that will improve retention and recruitment. It's most important that DOD and the military services concentrate on providing information and education programs for the families of our service members. There are a number of existing spousal and family programs that have been fine tuned and are successfully contributing to the well-being of this community. The Navy's Fleet and Family Centers and the Marines' Marine Corps Community Services (MCCS) and Family Services programs are providing comprehensive, 24/7 information and referral services to the service member and family through its One Source links. One Source is particularly beneficial to mobilized reservists and families who are unfamiliar with benefits and services available to them.

It's true that "the servicemember enlists in the military service—but it's the family that reenlists." To ensure the family opts for a uniformed career, the family must be satisfied with life in the military. To assist in bringing that satisfaction, FRA recommends the following.

Child and Youth Programs.—Both programs rank high in priority for the families of sailors and marines. As an integral support system for mission readiness and deployments, its imperative these programs continue to be improved and expanded to cover the needs of both married and single parents. Currently, the Navy's program cares for over 31,000 children 6 months to 12 years in 227 facilities, and in 3,180 on and off base licensed child development homes. However the Navy continues to fall short on child care development homes. Access to child care is important and FRA urges Congress to authorize adequate funding for this important benefit.

Spousal Employment.—The association urges Congress to continue its support of the military's effort to affect a viable spousal employment program and to authorize sufficient funds to assure the program's success. Today's all-volunteer environment requires the services to consider the whole family. It is no longer adequate to focus only on the morale and financial well-being of the member. Now, his or her family must be considered. A major consideration for spousal employment is that it could be a stepping-stone to retention of the service member—a key participant in the defense of this Nation.

DOD Schools.—FRA recommends that the subcommittee provide the necessary funds to continue the effective operation of the Department of Defense's school system and to cease and desist from using appropriated funds to find ways and means to close or transfer its school system to local school districts. Further threats of closures impact the morale of our Nation's military personnel and families. FRA notes with concern the Department of Defense's (DOD's) repeated quest to close some or all DOD-sponsored schools operating on military installations in CONUS. FRA is adamantly opposed to reducing the quality of education now enjoyed by the children of military personnel by forcing them to enroll in public schools.

Morale, Welfare, and Recreation Programs (MWR).—FRA recommends the subcommittee increase funding for MWR programs. FRA believes these programs are vital to supporting the servicemember and his or her family. They include recreation, fitness, social and community support activities, spouse employment, personal financial management, counseling, family advocacy, safety, transition and relocation programs—all having a positive affect on fleet readiness. Sailors have consistently ranked fitness centers and gyms available to them a top priority and are the most used MWR program.

Currently, the shortage of funds is curtailing or closing some of the activities while the costs of participating in others have recently increased. Regarding Navy

fitness centers, the biggest challenge is to update older fitness structures and providing the right equipment, and ensure availability of trained staff.

Active Duty and Reserve Component Personnel End Strengths.—FRA strongly supports adequate end strength to win the war on terror and to maintain other needed military commitments around the world. America is at war and FRA believes the Sea Services should have adequate numbers of personnel to meet the demands of fighting the war on terror and sustain other operational commitments. Many are concerned that the fiscal year 2007 DOD budget request sacrifices manpower for technology and does not address adequate service end strengths. Accordingly, FRA strongly supports increased USMC end strength of 180,000. The association is also concerned about the impact of Navy end strength reductions of 12,000, a 3 percent cut from last year. Inadequate end strengths increase stress on the military personnel and their families and contribute to greater reliance on the Guard and Reserves.

Education Funding.—FRA strongly supports supplemental Impact Aid for highly impacted school districts. FRA is most appreciative for the Impact Aid authorized in previous defense measures. FRA believes it is important to ensure our service members, many serving in harm's way, have less concern about their children's educations but more to do with the job at hand.

Reform of PCS Process.—FRA supports upgrading permanent change-of-station allowances to reflect the expenses members are forced to incur in complying with government-directed relocations. Specifically, the overwhelming majority of service families own two privately owned vehicles, driven by the financial need for the spouse to work, or the distance some families must live from an installation and its support services. FRA supports funding necessary to ship a second POV at government expense to overseas accompanied assignments. In many overseas locations, families have difficulty managing without a second family vehicle because family housing is often not co-located with installation support services. FRA also continues to support resources necessary to provide full replacement value for lost or damaged household goods during the PCS process.

RESERVE ISSUES

FRA stands foursquare in support of the Nation's Reservists. They were once known as "weekend warriors." But today, it's a different story. Given the pressure of the war on terror, Reserve units are now increasingly being mobilized to augment active duty components. Up to 75 percent of the U.S. Coast Guard Reserve has been mobilized, with many members serving multiple tours of active duty in support of contingency operations. More than 5,000 Reserve sailors are mobilized, mostly in the desert. In fact, wherever active-duty marines are engaged around the world, Marine Reservists are there.

Inadequate benefits for Reservists and the Guard can only undermine long-term retention and readiness. Because of increasing demands on these personnel to perform multiple missions abroad over longer periods of time, it's essential to improve compensation and benefits packages to attract recruits and retain currently serving personnel.

Healthcare.—FRA supports making the TRICARE program available on an optional basis for all selected Reservists and families on a cost-sharing basis. FRA recommends funding to increase subsidy levels for TRICARE coverage for drilling Reserve members not yet mobilized and having one premium for all members of the Guard and Reserve who continue to be drilling members. TRICARE Reserve Select is a very important benefit, particularly because consistency of healthcare benefits and continuity of care are major concerns for Reserve personnel and their families. DOD must rely more heavily upon the Guard and Reserve personnel to prosecute the war and sustain other operational commitments. In addition, deployments are also becoming longer and more frequent and these personnel are indispensable to our Armed Forces.

Retirement.—FRA recommends that Congress reduce the age when Reserve members are eligible for retirement pay, particularly for those members who have experienced extended mobilizations.

Family Readiness.—FRA supports more emphasis on providing consistent funding and increased outreach to connect Guard and Reserve families with these support programs. FRA therefore supports increasing funding for family readiness especially for those geographically dispersed and not readily accessible to military installations and inexperienced with the military. Unlike active duty families who often live near military facilities and support services, many Reserve families live in civilian communities. This poses a major challenge for them, because military information and support is not readily available. Congressional hearing witnesses have indicated

that many of the half million mobilized Guard and Reserve personnel have not received transition assistance services they and their families need to make a successful transition back to civilian life.

BASE CLOSINGS

BRAC.—FRA strongly supports resources to support retention of military treatment and other facilities at BRAC sites that are patronized by sizeable retiree and Reserve populations. Thousands of military members and families will be under great stress in the months and years ahead as a result of rebasing, closure, and transformation actions. But the impact extends beyond the active duty personnel currently assigned to the affected installations. The entire beneficiary community—Reserve, retirees, survivors, veterans, and others—experience the traumatic impact of a realignment and closure actions. Support facilities are usually closed, and beneficiaries who relied on the base for support are forced to search elsewhere.

CONCLUSION

FRA is grateful for the opportunity to present the organization's views to this distinguished subcommittee. The association reiterates its profound gratitude for the extraordinary progress this subcommittee has made in advancing a wide range of military personnel benefits and quality-of-life programs for all uniformed services personnel and their families and survivors. Thank you again for the opportunity to present the FRA' views on these critically important topics.

Senator STEVENS. Our next witness is Lesli Foster of Channel 9 News.

I hope you all realize what we are doing. There are votes going on on the floor, and Senator Inouye goes to vote, and then he comes back, and then I go to vote. Thank you.

Good morning.

**STATEMENT OF LESLI FOSTER MATHEWSON, WEEKEND ANCHOR,
CHANNEL 9 NEWS, WASHINGTON, DC**

**ACCOMPANIED BY JOHN MATHEWSON, EXECUTIVE VICE PRESIDENT,
THE HSC FOUNDATION**

Ms. FOSTER. Good morning. Chairman Stevens, thank you for the opportunity to share my thoughts. My name is Lesli Foster Mathewson, and I am a news anchor and reporter for WUSATV9 in Washington, DC. I am here today with my husband, a proud prostate cancer survivor, to share our story about fighting this disease.

I feel it is personally important for us to be here because cancer happens to the family, not just the man who is impacted by the disease.

Our story is that 89 days after we got married in September 2004, my husband was diagnosed with prostate cancer. I was stunned, scared, and worried about the prospect of what I'd do without the love of my life. And I thought, like many, that prostate cancer was a disease that struck only older men. My grandfather succumbed to prostate cancer just 4 years earlier.

It is still hard for me to reconcile this in my head some days, because John was active and committed to healthy living, and we had a lifetime ahead of us. Why him? Why us?

Surgery was the best option because of the age and stage of his particular cancer, but his treatment did present one significant challenge. We would have a good chance to eradicate the cancer from his body, but in doing so we would lose our opportunity to conceive children naturally. We only had 6 weeks prior to his surgery to try and conceive, and thankfully, we were able to get pregnant with what we call our miracle baby before my husband had

his surgery in February 2005 at Johns Hopkins. We gave birth to our daughter, Jordan Elise, in October of last year, and best of all, John has remained cancer-free.

I am relieved and feel incredibly blessed to know that John is healthy, and we certainly hope that he will be around for us to celebrate many more years together, and he'll be able to see our daughter grow up. But I am always concerned about his cancer because we still need to do more research to determine why young men like him are being stricken at alarming rates, and what if anything we can do to prevent this disease.

Mr. MATHEWSON. Senator Stevens, thank you also for the opportunity to share my thoughts. My name is John Mathewson, and I serve as Executive Vice President of the HSC Foundation, a non-profit hospital system based here in Washington. I am especially proud to be here with my rock and pillar, my wife. I am so fortunate that she was and is unwavering in her support.

Shocked, scared, queasy, why me. At 45 years old, at the time I was too young. It doesn't run in my family. I do not smoke. How long do I have to live? Will it hurt? My wife is only 30. Those are just some of the thoughts that ran through my mind on December 2, 2004. I understand how to access the health care system. Outside of my age, my greatest risk factor for prostate cancer was being an African-American male.

And like so many other diseases, the incidence among black men compared to other culture groups is agonizing. We tend to be diagnosed later, have a form of the disease that advances faster, and have a higher mortality rate than whites. Good treatment options are fine, but wouldn't it be better if we could do a better job of preventing the disease in the first place?

I should share that since I had been treated, one of my older brothers has also now been diagnosed with the disease. He was 62 at the time, and had never had a PSA exam. So now all the remaining four of my brothers must get checked annually.

If I could leave you with two things today, they would be this: the public as well as primary care physicians need better education about prostate cancer. I had a false sense of security about my health, largely revolving around the education that is available for prostate cancer prevention, because I didn't know enough until I was finally treated at Hopkins.

The next is that it takes 5 to 7 years to develop this disease. So waiting until age 40 to educate African-American men is too late. It needs to begin in their 30s.

I also hope that there is a significant acknowledgment about how deadly this disease is for all men. All men are at risk.

In closing, I want to say that we support the National Prostate Cancer Coalition, and I urge you to fund the Prostate Cancer Research Program in the Department of Defense at \$85 million for fiscal year 2007. We urge you to continue to support these programs that provide access to new discoveries that will help us understand and cure prostate cancer.

This concludes our testimony. Thank you for the privilege to present our story.

Senator STEVENS. And thank you very much, both of you. I guess you know I'm a survivor of prostate cancer also, so I appreciate your testimony very much.

I'm going to go out of order and ask Dr. Polly to come up now, with Senator Inouye's consent. I am going to have to leave and not come back because I'm one of the people that has to go meet the Speaker for the joint session. But Dr. Polly, Senator Inouye knows, is the only reason I'm sitting up here, and can walk and run and play tennis and lift weights. So I honor you, Doctor, and would like to hear your statement.

STATEMENT OF DR. DAVID W. POLLY, JR., M.D., ON BEHALF OF THE AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS

Dr. POLLY. Thank you, Mr. Chairman. My name is Dr. David Polly, and I'm speaking on behalf of the American Academy of Orthopaedic Surgeons.

As a graduate of West Point and an airborne ranger who served as a line officer in the Army, I subsequently attended medical school at the Uniformed Services University, and then trained in orthopaedic surgery at Walter Reed. I have personally cared for injured soldiers at Walter Reed during four different military conflicts, and have served in a war zone as a military orthopaedic surgeon. My last assignment before retiring was as chair of Orthopaedic Surgery at Walter Reed.

I'm here today to thank the members of the subcommittee for establishing and funding the fiscal year 2006 orthopaedic trauma research program at the Institute of Surgical Research, at Brooke. I urge continuation of funding for this vital program. More than half of the trauma out of Afghanistan and Iraq is orthopaedic related, with a vast majority being to the upper and lower extremities, as well as the spine.

Body armor, as you've heard earlier, does a remarkable job of protecting the soldier's torso, but his or her extremities are particularly vulnerable, especially to IEDs. Wounded soldiers who have died in previous conflicts are now surviving, and have to recover from these devastating injuries. These injuries are producing unprecedented numbers of mangled extremities, with severe reconstructive challenge. And infection is often a problem.

What has been done so far? An extremity war injury symposium was held here in Washington, DC, in January 2006 as a partnership between organized orthopaedic surgery industry and military surgeons. And I'd like to thank you, sir, for attending that conference. Proceedings of the symposium included a list of prioritized research needs that closely parallels those released on February 13 for the Orthopaedic Trauma Research Program.

Among these priorities include reduction of infection, improved healing of segmental bone defects, and many others.

The intent of the Orthopaedic Trauma Research Program is to foster collaboration between civilian and military orthopaedic surgeons and researchers. Civilian researchers have the expertise and the resources to assist their military colleagues with the growing number of musculoskeletal war wound challenges, to augment military research efforts. This collaboration will provide wide-ranging benefits to civilian trauma patients, as well.

Senator STEVENS. Doctor, I'm summoned. I do thank you for coming. And again, I honor you, my friend. Thank you.

Dr. POLLY. Thank you, sir.

Early stages of the program revealed a strong interest. Close to 100 pre-proposals have been received, totaling over \$20 million in requests. Of these, 76 merited full proposal submission, and will be reviewed in July. Intelligence surveillance reconnaissance (ISR) expects to receive much higher numbers of proposals in subsequent years when the time line is less compressed.

With orthopedic trauma being the most common form of trauma seen in military conflicts, it is crucial that there be funding dedicated specifically to the enhancement of orthopaedic trauma research. The academy has worked closely with top orthopaedic surgeons in the military to identify the gaps in research and care, and the needs are overwhelming. Especially considering that military trauma is not a research focus for the National Institutes of Health (NIH).

I commend Congress for its commitment to amputee care funding, but our goal must be to do everything we can to avoid having this need to provide this care, and to salvage these injured limbs in the first place. Expanded Federal commitment to the orthopaedic extremity trauma research program would move us closer to this goal. On behalf of America's soldiers, military orthopedic surgeons, and the American Academy of Orthopaedic Surgeons, I respectfully request that the subcommittee continue the Orthopaedic Trauma Research Program at a funding level of \$25 million. As this program is only in its infancy, continuity is critical to its future success.

Thank you once again for this opportunity, and I'd be glad to answer any questions.

Senator INOUE [presiding]. You may be assured that we will do our best, sir.

Dr. POLLY. Yes, sir. Thank you for your efforts in the past, and your continuing efforts today.

Senator INOUE. Thank you.

[The statement follows:]

PREPARED STATEMENT OF DAVID W. POLLY, JR.

Chairman Stevens, ranking member Inouye, Members of the Senate Defense Appropriations Subcommittee, thank you for the opportunity to testify today. My name is David W. Polly, Jr., M.D., and I speak today on behalf of the American Academy of Orthopaedic Surgeons (AAOS), of which I am an active member, as well as on behalf of military and civilian orthopaedic surgeons involved in orthopaedic trauma research and care.

I am a graduate of the United States Military Academy at West Point and as an airborne ranger, served as a line officer in the Army. Subsequently, I attended medical school at the Uniformed Services University of the Health Sciences and trained in orthopaedic surgery at Walter Reed Army Medical Center. I have personally cared for injured soldiers at Walter Reed during four different military conflicts and have been deployed to a war zone as a military orthopaedic surgeon. My last assignment was as chair of the Department of Orthopaedic Surgery and Rehabilitation at Walter Reed. I retired at the end of 2003 after more than 24 years of service. I am currently professor of Orthopaedic Surgery and Chief of Spine Surgery at the University of Minnesota.

First and foremost, I am here today to thank the Members of this subcommittee for establishing funding in fiscal year 2006 for the Orthopaedic Trauma Research Program (OTRP) and urge continuation of funding for this vital program. I will discuss the common types of orthopaedic trauma seen out of Iraq and Afghanistan and

offer a military perspective on the direction in which orthopaedic research should head in order to better care for soldiers afflicted with orthopaedic trauma. Finally, I will provide an update on the progress of OTRP, which is administered by the U.S. Army Institute of Surgical Research (USAISR).

ORTHOPAEDIC TRAUMA FROM OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

The Armed Forces are attempting to return significantly injured soldiers to full function or limit their disabilities to a functional level in the case of the most severe injuries. The ability to provide improved recovery of function moves toward the goal of keeping injured soldiers part of the Army or service team. Moreover, when they do leave the Armed Forces, these rehabilitated soldiers have a greater chance of finding worthwhile occupations outside of the service to contribute positively to society. The Army believes that it has a duty and obligation to provide the highest level of care and rehabilitation to those men and women who have suffered the most while serving the country.

It probably comes as no surprise that more than half of the trauma seen out of Iraq and Afghanistan is orthopaedic-related, especially upper and lower extremity and spine. From October, 2001 through January, 2005, extremity injuries alone accounted for 54 percent of the wounds sustained in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) according to the Joint Theater Trauma Registry, a database of medical treatment information from a theater of combat operations treated at U.S. Army medical treatment facilities. Other reports suggest this number is closer to 60–70 percent for OIF, and these estimates do not include non-American and civilians receiving medical care through U.S. military facilities. By comparison to previous wars, the current conflicts are experiencing a greater proportion of upper extremity fractures in particular.

Of 256 battle casualties treated at the Landstuhl Regional Medical Center in Germany during the first 2 months of OIF, 68 percent sustained an extremity injury. The reported mechanism of injury was explosives in 48 percent, gun-shot wounds in 30 percent and blunt trauma in 21 percent. As the war has moved from an offensive phase to the current counter-insurgency campaign, higher rates of injuries from explosives can be expected. (Johnson BA, Carmack D, Neary M, et al. Operation Iraqi Freedom: the Landstuhl Regional Medical Center experience. *J Foot Ankle Surg.* 2005; 44:177–183.) According to the JTTR, between 2001 and 2005, explosive mechanisms accounted for 78 percent of the war injuries compared to 18 percent from gun shots.

While medical and technological advancements, as well as the use of fast-moving Forward Surgical Teams, have dramatically decreased the lethality of war wounds, wounded soldiers who may have died in previous conflicts from their injuries are now surviving and have to learn to recover from devastating injuries. While body armor does a great job of protecting a soldier's torso, his or her extremities are particularly vulnerable during attacks.

Characteristics of Military Orthopaedic Trauma

According to the New England Journal of Medicine, blast injuries are producing an unprecedented number of “mangled extremities”—limbs with severe soft-tissue and bone injuries. (“Casualties of War—Military Care for the Wounded from Iraq and Afghanistan,” *NEJM*, December 9, 2004). The result of such trauma is open, complex wounds with severe bone fragmentation. Often there is nerve damage, as well as damage to tendons, muscles, vessels, and soft-tissue. In these types of wounds, infection is often a problem. According to the JTTR, 53 percent of the extremity wounds are classified as penetrating soft-tissue wounds, while fractures compose 26 percent of extremity wounds. Other types of extremity wounds composing less than 5 percent each are burns, sprains, nerve damage, abrasions, amputations, contusions, dislocations, and vascular injuries.

Military Versus Civilian Orthopaedic Trauma

While there are similarities between orthopaedic military trauma and the types of orthopaedic trauma seen in civilian settings, there are several major differences that must be noted. First, with orthopaedic military trauma, there are up to five echelons of care, unlike in civilian settings when those injured are most likely to receive the highest level of care immediately. Instead, wounded soldiers get passed from one level of care to the next, with each level of care implementing the most appropriate type of care in order to ensure the best possible outcome. The surgeon in each subsequent level of care must try to recreate what was previously done. In addition, a majority of injured soldiers have to be medevaced to receive care and transportation is often delayed due to weather or combat conditions. It has been our

experience that over 65-percent of the trauma is urgent and requires immediate attention.

Second, soldiers wounded are often in fair or poor health, are frequently malnourished, and usually fatigued due to the demanding conditions. This presents many complicating factors when determining the most appropriate care.

Third, the setting in which care is initially provided to wounded soldiers is less than ideal, to say the least, especially in comparison to a sterile hospital setting. The environment, such as that seen in Iraq and Afghanistan, is dusty and hot, leading to concerns about sterilization of the hospital setting. For example, infection from *acinetobacter baumannii*, a ubiquitous organism found in the desert soil of Afghanistan and Iraq, is extremely common. In addition, the surgical environment is under constant threat of attack by insurgents. In fact, a considerable percentage of the care provided by military surgeons is for injured Iraqis, both friendly and hostile. Finally, the surgical team is faced with limited resources that make providing the highest level of care difficult.

While, as I have stated, there are many unique characteristics of orthopaedic military trauma, there is no doubt that research done on orthopaedic military trauma benefits trauma victims in civilian settings. Many of the great advancements in orthopaedic trauma care have been made during times of war, such as the external fixateur, which has been used extensively during the current conflict as well as in civilian care.

Future Needs of Orthopaedic Trauma Research

An Extremity War Injuries (EWI) Symposium was held in Washington, DC on January 24–27, 2006. This extraordinary symposium was a partnership effort between organized orthopaedic surgery, military surgeons and industry. It was attended by 98 military and civilian physicians and researchers committed to the care of extremity injuries. The symposium addressed current challenges in the management of extremity trauma associated with recent combat in Iraq and Afghanistan.

The focus of the symposium was to identify opportunities to improve the care for the sons and daughters of America who have been injured serving our Nation. Proceedings from the symposium included a list of prioritized research needs:

Timing of Treatment.—Better data are necessary to establish best practices with regard to timing of debridement, timing of temporary stabilization and timing of definitive stabilization. Development of animal models of early versus late operative treatment of open injuries may be helpful. Prospective clinical comparisons of treatment groups will be helpful in gaining further understanding of the relative role of surgical timing on outcomes.

Techniques of Debridement.—More information is necessary about effective means of demonstrating adequacy of debridement. Current challenges, particularly for surgeons with limited experience in wound debridement, exist in understanding how to establish long-term tissue viability or lack thereof at the time of an index operative debridement. Since patients in military settings are typically transferred away from the care of the surgeon performing the initial debridement prior to delivery of secondary care, opportunities to learn about the efficacy of initial procedures are lost. Development of animal models of blast injury could help establish tissue viability markers. Additional study is necessary to understand ideal frequencies and techniques of debridement.

Transport Issues.—Clinical experience suggests that current air evacuation techniques are associated with development of complications in wound and extremity management although the specific role of individual variables in the genesis of these complications is unclear. Possible contributing factors include altitude, hypothermia and secondary wound contamination. Clinical and animal models are necessary to help develop an understanding of transport issues. Development, testing and approval of topical negative pressure devices for use during aeromedical transport should be facilitated.

Coverage Issues.—Controlled studies defining the role of timing of coverage in outcome following high-energy extremity war injuries are lacking. Also necessary is more information about markers and indicators to help assess the readiness of a wound and host for coverage procedures. Both animal modeling and clinical marker evaluation are necessary to develop understanding in this area.

Antibiotic Treatments.—Emergence of resistant organisms continues to provide challenges in the treatment of infection following high-energy extremity war injuries. Broader prophylaxis likely encourages development of antibiotic resistance. In the context of a dwindling pipeline of new antibiotics, particularly those directed toward gram-negative organisms, development of new technologies to fight infection is necessary. This patient population offers opportunity to assess efficacy of vaccina-

tion against common pathogens. Partnerships with infectious disease researchers currently involved in addressing similar questions should be developed.

Management of Segmental Bone Defects.—A multitude of different techniques for management of segmental bone defects is available. These include bone transport, massive onlay grafting with and without use of recombinant proteins, delayed allograft reconstruction, and acute shortening. While some techniques are more appropriate than others after analysis of other clinical variables, controlled trials comparing efficacy between treatment methods are lacking. Variables that may affect outcome can be grouped according to patient characteristics including comorbidities, injury characteristics including severity of bony and soft-tissue wounds, and treatment variables including method of internal fixation selected. Evaluation of new technologies for treatment of segmental bone defects should include assessment of efficacy with adequate control for confounding variables and assessment of cost-effectiveness.

Development of an Animal Model.—A large animal survival military blast injury model is necessary to serve as a platform for multiple research questions including: VAC v. bead pouch v. dressing changes; Wound cleaning strategy; Effect of topical antibiotics; Modulation of inflammatory response; Timing of wound closure; and Vascular shunt utilization.

Amputee Issues.—Development and validation of “best practice” guidelines for multidisciplinary care of the amputee is essential. Treatment protocols should be tested clinically. Studies should be designed to allow for differentiation between the impacts of the process versus the device on outcome. Failure analysis as a tool to evaluate efficacy of treatment protocols and elucidate shortcomings should be utilized. Clinically, studies should focus on defining requirements for the residual limb length necessary to achieve success without proceeding to higher level amputation. Outcomes based comparisons of amputation techniques for similar injuries and similar levels should be performed. Use of local tissue lengthening and free tissue transfer techniques should be evaluated. In the context of current results and increasing levels of expectation for function following amputation, development of more sensitive and military appropriate outcomes monitors is necessary.

Heterotopic Ossification.—Animal models of heterotopic ossification should be utilized to develop early markers for heterotopic ossification development that could identify opportunities for prevention. Better information is needed about burden of disease including prevalence following amputation for civilian versus military trauma and frequency with which symptoms develop. Treatment methods such as surgical debridement, while effective, necessarily interrupt rehabilitation. Prevention could expedite recovery and potentially improve outcome.

Data Collection System.—A theme common to virtually all discussions on research and patient care for our soldiers has been the need for access to better longitudinal patient data. Current patient care processes both in theatre and at higher echelon care centers do not include data captured in a way that allows simple electronic linkage of medical records from one level of care to the next. At least two electronic medical records systems are in use, and they are not necessarily compatible with one another. Any electronic medical record used should be web based to allow for linkage of patient data from the earliest echelon of documented care through the VA system. The system must be user friendly and not cumbersome to encourage entry of information critical to outcomes analysis. An example of one system with some of the necessary components is the current Joint Patient Tracking Application (JPTA). The system unfortunately lacks integration with a trauma registry or database to allow for retrospective or prospective analyses of specific injuries and treatments. Funding is necessary for platform development, information systems infrastructure and data entry personnel.

Stories from the Frontlines

There have been many heroic stories of injured soldiers struggling to regain function and to return to normal life, or even back to service. A story highlighted in a March 2005 National Public Radio (NPR) series titled “Caring for the Wounded: The Story of Two Marines,” followed two Marines injured in Iraq: 1st Sgt. Brad Kasal and Lance Cpl. Alex Nicoll. Lance Cpl. Nicoll had to have his left leg amputated as a result of his injuries from gunshot wounds. Nicoll has undergone physical therapy at Walter Reed to adjust to his new prosthetic leg, made from graphite and titanium. While Sgt. Kasal was so seriously injured that he lost four inches of bone in his right leg, due to medical advances in limb salvaging, he did not have to have his leg amputated. Kasal underwent a bone growth procedure, called the Ilizarov Technique, which grows the bone one millimeter a day.

The Iraq war has created the first group of female amputees. Lt. Dawn Halfaker is one of approximately 11 military women who have lost limbs from combat injuries

in Iraq, compared to more than 350 men. She lost her arm to a life-threatening infection, after sustaining major injuries, along with another soldier, when on a reconnaissance patrol in Baqouba, Iraq, a rocket-propelled grenade exploded inside her armored Humvee. Maj. Ladda "Tammy" Duckworth lost both legs when a rocket-propelled grenade slammed into her Black Hawk helicopter near Balad. Juanita Wilson, an Army staff sergeant, lost her left hand when an improvised bomb exploded near her Humvee on a convoy mission north of Baghdad. All three women are successfully moving forward in military or civilian careers.

Bone problems, seldom seen in soldiers from previous wars who have lost limbs, have complicated recoveries for Iraq and Afghanistan-stationed soldiers. Heterotopic ossification, or H.O., a condition in which bone grows where it doesn't belong, has developed in nearly 60 percent of 318 amputees treated at Walter Reed Army Medical Center. Nearly 70 patients from across the military have been treated for H.O. at Brooke Army Medical Center. Rarely occurring in civilian amputees, high-intensity blasts, which can shred muscles, tendons and bone, appears to stimulate adult stem cells to heal damage, but repair signals often go awry. Advances in body armor resulting in higher survival rates and ability to preserve more damaged tissue, have lead to the high number of H.O. cases where little research exists on how to treat the condition among amputees. ("Bone condition hampers soldiers' recovery," *USA TODAY*, February 12, 2006)

These stories clearly illustrate the benefits of, and need for, orthopaedic trauma research for America's soldiers.

Orthopaedic Trauma Research Program

The AAOS and military and civilian orthopaedic surgeons and researchers are grateful that the subcommittee included language in the fiscal year 2006 Defense Appropriations Bill to create the "Orthopaedic Trauma Research Program" (OTRP) as part of the Medical Research and Materiel Command's (MRMC) medical research program, administered by the U.S. Army Institute of Surgical Research (USAISR) at Fort Sam Houston, Texas.

The OTRP is the first program created in the Department of Defense dedicated exclusively to funding peer-reviewed intramural and extramural orthopaedic trauma research. Having the program administered by the USAISR ensures that the research funding follows closely the research priorities laid out by the Army and the Armed Forces, and ensures collaboration between military and civilian research facilities. USAISR has extensive experience administering similar grant programs and is the only Department of Defense Research laboratory devoted solely to improving combat casualty care.

The intent of the OTRP is to foster collaboration between civilian and military orthopaedic surgeons and researchers. Civilian researchers have the expertise and resources to assist their military colleagues with the growing number of patients and musculoskeletal war wound challenges, to build a parallel research program in the military. Civilian investigators are interested in advancing the research and have stepped up to engage in these efforts, which will also provide wide ranging benefits to civilian trauma patients as well.

It is important to note that military orthopaedic surgeons, in addition to personnel at the U.S. Army Medical Research and Materiel Command, Fort Detrick, have had significant input into the creation of this program and fully support its goals. The \$7.5 million awarded for OTRP in fiscal year 2006 is hopefully the beginning of a stronger focus of a core mission in the military to dedicate Department of Defense research resources to injured soldiers.

The Broad Agency Announcement (BAA) for the OTRP grants was released on February 13, 2006, and identified the following basic, transitional and clinical research funding priorities: Improved healing of segmental bone defects; improved healing of massive soft tissue defects; improved wound healing; tissue viability assessment and wound irrigation and debridement technologies; reduction in wound infection; prevention of heterotopic ossification; demographic and injury data on the modern battlefield and the long-term outcomes of casualties (i.e. joint theatre trauma registry); and improved pre-hospital care of orthopaedic injuries.

The number of full proposals submitted under this program will be up to 76 grant applications by the time they are reviewed, expected in July of this year. This number is relatively high considering the shortened time period this year for submitting pre-proposals, due by the first week in May, and considering the funding level of \$7.5 million. Close to 100 pre-proposals were received for consideration, with 76 invited to compete with a full proposal. An upper limit of \$500,000 has been established for any one grant, to give a reasonable number of grantees an opportunity to participate. Ordinarily grants would generally be awarded for much higher

amounts to support the research required. Larger multi-institutional studies had to limit what they were proposing.

More funding would allow for a broader scope of work and multi-institutional collaboration. The requests from these 76 proposals for year one of the grants totaled over \$20 million and several grants requested funding for multiple years. USAISR expects to receive a much higher number of pre-proposals in subsequent years, when the timeline for submission will be longer, with more lead time in notification.

With orthopaedic trauma being the most common form of trauma seen in military conflicts, it is crucial that there be funding dedicated specifically to the advancement of orthopaedic trauma research. The AAOS has worked closely with the top military orthopaedic surgeons, at world-class facilities such as the U.S. Army Institute of Surgical Research, Brooke Army Medical Center, and Walter Reed Army Medical Center to identify the gaps in orthopaedic trauma research and care and the needs are overwhelming. Especially considering military trauma is not a research focus for the National Institutes of Health (NIH).

CONCLUSION

I hope that I have given you a well-rounded perspective on the extent of what orthopaedic trauma military surgeons are seeing and a glimpse into the current and future research for such trauma. Military trauma research currently being carried out at military facilities, such as WRAMC and the USAISR, and at civilian medical facilities, is vital to the health of our soldiers and to the Armed Forces' objective to return injured soldiers to full function in hopes that they can continue to be contributing soldiers and active members of society.

Mr. Chairman, the American Academy of Orthopaedic Surgeons, as well as the entire orthopaedic community, stands ready to work with this subcommittee to identify and prioritize research opportunities for the advancement of orthopaedic trauma care. Military and civilian orthopaedic surgeons and researchers are committed to advancing orthopaedic trauma research that will benefit the unfortunately high number of soldiers afflicted with such trauma and return them to full function. It is imperative that the Federal Government, when establishing its defense health research priorities in the fiscal year 2007 Defense Appropriations bill, ensure that orthopaedic trauma research is a top priority.

I urge you to continue the Orthopaedic Trauma Research Program at a funding level of \$25 million. While Congress funds an extensive array of medical research through the Department of Defense, with over half of military trauma being orthopaedic-related, no other type of medical research would better benefit our men and women serving in the war on terror and in future conflicts. Especially as this program is only in its infancy stage, continuity is critical to its success.

Senator INOUE. Our next witness, Dr. Robert Recker, National Coalition for Osteoporosis and Related Bone Diseases. Dr. Recker.

STATEMENT OF DR. ROBERT RECKER, M.D., DIRECTOR, OSTEOPOROSIS RESEARCH CENTER, CREIGHTON UNIVERSITY, ON BEHALF OF THE NATIONAL COALITION FOR OSTEOPOROSIS AND RELATED BONE DISEASES

Dr. RECKER. Mr. Chairman and members of the subcommittee, I am Dr. Robert Recker, Director of the Osteoporosis Research Center at Creighton University in Omaha, Nebraska, and I am testifying on behalf of the National Coalition for Osteoporosis and Related Bone Diseases, the Bone Coalition.

The Bone Coalition is committed to research and education that reduces the impact of bone diseases. It includes the American Society for Bone and Mineral Research, the National Osteoporosis Foundation, the Osteogenesis Imperfecta Foundation, and the Paget Foundation. We appreciate this opportunity to discuss funding of the Bone Health and Military Medical Readiness Research Program within the Department of Defense.

The purpose of this program is to improve the bone health of our military personnel. Current efforts focus on eliminating stress fractures during training and deployment. Stress fractures occur in military recruits and trainees who undergo rigorous physical condi-

tioning in a brief period of time. Increases in military recruitment have led to an upsurge in stress fracture cases. In soldiers on lengthy deployments, medical dispensaries report stress fractures in unprecedented numbers.

Among new recruits, approximately 40 percent of men and 60 percent of women with stress fracture do not complete basic training. Those who do return to duty must first undergo a rehabilitation period of 80 to 120 days. Stress fractures are a significant health and financial burden, increasing training time, program costs, and time to military readiness.

It is critical that we continue to build on recent findings that have led to the following advances: one, an Army-wide physical training program with reduced running and increased resistance training, without compromising physical fitness. Studies of this new program continue.

Modifications in the physical fitness program for female Marine Corps recruits in training, without compromising physical fitness.

Animal studies showing that short-term exercise training improves material and structural properties of bone, improving fatigue resistance by 80-fold. Studies are underway in humans.

Discovery that a nonsteroidal anti-inflammatory medication slows stress fracture healing in animals. A study of these medications in humans is nearing completion.

To eliminate stress fracture in basic training, to optimize physical training and nutrition standards, and to develop practical methods to predict impending injury; expanded research is needed that will one, utilize genetic, lifestyle, and other risk factors, to establish a risk factor profile that identifies individuals at high risk for stress fracture; expand on pulmonary findings of gender differences in their response of bone to physical training; study the relationship between exercise training regimen: timing, type, volume of training, and onset of micro damage in bone; examine the impact of load bearing and muscle fatigue on bone during prolonged standing and marching; and finally, to test promising interventions that might improve bone quality prior to entry into basic training.

These studies and other DOD studies in progress will determine cost effective approaches to diagnose, prevent, and treat stress fractures, and accelerate return to duty.

Mr. Chairman and members of the subcommittee, stress fractures continue to be a critical obstacle to military readiness and deployment. It is imperative that the Department of Defense build on recent findings, and maintain an aggressive and sustained bone health and military medical readiness program. The National Coalition for Osteoporosis and Related Bone Diseases urges you to fund this program at a level of \$5 million in fiscal year 2007. We appreciate the opportunity to express our concerns.

Senator INOUE. Doctor, we assure you we will do our utmost on this one.

Dr. RECKER. Thank you.
[The statement follows:]

PREPARED STATEMENT OF ROBERT RECKER

Mr. Chairman and Members of the committee: I am Robert Recker, M.D., Director of the Osteoporosis Research Center at Creighton University in Omaha, Nebraska and I am testifying on behalf of the National Coalition for Osteoporosis and Related Bone Diseases (the Bone Coalition).

The Bone Coalition is committed to reducing the impact of bone diseases through expanded basic, clinical, epidemiological and behavioral research leading to improvement in patient care. The Coalition participants are leading national bone disease organizations—the American Society for Bone and Mineral Research, the National Osteoporosis Foundation, the Osteogenesis Imperfecta Foundation, and the Paget Foundation for Paget's Disease of Bone and Related Disorders.

We appreciate this opportunity to discuss with you the necessity for continued funding of the Bone Health and Military Medical Readiness Program within the Department of Defense.

The purpose of this small, but important, program is to improve the bone health of our military men and women. An effort currently underway is targeting the elimination of stress fractures that occur during training and deployment. Stress fracture has been a principal concern to military readiness and a major cause of low soldier retention during basic training and thereafter.

Stress fractures are usually reported in young military recruits and trainees who are subjected to rigorous physical conditioning over a relatively short period of time. According to the Bone Health and Military Medical Readiness program, recent increases in military recruitment have led to an upsurge in the number of reported stress fracture cases. An additional concern is the increased number of documented stress fractures over the last 2 years in soldiers who have recently returned from lengthy deployments. Reports from troop medical clinics indicate that these soldiers are sustaining stress fractures in unprecedented numbers.

Among new recruits, approximately 40 percent of men and 60 percent of women who sustain a stress fracture do not complete basic training. For soldiers who are able to return to duty, a rehabilitation period of 80–120 days is necessary prior to resumption of training. The high incidence of stress fractures has a marked impact on the health of recruits and imposes a significant financial burden on the U.S. Armed Forces by increasing the length of training time, program costs and time to military readiness.

It is critical that we continue to build on the promising results emanating from this research program. Recent findings have led to:

- Recommendations to implement a new Army-wide physical training program that emphasizes reduced running and increased resistance training without compromising physical fitness at the end of basic training. Studies are underway to determine the efficacy of this new program in reducing stress fracture and other overuse injuries in soldiers.
- Modifications in the physical fitness conditioning programs for female Marine Corps recruits in training, again without compromising physical fitness of trainees.
- Animal studies revealing that short-term exercise training improves both material and structural properties of bone that increase fatigue resistance by 80-fold. Studies are ongoing to determine if similar exercise programs lead to improved bone strength in humans.
- Research demonstrating that the use of a non-steroidal anti-inflammatory medication slows stress fracture healing in rats. A study to assess the effect of these commonly used medications on bone in humans is nearing completion.

To eliminate stress fracture in basic training in the military; to optimize physical training and nutrition standards for healthy young men and women; and to develop practical methods and markers to predict impending injury, expanded investigations are needed that will:

- Utilize genetic, lifestyle, and other risk factors to establish a risk factor profile that identifies individuals at high risk for stress fracture injury.
- Expand on preliminary findings that revealed gender differences in the response of bone to physical training.
- Study the relationship between exercise training regimen (timing, type and volume of training) and onset of microdamage in bone.
- Examine the impact of load bearing and/or muscle fatigue on bone strain during prolonged standing and marching activities.
- Test promising interventions that might improve bone quality prior to entry into basic training.

These studies, along with other DOD studies in progress, will determine the most cost effective approach to diagnosis and treatment of stress fracture, and accelerate

return to duty. An improved understanding of these injuries will also form the basis of potential preventive measures.

Mr. Chairman and members of the committee, stress fractures continue to be a critical obstacle to military readiness and time to deployment. Therefore, it is imperative that the Department of Defense build on recent findings and maintain an aggressive and sustained Bone Health and Military Medical Readiness program. The National Coalition for Osteoporosis and Related Bone Diseases urges you to fund this program at a level of \$5 million in fiscal year 2007.

We appreciate the opportunity to testify before the committee.

Senator INOUE. Our next witness is the President of the National Breast Cancer Coalition, Fran Visco. Ms. Visco.

STATEMENT OF FRAN VISCO, J.D., PRESIDENT, NATIONAL BREAST CANCER COALITION

Ms. VISCO. Thank you, Senator Inouye, and I want to thank you for your continued leadership and support for the DOD peer-reviewed Breast Cancer Research Program, and also of course thank Chairman Stevens and the other members of the subcommittee.

As you know, this program has been an enormous success. And I am here today as a wife, a mother, and as the head of the National Breast Cancer Coalition (NBCC). When I was 39 years old, I was diagnosed with breast cancer. My son was 14 months old. I'm fortunate, because after surgery, a very toxic treatment with life-long side effects, I am still here today to testify to you about this extraordinary program, and on behalf of NBCC, a coalition of more than 600 member organizations, and tens of thousands of individuals.

The DOD peer-reviewed Breast Cancer Program is incredibly efficient. More than 90 percent of the funds appropriated fund research. It is unbelievably effective. It fills gaps in traditional funding mechanisms and supports new ideas. And our collaboration among the advocacy community, the worldwide scientific committee, and the United States Army, has created new models for biomedical research and for decisionmaking, that have been copied by other Army programs, by other institutions, agencies, even States and other countries.

This program has had an independent review on three separate occasions. And those reviews have stressed the unique role the program plays, that it is not duplicative, and has given incredibly high praise for the substance of the program. It is transparent. It is accountable to the public. It is—every 2 years we have an Era of Hope meeting where everything that has been funded with taxpayer dollars is reported to the public.

We are proud to be partners with the Army in this program. The women across the country, their families, their friends, their supporters, look to this program because this is where we are saving lives of breast cancer. So I want to again thank you so very much for your continued support, and I look forward to continuing our collaboration and partnership.

Thank you very much.

Senator INOUE. I thank you very much, Ms. Visco. As you know, we will do our best.

Ms. VISCO. Yes, I know. Thank you.

[The statement follows:]

PREPARED STATEMENT OF FRAN VISCO

Thank you, Mr. Chairman and Members of the Appropriations Subcommittee on Defense, for the opportunity to talk to you about a program that has made a significant difference in the lives of women and their families. You and your committee have shown great determination and leadership in searching for answers by funding the Department of Defense (DOD) Peer-Reviewed Breast Cancer Research Program (BCRP) at a level that has brought us closer to eradicating this disease. Chairman Stevens and ranking member Inouye, we have appreciated your support of this program in the past. I am hopeful that you and your committee will continue that determination and leadership.

I am Fran Visco, a breast cancer survivor, a wife and mother, a lawyer, and President of the National Breast Cancer Coalition (NBCC). On behalf of NBCC, and the more than 3 million women living with breast cancer, I would like to thank you again for the opportunity to testify. As you know, the National Breast Cancer Coalition is a grassroots advocacy organization made up of hundreds of organizations and tens of thousands of individuals and has been working since 1991 toward the eradication of breast cancer through advocacy and action. NBCC supports increased funding for breast cancer research, increased access to quality health care for all women, and increased influence of breast cancer activists at every table where decisions regarding breast cancer are made. That is why this program is so important in the fight against this disease.

Much of the progress toward ending breast cancer has been made possible by the Appropriations Committee's investment in breast cancer research through the DOD BCRP. This program has launched new models of biomedical research that have benefited other agencies and both public and private institutions. It has changed for the better the way research is performed and has been replicated by programs focused on other diseases, by other countries and individual States. To support this unprecedented progress moving forward, we ask that you support a separate, \$150 million appropriation for fiscal year 2007. In order to continue the success of this program, you must ensure that it maintains its integrity and separate identity, in addition to the requested level of funding. This is important not just for breast cancer, but also for all biomedical research that has benefited from this incredible government program. In addition, as an Institute of Medicine (IOM) report concluded in 2004, there continues to be excellent science that goes unfunded, but for this program. It is only through a separate appropriation that this program is able to continue to focus on breast cancer yet impact all other research, rapidly respond to changes and new discoveries in the field and fill the gaps created by traditional funding mechanisms.

Despite the enormous successes and advancements in breast cancer research made through funding from the DOD BCRP, we still do not know what causes breast cancer, how to prevent it, or how to cure it. It is critical that innovative research through this unique program continues so that we can move forward toward eradicating this disease.

OVERVIEW OF THE DOD BREAST CANCER RESEARCH PROGRAM

The DOD Peer-Reviewed Breast Cancer Research Program has established itself as model medical research program, respected throughout the cancer and broader medical community for its innovative and accountable approach. The groundbreaking research performed through the program has the potential to benefit not just breast cancer, but all cancers, as well as other diseases. Biomedical research is being transformed by the BCRP's success.

This program is both innovative and incredibly streamlined. It continues to be overseen by a group of distinguished scientists and activists, as recommended by the IOM. Because there is little bureaucracy, the program is able to respond quickly to what is currently happening in the scientific community. Because of its specific focus on breast cancer, it is able to rapidly support innovative proposals that reflect the most recent discoveries in the field. It is responsive, not just to the scientific community, but also to the public.

Since its inception, this program has matured from an isolated research program to a broad-reaching influential voice forging new and innovative directions for breast cancer research and science. The flexibility of the program has allowed the Army to administer this groundbreaking research effort with unparalleled efficiency and effectiveness.

In addition, an integral part of this program has been the inclusion of consumer advocates at every level. As a result, the program has created an unprecedented working relationship between the public, scientists and the military, and ultimately has led to new avenues of research in breast cancer. Since 1992, over 400 breast

cancer survivors have served on the BCRP review panels. Their vital role in the success of the BCRP has led to consumer inclusion in other biomedical research programs at DOD. This program now serves as an international model.

It is important to note that the DOD Integration Panel that designs this program has a plan of how best to spend the funds appropriated. This plan is based on the state of the science—both what scientists know now and the gaps in our knowledge—as well as the needs of the public. This plan coincides with our philosophy that we do not want to restrict scientific freedom, creativity or innovation. While we carefully allocate these resources, we do not want to predetermine the specific research areas to be addressed.

UNIQUE FUNDING OPPORTUNITIES

Developments in the past few years have begun to offer breast cancer researchers fascinating insights into the science of breast cancer and have brought into sharp focus the areas of research that hold promise and will build on the knowledge and investment we have made. The Innovative Developmental and Exploratory Awards (IDEA) grants of the DOD program have been critical in the effort to respond to new discoveries and to encourage and support innovative, risk-taking research. The IDEA grants have been instrumental in the development of promising breast cancer research. These grants have allowed scientists to explore beyond the realm of traditional research and have unleashed incredible new ideas and concepts. IDEA grants are uniquely designed to dramatically advance our knowledge in areas that offer the greatest potential.

IDEA grants are precisely the type of grants that rarely receive funding through more traditional programs such as the National Institutes of Health, and private research programs. Therefore, they complement, and do not duplicate, other federal funding programs. This is true of other DOD award mechanisms as well.

For example, the Innovator awards are structured to invest in world renowned, outstanding individuals, rather than projects, from any field of study by providing funding and freedom to pursue highly creative, potentially breakthrough research that could ultimately accelerate the eradication of breast cancer. The Era of Hope Scholar is intended to support the formation of the next generation of leaders in breast cancer research, by identifying the best and brightest independent scientists early in their careers and giving them the necessary resources to pursue a highly innovative vision toward ending breast cancer.

Also, Historically Black Colleges and Minority Universities/Minority Institutions Partnership Awards are intended to provide assistance at an institutional level. The major goal of this award is to support collaboration between multiple investigators at an applicant Minority Institution and a collaborating institution with an established program in breast cancer research, for the purpose of creating an environment that would foster breast cancer research, and in which Minority Institution faculty would receive training toward establishing successful breast cancer research programs.

These are just a few examples of innovative approaches at the DOD BCRP that are filling gaps in breast cancer research. It is vital that these grants are able to continue to support interest in breast cancer research—\$150 million for peer-reviewed research will help sustain the program's momentum.

The DOD BCRP also focuses on moving research from the bench to the bedside. A major feature of the awards offered by the BCRP is that they are designed to fill niches that are not offered by other agencies. The BCRP considers translational research to be the application of well-founded laboratory or other pre-clinical insight into a clinical trial. To enhance this critical area of research, several research opportunities have been offered. Clinical Translational Research awards have been awarded for investigator-initiated projects that involve a clinical trial within the lifetime of the award. The BCRP expanded its emphasis on translational research by offering five different types of awards that support work at the critical juncture between laboratory research and bedside applications.

The Centers of Excellence awards mechanism brings together the world's most highly qualified individuals and institutions to address a major overarching question in breast cancer research that could make a major contribution towards the eradication of breast cancer. These centers put to work the expertise of basic, epidemiology and clinical researchers, as well as consumer advocates to focus on a major question in breast cancer research. Many of these centers are working on questions that will translate into direct clinical applications.

SCIENTIFIC ACHIEVEMENTS

The BCRP research portfolio is comprised of many different types of projects, including support for innovative ideas, infrastructure building to facilitate clinical trials, and training breast cancer researchers.

A groundbreaking outcome of research funded by the BCRP was the development of Herceptin, a drug that prolongs the lives of women with a particularly aggressive type of advanced breast cancer; and has been shown in recent studies to decrease relapses in women with this type of breast cancer, which constitute about 25 percent of those diagnosed. This drug could not have been developed without first researching and understanding the gene known as HER-2/neu, which is involved in the progression of some breast cancers. Researchers found that over-expression of HER-2/neu in breast cancer cells results in very aggressive biologic behavior. Most importantly, the same researchers demonstrated that an antibody directed against HER-2/neu could slow the growth of the cancer cells that over-expressed the gene. This research, which led to the development of the drug Herceptin, was made possible in part by a DOD BCRP-funded infrastructure grant. Other researchers funded by the BCRP are currently working to identify similar kinds of genes that are involved in the initiation and progression of cancer. They hope to develop new drugs like Herceptin that can fight the growth of breast cancer cells.

Another example of success from the program is a study of sentinel lymph nodes (SLNs). This study confirmed that SLNs are indicators of metastatic progression of disease. The resulting knowledge from this study and others has led to a standard of care that includes lymph node biopsies. If the first lymph node is negative for cancer cells, then it is unnecessary to remove all the lymph nodes. This helps prevent lymphedema, which can be painful and have lasting complications.

Those are just two example of success stories come out of the DOD BCRP. In addition, there are still other studies in earlier stages of research coming out of the program that could lead to important breakthroughs in our knowledge of the disease, as well as how to treat it. For example, some studies are using advances in gene expression profiling technologies to allow them to identify breast cancer "types". Researchers have found that there are different kinds of breast cancer, each responding differently to different treatments. The recognition that breast cancer is a heterogeneous disease will allow for more targeted therapies and better selection of patient subgroups for clinical trials.

Finally, some studies are using nanotechnology to identify the location and size of a cancerous tumor. In addition, that same technology is being studied to determine whether it is possible to deliver treatment directly to the tumor and destroying it, but leaving other, non-cancerous tissue in tact.

FEDERAL MONEY WELL SPENT

The DOD BCRP is as efficient as it is innovative. In fact, 90 percent of funds go directly to research grants. The flexibility of the program allows the Army to administer it in such a way as to maximize its limited resources. The program is able to quickly respond to current scientific advances, and fulfills an important niche by focusing on research that is traditionally under funded. This was confirmed and reiterated in an IOM report released in 2004. It is responsive to the scientific community and to the public. This is evidenced by the inclusion of consumer advocates at both the peer and programmatic review levels. The consumer perspective helps the scientists understand how the research will affect the community, and allows for funding decisions based on the concerns and needs of patients and the medical community.

Since 1992, the BCRP has been responsible for managing \$1.81 billion in appropriations. From its inception through fiscal year 2004, 4,293 awards at over 420 institutions throughout the United States and the District of Columbia have been awarded. Approximately 150 awards will be granted for fiscal year 2005. The areas of focus of the DOD BCRP span a broad spectrum and include basic, clinical, behavioral, epidemiology, and alternative therapy studies, to name a few. The BCRP benefits women and their families by maximizing resources and filling in the gaps in breast cancer research. Scientific achievements that are the direct result of the DOD BCRP grants are undoubtedly moving us closer to eradicating breast cancer.

The outcomes of the BCRP-funded research can be gauged, in part, by the number of publications, abstracts/presentations, and patents/licensures reported by award-ees. To date, there have been more than 9,500 publications in scientific journals, more than 9,600 abstracts and more than 300 patents/licensure applications. The Federal Government can truly be proud of its investment in the DOD BCRP.

INDEPENDENT ASSESSMENTS OF PROGRAM SUCCESS

The National Breast Cancer Coalition has been the driving force behind this program for many years. The success of the DOD Peer-Reviewed Breast Cancer Research Program has been illustrated by several unique assessments of the program. The IOM, which originally recommended the structure for the program, independently re-examined the program in a report published in 1997. They published another report on the program in 2004. Their findings overwhelmingly encouraged the continuation of the program and offered guidance for program implementation improvements.

The 1997 IOM review of the DOD Peer-Review Breast Cancer Research Program commended the program and stated that, "the program fills a unique niche among public and private funding sources for cancer research. It is not duplicative of other programs and is a promising vehicle for forging new ideas and scientific breakthroughs in the Nation's fight against breast cancer." The IOM report recommended continuing the program and established a solid direction for the next phase of the program. The 2004 report reiterated these same statements and indicated that is important for the program to continue. It is imperative that Congress recognizes the independent evaluations of the DOD Breast Cancer Research Program, as well as reiterates its own commitment to the program by appropriating the funding needed to ensure its success.

The DOD Peer-Reviewed Breast Cancer Research Program not only provides a funding mechanism for high-risk, high-return research, but also reports the results of this research to the American people at a biennial public meeting called the Era of Hope. The 1997 meeting was the first time a federally funded program reported back to the public in detail not only on the funds used, but also on the research undertaken, the knowledge gained from that research and future directions to be pursued. The transparency of the BCRP allows scientists, consumers and the American public to see the exceptional progress made in breast cancer research.

At the 2005 Era of Hope meeting, all BCRP award recipients from the past 2 years were invited to report their research findings, and many awardees from previous years were asked to present advancements in their research. Themes for the 2005 meeting included: Understanding Risk—A Different Perspective; Understanding Who Needs Intervention and Understanding Treatments—Effectively Treating Primary and Metastatic Disease. Researchers presented their research on many important topics ranging from the development of new techniques for detecting breast cancer to identifying and destroying progenitor breast cancer cells to determining ways to stop tumor growth by preventing angiogenesis to applying new models for developing and implementing communications strategies in order to enhance decision making and improve quality of life for breast cancer patients.

The DOD Peer-Reviewed Breast Cancer Research Program has attracted scientists across a broad spectrum of disciplines, launched new mechanisms for research and has continued to facilitate new thinking in breast cancer research and research in general. A report on all research that has been funded through the DOD BCRP is available to the public. Individuals can go to the Department of Defense website and look at the abstracts for each proposal at <http://cdmrp.army.mil/bcrp/>.

COMMITMENT OF THE NATIONAL BREAST CANCER COALITION

The National Breast Cancer Coalition is strongly committed to the DOD program in every aspect, as we truly believe it is one of our best chances for finding cures and preventions for breast cancer. The coalition and its members are dedicated to working with you to ensure the continuation of funding for this program at a level that allows this research to forge ahead.

Over the years, our members have showed their continuing support for this program through petition campaigns, collecting more than 2.6 million signatures, and through their advocacy on an almost daily basis through the country asking for support of the DOD BCRP.

As you know, there are 3 million women living with breast cancer in this country today. This year more than 40,000 will die of the disease and nearly 220,000 will be diagnosed. We still do not know how to prevent breast cancer, how to diagnose it truly early or how to cure it. While the mortality rate seems to be decreasing, it is not by much and it is not for all groups of women. The incidence of breast cancer continues to rise. It is an incredibly complex disease. We simply cannot afford to walk away from these facts, we cannot go back to the traditional, tried and not so true ways of dealing with breast cancer. We must, we simply must, continue the innovative, rapid, hopeful approach that is the DOD BCRP.

Just a few weeks ago, many of the women and family members who supported the campaign to gather the 2.6 million signatures came to NBCCF's Annual Advocacy Training Conference here in Washington, D.C. More than 600 breast cancer activists from across the country, representing groups in their communities and speaking on behalf of tens of thousands of others, joined us in continuing to mobilize our efforts to end breast cancer. The overwhelming interest in, and dedication to eradicate this disease continues to be evident as people not only are signing petitions, but were willing to come to Washington, D.C. from across the country to tell their Members of Congress about the vital importance of continuing the DOD BCRP.

Since the very beginning of this program in 1992, Congress has stood with us in support of this important investment in the fight against breast cancer. In the years since, Mr. Chairman, you and this entire committee have been leaders in the effort to continue this innovative investment in breast cancer research.

NBCC asks you, the Defense Appropriations Subcommittee, to recognize the importance of what you have initiated. You have set in motion an innovative and highly efficient approach to fighting the breast cancer epidemic. What you must do now is support this effort by funding the program at \$150 million and maintaining its integrity. This is research that will help us win this very real and devastating war against a cruel enemy.

Thank you again for the opportunity to testify and for giving hope to the 3 million women in the United States living with breast cancer.

Senator INOUE. Our next witness is Rear Admiral Casey Coane, the United States Navy Executive Director of the Naval Reserve Association. Admiral.

STATEMENT OF REAR ADMIRAL CASEY COANE, UNITED STATES NAVY (RETIRED), EXECUTIVE DIRECTOR, NAVAL RESERVE ASSOCIATION

Admiral COANE. Senator Inouye, on behalf of the 22,000 members of the Naval Reserve Association and the 70,000 serving Navy reservists, I want to thank you and the entire subcommittee for your continued unwavering support of our Navy, Navy Reserve, Navy veterans, and their families. We are grateful for the opportunity to submit testimony, and for your efforts in this hearing.

Your willingness to address and correct issues facing Reservists affirms their value to the defense of our great Nation. Your willingness to look at issues related to the use of the Reserve on the basis of national security and homeland defense is very important.

In the interest of time, I will depart from our written testimony and get straight to the point. I will raise two broad issues, and then get to Navy Reserve equipment.

First, we see a trend developing whereby the Active components are taking Guard and Reserve equipment from those units in order to replace shortfalls on the active ledger. The long war is using up mechanized equipment and flying years off of our aircraft of all types. We do not see a plan within DOD for the replacement of this equipment. The subcommittee is certainly aware of that within Navy, all Navy Reserve squadrons are being decommissioned—that is Navy Reserve patrol squadrons—are being decommissioned, and their aircraft have already been transferred to the Active squadron. The same thing is happening now with our Navy Reserve FA-18 squadrons, including VFA-201 in Dallas, which was mobilized and carried out some of the very first strikes as Operation Iraqi Freedom began. Navy Reserve combat support helicopter squadrons HCS-4 and -5 have had detachments in Baghdad for over 3 years straight. They are set to merge with three other Reserve squadrons, with the result being that what was once five will become three, with three squadrons' worth of aircraft.

All this is being accomplished under the banner of integration. We believe it is a fiscal decision, not a national readiness decision. Second, Guardsmen and Reservists need equipment on which to train. It is what motivates them and brings them to the table. It is what allows our country to maintain the reservoir of combat skill sets that enable the VFA 201 to respond to the call, and out perform every other squadron in its air wing.

History tells us that when that squadron decommissions, the vast majority of its reservists will leave the service, those hard-earned combat skills lost to the country forever. Now, the Navy Reserve does have an unfunded list this year. Greater Navy chose not to put any of those items on its unfunded list. The Navy had begun to buy C-40 aircraft to replace its rapidly aging DC-9's. Boeing has made a very attractive accelerated purchase offer to the Navy, which would save the taxpayers millions of dollars.

All Navy airlift is in the Reserve component. And if the C-9s are not replaced, the Navy will lose the capability that it has argued for years that it must have. We particularly urge the subcommittee to fund these aircraft, at least two of them, this year.

For years, the Navy Reserve has been the Navy leader in port security in the brown water Navy. The Reserve tactical vehicles and communications gear is aging and needs replacement now. The Navy has just stood up its new Riverine Squadron, and while the second squadron is to be a Reserve squadron, the Reserve piece is not in the program objective memorandum (POM). We urge the subcommittee to fund this squadron.

We also ask the subcommittee to address the other items on the Navy unfunded list, and ensure that reservists continue to have equipment on which to train.

We thank you for your time.

Senator INOUE. Admiral, I thank you very much, and I'm certain the chairman joins me. We will do our very best, sir.

Admiral COANE. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL CASEY COANE

THE NAVY RESERVE ASSOCIATION

Chairman Stevens, Senator Inouye and distinguished Members of the subcommittee: The Naval Reserve Association thanks you and the entire subcommittee for your continued, unwavering support of our Navy Reserve, Navy Active Duty, retired members, and veterans of the uniformed services, to include their families and survivors.

On behalf of our 22,000 members, and in advocacy for the 72,000 active Naval Reservists and the interest of all Guard and Reserve personnel, we are grateful for the opportunity to submit testimony, and for your efforts in this hearing. Your willingness to address and correct issues facing Reservists affirms their value to the defense of our great Nation. Your willingness to look at issues related to the use of the Reserve on the basis of national security sets the Legislative Branch apart from the Executive Branch which seemingly develops its positions on the basis of cost.

We hope that many of these equipment issues will be addressed by the Commission on the Guard and Reserve. We look forward to that body giving Congress and the administration a holistic view of the myriad issues facing today's Guard and Reserve but, as you know, they have just begun their review.

NAVY RESERVE EQUIPMENT

That said, there are equipment issues that need to be addressed by this committee and this Congress, now. As you know, DOD and the services have not pro-

vided all necessary hardware for the Guard and Reserve forces throughout recent history. The Senate has led the way in providing the right equipment at the right time for our Guard and Reserve forces, and especially for the Navy Reserve force.

It is imperative that at this time you recognize that in transforming and rebalancing the Navy Reserve, Navy has made a decision to disestablish Navy Reserve hardware units. We believe this is based solely on budgetary reasons, since no vision of the Navy Reserve exists for review.

To put this in perspective, in 2003 the Chief of Naval Reserve testified before this committee that he needed a variety of additions and upgrades to Reserve equipment. In 2004 a different chief testified before this committee and while he thanked the committee for the 2004 National Guard and Reserve equipment appropriation; he made no further request for equipment or upgrades to equipment. He did tout the extraordinary performance of Strike Fighter Squadron 201 which had been mobilized aboard *Theodore Roosevelt* and Helicopter Combat Support Squadrons 4 and 5 for their deployments to Iraq.

These were the first Navy Reserve squadron fighter and helicopter squadron call-ups since Korea and, as was testified to by their Chief of Navy Reserve, they performed superbly—better than other air wing squadrons in the case of VFA-201. HCS-4 and 5 have no Active Component counterparts but performed equally well. These deployments validated the wisdom of having assets in reserve that the country could call upon. Today those same squadrons are scheduled to be decommissioned!

Within the last 5 years, Navy, has disestablished—60 percent of the Navy Air Reserve force, with most of the remaining force on the books to disestablish. 33 percent of the Navy Surface Reserve force has been lost. This has occurred in a time of increased usage of Reservists by the Navy. Some of these units are described as excess, yet they have proven the wisdom of having them available.

While it may be understandable that Navy has the right to shape the force, it seems to me that for the tax payers—the Navy Reserve hardware units are a fantastic buy for the tax payer's dollar. They cost one-third less, and provide surge capabilities when called. VFA-201 is serving as the Navy's surge ready fighter/attack squadron at this time. And, they do respond when called. VFA-201 (Texas), HSC 4-5 (California, Virginia), Naval Coastal Warfare (nationwide), Seabees (nationwide), ELF (nationwide), and VR (nationwide)—are just some examples of Naval Reservist doing what the country needs and wants—when we need and want them! Yet—Navy is well on the way to disestablishing all air assets for budgetary reasons. We believe you must provide for these capabilities, and maintain these capabilities that are being utilized, are needed, and do respond to our national security requirements and to our national homeland defense requirements.

The recent QDR indicates a continued requirement for our Armed Forces to be engaged worldwide. To meet the national security strategy, the homeland security strategy and to ensure that our country meets the emerging threats of the long war and global war on terrorism it is evident that we will need the Navy Reserve well into the 21st Century to meet world wide threats. We are activating these citizen sailors today for OIF, OEF, and worldwide GWOT operations. I hasten to add that when concerns are raised by our association we are often accused of living in the past; of not understanding the newly-integrated Navy Reserve mission. It is not the past that concerns us but the unpredictability of the future and future military requirements.

The Senate has frequently reminded DOD that they do not plan well for the next war. That is why we have maintained assets and skills in a Reserve force—because we can't predict accurately. The Navy now seems bent on a Reserve force that functions only as a day to day operational manpower pool. We have strong reservations that going forward this will not provide surge capability nor will it result in the retention of skill sets that are maintained today because Reservists have their own equipment on which to train.

Within the units that the Navy says it will retain, there are significant Navy Reserve equipment shortages that need your attention. The following items are both necessary and affordable for the country, in this time of increased utilization and requirements as forecast by the QDR.

C-40A.—Navy Reserve transport squadrons provide 100 percent of the Navy's intra theater logistic requirements. The C-40 will replace aging and expensive C-9B aircraft. Boeing has made significant accelerated purchase offers to the Navy at great savings to the taxpayer. We urge you to fund these aircraft, and to provide resources for two (2) C-40s this year.

Naval Coastal Warfare Equipment.—The Navy Reserve has been the leader in port security and the brown-water Navy. These units have existed in the Navy Reserve for sometime. Their equipment is ageing and needs replacement. They sup-

plied initial response during 9/11, and have responded to our Nations call for OIF and OEF. As the Active component moves into addressing the brown water Navy requirements—we have to keep the Navy Reserve fully equipped with reliable tactical vehicles, communications equipment, and combat support equipment.

Naval Expeditionary Equipment.—The Navy Reserve expeditionary forces are actively and constantly engaged in OIF and OEF. They are an integral part of the Defense Department's homeland defense strategy. Tactical vehicles and small arms simulators are critically needed to make sure Navy Reservist are effectively and efficiently trained for deployments.

The Naval Reserve Association asks that you provide committee language to cease disestablishment of Navy Reserve hardware units, maintain and fund hardware units in the Navy Reserve before the capabilities are cut, and that you fund the three critical equipment shortages listed.

OTHER CRITICAL NAVY RESERVE, GUARD AND RESERVE PROGRAMS REQUIREMENTS

End Strength

The NRA would like to also put a freeze on reductions to the Guard and Reserve manning levels. With the Commission on the Guard and Reserve now active, it makes sense to put a moratorium on changes to end strength until after they report back to Congress with recommendations. NRA urges this subcommittee to fund end strength for Navy Reserve to last year's levels.

Survivor Benefits Plan (SBP) and Survivor Improvement

The Naval Reserve Association thanks this subcommittee for your funding of improvements in the myriad of survivor programs. However, there are still two remaining issues to deal with to make SBP the program Congress always intended it to be:

- Ending the SBP/DIC offset and

- Moving up the effective date for paid up SBP to October 1, 2006.

SBP is a purchased annuity. It is an earned employee benefit. It is a retirement plan for the surviving spouse. Dependency Indemnification Compensation's (DIC) is an indemnity program to compensate a family for the loss of a loved one due to his or her military service. They are different programs created to fill different purposes and needs.

SBP/DIC Offset affects several groups.

- The first is the family of a retired member of the uniformed services. At this time the SBP annuity he or she has paid for is offset dollar for dollar for the DIC survivor benefits paid through the VA. This puts a disabled retiree in an unfortunate position. If death is service connected then the survivor loses dollar for dollar for what the DIC pays.

- A second group affected by this dollar for dollar offset is made up of families whose servicemember died on Active Duty. Recently Congress created Active Duty SBP. These servicemembers never had the chance to pay into the SBP program. But clearly Congress intended to give these families a benefit. With the present off-set in place the vast majority of families receive no benefit from this new program, because the vast number of our losses are young men or women in the lower paying ranks. SBP is completely offset by DIC payments.

- Other affected families are servicemembers who have already served a substantial time in the military. Their surviving spouse is left in a worse financial position than a younger widow. The older widow's will normally not be receiving benefits for her children from either Social Security or the VA and will normally have more substantial financial obligations. This spouse is very dependent on the SBP and DIC payments and should be able to receive both.

Thirty Year Paid Up SBP.—In the fiscal year 1999 Defense Authorization Act Congress created a simple and fair paid up provision for the Survivor Benefit Plan. A member who had paid into the program for 30 years and reached the age of 70 could stop paying premiums and still have the full protection of the plan for his or her spouse. Except that the effective date of this provision is October 1, 2008. Many have been paying for as long as 34 years.

The Naval Reserve Association respectfully requests this subcommittee fund the SBP/DIC offset and 30 year paid-up SBP if authorized.

Full Funding for the Defense Health Programs

The Naval Reserve Association thanks the subcommittee's role in providing adequate funding for the Defense Health Program (DHP) in the past several budget cycles. As the cost of health care has risen throughout the country, you have provided adequate increases to the DHP to keep pace.

This is again one of our membership's top priorities. With the additional costs that have come with the deployments to Southwest Asia, Afghanistan and Iraq, we must all stay vigilant against future budgetary shortfalls that would damage the quality and availability of health care.

With the authorizers having postponed the Department of Defense's suggested fee increases, NRA is concerned that the budget saving have already been adjusted out of the President's proposed budget. We ask this subcommittee to continue to fund the DHP so that there will be no budget shortfalls.

The Naval Reserve Association urges the subcommittee to continue to ensure full funding for the Defense Health Program including the full costs of all new TRICARE Reserve Select programs.

MGIB-SR Enhancements

The Department of the Navy has changed requirements for enlisted to advancement. Future enlisted leaders will be required to have associate and bachelor degrees in order to advance. This requirement will apply to Navy Reservists and will be difficult to obtain. This makes the Montgomery G.I. Bill for Selective Reserves (MGIB-SR) an important recruiting and retention tool as well as mandatory for those currently serving. With massive rotations the Reserve forces can expect to have retention shortfalls, unless the government provides incentives such as a college education. Education is not only a quality of life issue or a recruiting/retention issue it is also a readiness issue. Education a Reservist receives enhances their careers and usefulness to the military. The ever-growing complexity of weapons systems and support equipment requires a force with far higher education and aptitude than in previous years.

The problem with the current MGIB-SR is that the Selected Reserve MGIB has failed to maintain a creditable rate of benefits with those authorized in Title 38, Chapter 30. Other than cost-of-living increases, only two improvements in benefits have been legislated since 1985. In that year MGIB rates were established at 47 percent of active duty benefits. The current MGIB-SR rate is 27 percent of the Chapter 30 benefits. Overall the allowance has inched up by only 7 percent since its inception, as the cost of education has climbed significantly.

The NRA requests appropriations funding to raise the MGIB-SR and lock the rate at 50 percent of the Active Duty benefit.

The Naval Reserve Association is fully appreciative of the subcommittee's actions and concerns for the health and welfare of our service personnel and their families. Therefore, we hope that this subcommittee can further advance these suggestions in this committee. We are very grateful for the opportunity to submit these issues of crucial concern to our collective memberships.

I thank the committee for consideration of these equipment and manpower requirements that greatly impact our Active Duty and Reserve Component programs to assist the Navy Reserve in an age of increased sacrifice and utilization of these forces.

Senator INOUE. Our next witness is the President of the Morris Heritage Foundation, Robert V. Morris.

STATEMENT OF ROBERT V. MORRIS, PRESIDENT, MORRIS HERITAGE FOUNDATION, INC.

Mr. MORRIS. Thank you, Senator Inouye, and it is certainly nice to see you again.

The historic educational recognition opportunity—HERO—pilot program is critical to the future of America's armed forces and the long-term defense of our Nation. HERO seeks to stimulate the learning environment of America's diverse teenage population with accurate portrayals of black and female contributions to military history and their impact on equal opportunity in greater society. This youth education will enhance their understanding of and support for America's armed forces leading to escalating enlistment in the face of sharp declines, and of the long-term educational and socioeconomic benefits of military service.

The number of blacks and females enlisting in America's armed forces has been in steady decline, reaching 40 percent for blacks over the past 5 years while black high school dropout, unemploy-

ment, and incarceration rates continue to increase. Black Army troops declined from 23.5 percent in fiscal year 2000 to 14 percent in fiscal year 2005, with females sliding from 22 to 17 percent over the same period. Contributing factors such as an improving economy, increased college enrollments, and fear of combat death in Iraq and Afghanistan, are shrinking black and female enlistment levels.

In a rapidly expanding war against terrorism and aggression, direct and long-term action is needed to reverse this trend and revive black and female interest in military service. According to recruiters, respect for and knowledge of military service within a recruit's family, race, or gender, are proven determinants of enlistment, and current recruitment efforts are not going far enough.

The HERO pilot program will create multicultural non-sexist academic lessons promoting the racial and gender equality legacy of the American military in the spirit of our patriarch, Lieutenant James B. Morris, who graduated the first Army black officers candidate class at Fort Des Moines in 1917, and led the U.S. Army 92d division, 366th infantry, in World War I France in 1918.

The 5-year pilot program funding will be replaced by long-term private sector support and will initially target six public school districts of various sizes and geographic areas. The success of the bipartisan HERO pilot program will allow expansion to other minority groups in the future to invigorate the military enlistment pool for years to come.

The HERO pilot program has been affirmatively reviewed by the U.S. Army recruiting command and consulting educators at the University of Iowa and U.S. Military Academy, among others. HERO has also been personally reviewed and acknowledged by a number of prominent military leaders and educators, including former Secretary of State General Colin Powell, and Major General Thomas Bostic, the Commander of the U.S. Army Recruiting Command.

With this testimony, we request a \$3.25 million appropriation for the HERO pilot program as a direct grant through the U.S. Army operations and maintenance funding.

Thank you very much.

Senator INOUE. I thank you, sir. Would you care to have this pamphlet made part of the record?

Mr. MORRIS. Yes.

Senator INOUE. Without objection, so ordered.

Mr. MORRIS. Thank you.

Senator INOUE. And I thank you, sir.

[The information follows:]

HISTORIC EDUCATIONAL RECOGNITION OPPORTUNITY (HERO) PILOT PROGRAM 2006

THE MISSION

To win the hearts and minds of American's diverse teenage population with an accurate portrayal of black and female contributions to military history and their impact on equality in greater society through a consulting relationship with two legendary educational institutions. This youth education will stimulate their understanding of and support for America's Armed Forces leading to escalating enlistments in the face of sharp declines and of the long-term educational and socio-economic benefits of military service.

THE PROJECT

With youth education a primary goal of the Morris Heritage Foundation, Inc. (MHF), and in consultation with the University of Iowa and the United States Military Academy, we are creating multi-cultural, non-sexist academic lessons promoting the racial and gender equality history of the U.S. military in the spirit of our founders. The target audience for the lessons will be black and female youth who possess a limited historical knowledge of multi-cultural military contributions to the Nation. Initial public funding for the program will be replaced with long-term private sector support through success and exposure. This pilot program will target public school districts in six (6) target States representing diverse geographic and population characteristics. Pilot program success will key expansion to include other minority groups including Hispanic, Native, Asian and Pacific Islander. The HERO program is bi-partisan and non-political regarding any current issues or events.

THE ORGANIZATION

MHF is an educational not-for-profit (IRS 501c3) organization based in Des Moines, Iowa founded in 2004. Our patriarch, Lt. James B. Morris, Sr., (1890–1977) graduated the Army's first black officer candidate class at Fort Des Moines, Iowa on October 15, 1917 and served with the American Expeditionary Force 3rd Battalion, 92nd Division, 366th Infantry on the battlefields of WWI France where he survived two combat wounds in 1918. He returned to Iowa in 1919 where he began a legendary career as lawyer, educator and publisher of the oldest black newspaper west of the Mississippi River while co-founding the National Bar Association (NBA) in 1925 and the National Newspaper Publishers Association (NNPA) in 1940. His son, Captain James B. Morris, Jr. (1919–1976) served with the 6th Army in the WWII South Pacific where he won 4 bronze star medals of valor with an integrated intelligence unit within a racially segregated Army. His youngest son and MHF president Robert V. Morris created the \$10 million Fort Des Moines Memorial Park to honor the original black officer class 1997 and chronicled Morris military achievements in *Tradition And Valor: A Family Journey* (Sunflower Press 1999). Fort Des Moines was also the birthplace of the WWII Women's Army Auxiliary Corps (WAAC) in 1942.

THE PROBLEM: BLACK AND FEMALE ENLISTMENT DECLINE

The number of blacks and females enlisting in America's Armed Forces has been in steady decline reaching forty percent over the past 5 years while black high school drop outs, unemployment and incarceration rates continue to increase. Black Army troops have declined from 23.5 percent in fiscal year 2000 to less than 14 percent in fiscal year 2005 with females sliding from 22 percent to 17 percent over the same period. Questionable factors including an improving economy, increased college enrollment, long-term engagements and fear of combat deaths particularly in Iraq are pushing black troop levels toward general population levels of 12 percent. In a rapidly expanding war against terrorism and aggression, direct action is needed to reverse this trend and revive black and female interest in military service. According to recruiters, respect for and knowledge of military service within a recruit's family, race or gender have long been key determinants of potential military service. These factors are the direct target of the HERO program.

THE CURRICULUM

To implement the program, 40 lessons will be developed which focus upon the stories and ideals representative of racial and gender equality in the Armed Forces and greater society. The lessons will focus upon the backgrounds, goals, motivations and achievements of black and female troops throughout history. Other lessons will present the social contexts of race and gender by defining the status and roles of blacks and women in America during the first half of the 20th century so the uniqueness and far-sightedness of the military can be appreciated. Twenty lessons will be created for upper-elementary or middle school students and 20 for high school students taking United States History during their sophomore and junior years. At each level, the curriculum will also be adult friendly. Besides content and appeal, the lessons will share the following qualities:

Self-Contained.—Because most teachers are severely overworked and have little time to research and develop quality lessons themselves, each lesson will be self-contained so that teachers will have all the materials and directions needed to implement the lesson in their classroom whether it be in a large city or small, isolated rural community.

Interactive Nature.—Every lesson will include interactive materials of high interest to students. For example, a lesson about the traits and backgrounds of those who entered the black officers training program at Fort Des Moines in 1917 will direct students to existing data bases in order to develop hypotheses about the socioeconomic characteristics of those attracted to the program. Another lesson could do the same on the women of the WAC.

Diverse Learning.—In order to broaden the appeal and use of lessons they will appeal to diverse learning styles and abilities. For example, students who learn hands-on will use gaming programs in the lessons which present problems such as issues of racial and gender discrimination while younger learners deal with how to survive boot camp in which both groups develop strategies for overcoming the obstacles.

Primary Source Materials.—Drawing from the MHF data base, the lessons will include primary source materials including reproduced letters, photos, film clips, training manuals, newspaper articles and other documents. Not only will students use primary sources as essential components of the lessons, but will the MHF data base and other sources.

Independent Nature.—One problem teachers of history and social sciences experience is the dilemma of too much material and too little time to teach it which discourages teachers from using materials which do not fit the learning objectives of courses they teach.

Independent Study.—All lessons will be linked to an “independent study” strand utilizing the data base so that students (and adults) individually may work the lessons without teacher assistance.

Internet Distribution.—Lessons will be made available to teachers, students and adults via MHF website and other curriculum distribution sites. This is essential because printed lessons are often lost or discarded making them unavailable to new teachers of the subjects.

Teacher Guide.—Each lesson will include a teacher guide, student pages, related research and primary sources and internet links to other sites. The Internet pages will be exciting, youth friendly, and will include animation and simulations. It is estimated that each lesson will require approximately 15 internet pages, so the entire project will require over 600 new pages on the website.

CURRICULUM DISTRIBUTION METHODS

In order to market the lessons to school districts and teaching professionals, project staff will conduct workshops at selected teacher conferences and market the program through educational like the Association of Supervision and Curriculum Development and the National Middle School Association. In addition, our staff will utilize existing educational distribution sources like Scholastic, Channel One and AOL@SCHOOL and link to key websites.

TELEVISION PRODUCTION

MHF will produce five (5) high definition (HD) television documentaries of 28:00 in length which will be broken into 14:00 shorts for classroom use. The documentaries will bring history to life and feature animation and celebrity narrators in bilingual formats and also be available for telecast on Armed Forces Television worldwide.

INITIAL LESSON TOPICS

The original eleven (11) lesson topics analyze how the military led greater American society toward racial and gender equality, including:

The Revolution.—Black freeman Crispus Attucks became the first soldier to die in the Revolutionary War. The tragic incident began the long history of black military service in support of the United States of America.

Slavery and the Civil War.—The slave revolts of Nat Turner and abolitionist John Brown highlight the cruel and savage industry of American slavery. How the slaves reacted to the Civil War and black troop participation in the Union Army changed America forever. Lessons will examine slave culture, the underground railroad and black military participation in the Civil War as well as post-war freemen flight to the north and western United States that often ended in disaster.

Buffalo Soldiers and Western Expansion.—After the Civil War, many Union Army soldiers and freemen formed four legendary black units on the plains and in the southwest. The U.S. Army's 9th and 10th Cavalry “Buffalo Soldiers” and the 24th and 25th Infantry fought Indians, Mexicans and whites in a variety of settings and also performed tedious and dangerous assignments rooted in racial discrimination.

Lessons will separate fact from fiction as to who these men were and what they did during and after their military service.

WWI Black Officers Take Charge.—The Army's first officer candidate class for blacks drew an elite group of men to Fort Des Moines, Iowa in 1917. Although three blacks had previously graduated West Point, the 1,250 candidates of the 17th Provisional Training Regiment represented the first group training ever performed. The class consisted of 1,000 college graduates and faculty and 250 non-commissioned officers from the 9th and 10th Cavalry "Buffalo Soldiers" and the 24th and 25th Infantry stationed on the plains and in the southwest. The 639 graduating captains and lieutenants served valiantly with the 3rd Battalion 92nd Division of the American Expeditionary Force on the battlefields of World War One France in 1918 as the first black combat regiment commanded by black officers. Lessons will explore who these men were and their impact on the military command structure and greater society.

WWI Negrophilia and the New Negro.—The black officers of the U.S. Army played a major role in the European avant-garde cultural revolution during and after World War One. Lt. John Reece Europe's fabulous "Hell Fighters Band," along with others, introduced the continent to the jazz craze that drove Paris wild and impacted every aspect of European culture between 1918 and 1930. Paralleling the Harlem (New York) Renaissance, participants ranged from entertainers Josephine Baker and Paul Robeson to legendary French artist Picasso. The highly educated black officers, labeled "New Negroes" by the French, presented a direct contradiction to the popular European colonial concept of primitivism. These lessons are culture and arts oriented.

WWII Women at War and Beyond.—Over 72,000 women trained at Fort Des Moines, Iowa between 1942 and 1945 including 7,000 college educated officers becoming the first female Army troops. The racially integrated training contained 3,600 black enlisted women and 118 officers. Lessons will preview who they were, where they came from and what they did during and after World War Two. What they and their military descendants' impact was on gender equality throughout the military and greater society.

WWII Tuskegee Airmen.—Within a legendary World War Two combat unit, Iowan Luther Smith could be the greatest Tuskegee Airmen story of them all. After 133 combat missions, a fiery plane crash with severe injuries and 7 months as a Nazi POW, how could Captain Smith survive to become NASA's first black aerospace engineer and one of seven veterans invited to accompany President William Clinton to Europe for the 50th anniversary of WWII? Lessons will study unit history and individual stories of the Tuskegee Airmen themselves and their impact of greater society.

Korea and Combat Integration.—After President Truman's 1948 executive order ending racial segregation in America's Armed Forces was effectively ignored by military leaders, China's entrance into the Korean conflict made black troopers the combat replacement of choice. A new level of popularity and danger led to heroic service by black troops in the midst of discrimination and hatred but opened the door for integration on the battlefield. Lessons will discuss the many contradictions of the Korean War and the fledgling civil rights movement back home.

Black Troops in Vietnam.—From the "Black Power" movement of urban America to the dangerous jungles of Vietnam, black troops served with distinction in an unpopular war. The Vietnam War contradicted the racial segregation of WWII by loading combat units with black draftees resulting in disproportionately high casualty rates. Lessons will examine the racial, socio-economic and political reasons black troops fought overseas and protested at home and what American society learned from this controversial period.

The War on Terrorism.—International relations from century old European colonialism to religious, ethnic and racial intolerance provide a bloody history creating today's events. Distinguish players in the deadly game of international and domestic terrorism and their impact on American society before and after 9/11 are identified and analyzed. Lessons will concentrate on understanding all aspects of terrorism and its roots.

Today's Military.—Discusses the socio-economic and educational opportunities and risks of service in today's modern military in every branch and the future. The impact of military service alternatives on black and female high school drop-out, teen-pregnancy, unemployment and incarceration rates are analyzed. Lessons will also review selected military careers and resulting career opportunities after service.

ACADEMIC NEED

According to the U.S. Department of Education, youth residing in both urban and rural areas have limited exposure to accurate multi-cultural historical curricula and thus possess a narrow interpretation of American history. The Federal Government, and most States, mandate multi-cultural non-sexist education. Although very worthy, little has been done by educational agencies to help teachers fulfill their multi-cultural non-sexist goals. The problem is particularly critical for teachers in small rural school districts where they are often assigned many duties and academic preparations and have little time to develop effective lessons with multi-cultural, non-sexist themes. The problem is accentuated by the reality that because an aging national teacher workforce, more young, inexperienced teachers are assigned to teach history courses.

PROGRAM EVALUATION

HERO pilot project success will be evaluated in a number of ways including:

- Number of hits on project website and internet surveys.
- Evaluations from teachers who attend in-service presentations conducted by project staff and follow-up questionnaires.
- Evaluations from focus groups of teachers from targeted school districts.
- Surveys from participating faculty and students in targeted school districts.
- Increase in black and female military enlistments from targeted school districts.

PILOT PROGRAM

This original program will be implemented in selected school districts in six (6) States and school districts representing the Nation's geographic resources and large to small black population areas according to the 2004 U.S. Census and National Center for Education Statistics, including:

State	Black Population	School District	High School Students	Black Percent
New York	3,361,053	New York City	1,049,831	34.4
Texas	2,633,219	Houston ISD	210,950	31.3
Georgia	2,612,936	Atlanta City	56,586	89.2
California	2,436,678	Los Angeles Unified	735,058	12.4
Michigan	1,450,583	Detroit City	166,675	90.8
Iowa	67,596	Des Moines Independent	32,010	15.3

Program Budget (estimated)			Total
Website development			\$50,000
HD Television production			400,000
Project staff			980,000
Equipment and office expenses			250,000
Marketing and distribution			950,000
Travel and entertainment			270,000
School District Participation Fee (6)			250,000
Education consultants (curriculum and program development)			100,000
Total			3,250,000

BUDGET NARRATIVE

Website Development.—A new website with over forty (40) new web pages requires a professional developer who will also provide on-going updates and maintenance. This expense includes creation, page design and 60-months of website hosting, \$50,000.

Documentary Production.—The expense includes pre-production including script development, high definition (HD) production and post-production services with 3D and 2D digital effects of the ten 28:00 programs broken into 14:00 blocks. It also includes program satellite uplink, website upload or DVD and VHS bicycling as needed to distribute the products. This category also includes director and crew services and remote and post-production equipment and services, \$400,000.

Project Staff.—The project team will include full time director and administrative assistant with two part-time researchers and two teacher advisory committees totaling \$980,000.

- Project Director will be an experienced educator and energetic self-starter with solid leadership and communications skills. The director will possess considerable teaching, writing and research skills and a firm command of the Internet, anticipated costs are \$75,000 salary and \$15,000 (20 percent) for benefits or \$90,000 for 5 years totaling \$450,000.
- Project Coordinator supports project director with administrative and managerial services and provides secondary leadership to project operations. This position includes non-profit managerial and accounting experience working with accounting and auditing support to insure financial, insurance and institutional efficiency and support, \$50,000 salary and \$10,000 (20 percent) benefits.
- Administrative Assistant is a full-time position including all administrative and clerical duties over a 5 year period. Salary is \$20,000 plus \$4,000 (20 percent) benefits or \$24,000 at 5 years \$120,000.
- Research Assistants consist of two (2) experienced part-time researchers for content and curriculum development and then statistical recovery, interpretation and analysis throughout the project term. They will assist director and pre-production script development. Anticipated cost for each part-time researcher are \$25,000 salary and \$5,000 (20 percent) for benefits with a 5 year total of \$300,000.
- Teacher Advisors will consist of eight (8) experienced history teachers, including military history, who possess knowledge of electronically provided lessons at the upper elementary, middle and high school levels. This group will also participate in focus groups and receive \$2,400 per year and related expenses for their 2 years of time for a total of \$40,000.

Equipment Expenses at base office consist of computer hardware and software and additional office rent, utilities, equipment and furniture totaling \$250,000 including:

- Office rent, utilities, etc.
- Desk (3) and laptop (3) computers with software.
- Color printer, scanner, copy and fax machines with telephone system.
- HD video recorder/players with time code readers and monitor for logging tapes and pre-paring rough edit cuts will reduce final edit costs.

Marketing and Public Relations includes professional agency services to directly reach high school administrators, educators, students and parents with an uplifting and positive message about the program and its long-range benefits. These activities include developing press releases and custom kits, fact sheets, Q&As and testimonials from successful black and female veterans and selected celebrities. Establishing distribution collaborations with AOL@SCHOOL, scholastic and other existing educational networks and scheduling interviews for radio, television, print media and direct group presentations by staff, veterans and selected celebrities, \$950,000.

Travel and Entertainment consists of staff travel to selected educational, historical and military conferences and for meetings with participant school districts, media entities and corporate sponsors. All per diem and related expenses will be consistent with federal government guidelines, \$270,000.

School District Participation Fees will reimburse six public districts for efforts in implementing and reporting the program results in their respective cities reducing political and anti-military resistance, \$250,000.

Educational Consultants include industry professionals, the University of Iowa and U.S. Military Academy providing assistance in curriculum development, program implementation and success reporting and interpretation from participating districts, \$100,000.

COMPLETION SCHEDULE

Upon funding confirmation and team hiring, the following schedule will be completed over a 24-month development and 36-month maturation period are as follows:

- Month 1: Identify teacher advisory teams and website and distribution experts.
- Month 2–7: Perform research, interviews including research trips as mentioned in the narrative.
- Month 8: Present research to teacher teams and develop lesson formats.
- Month 9–14: Develop lessons and perform lesson planning and documentary pre-production.
- Month 15: Perform lesson revisions including evaluation process and conference presentation formats.
- Month 16–19: Pilot lessons ready, finish website, data base and documentary production.
- Month 20: Final revisions of lessons with modifications from teacher advisors.

- Month 21–24: Website, data base and documentary post-production completed with marketing activities in full swing.
- Month 25–60: Marketing to grow project to full pilot state and national recognition.

PROJECT LEADERSHIP

The project leadership team includes a wide-variety of distinguished professionals and educational institutions bringing considerable expertise to all elements of the HERO project including:

MORRIS HERITAGE FOUNDATION, INC.

Morris Heritage Foundation, Inc. (MHF) is a 501c3 not-for-profit Iowa corporation specializing in mass communications and educational projects and based in Des Moines, Iowa. MHF president Robert V. Morris, who created the HERO program, is a consultant, educator, publisher, author and television producer. A 1982 graduate of the University of Iowa and former Iowa State University journalism instructor (1994), he founded the \$10 million Fort Des Moines Memorial Park in 1997, the Iowa Tuskegee Airmen Memorial in 2002 and the Architecture, Construction and Engineering (ACE) Mentor Iowa program in 2005. Morris has produced numerous educational mass media projects including the award winning documentary Tradition And Valor (56:00) with Iowa Public Television in 1994. MHF board of directors includes Steven T. Berry, a masters graduate of the prestigious UCLA Film School and a professor of mass communications at Howard University in Washington, DC., Robert A. Wright, Sr., a noted attorney and former national board member of the NAACP and Luther H. Smith a legendary WWII Tuskegee Airman, aerospace engineer and educator.

UNIVERSITY OF IOWA

Professor Frederick Woodard is an intellectual historian heading the African-American English department at the prestigious Big 10 University and will lead a graduate student consulting team on an as needed basis. Professor Woodard is the author of Reasons To Dream (UI Press) and has produced international documentaries on Africa for the U.S. Information Agency.

UNITED STATES MILITARY ACADEMY

Col. Lance Betros, history department head at the historic United States Military Academy at West Point, New York will provide historical consultation on a voluntary as-needed basis.

NOTE: Additional professional consultants could be utilized on an as needed basis.

GEN. COLIN L. POWELL, USA (RET)

The HERO Program was reviewed by former U.S. Secretary of State and Chairman of the Joint Chiefs of Staff Gen. Colin L. Powell who responded affirmatively on April 2, 2006.

U.S. ARMY RECRUITING COMMAND

M/Gen. Thomas P. Bostick, commander, U.S. Army Recruiting Command at Fort Knox, Kentucky since October 2005 is a West Point and Stanford University graduate who personally reviewed the HERO program. HERO was also evaluated by USAREC G-5 office of marketing, partnerships and outreach and a program content support letter was released on March 28, 2006.

PILOT PROGRAM PARTICIPATING SCHOOL DISTRICT CONTACTS (PENDING CONTACT AND CONFIRMATION)

Atlanta Public School District—Beverly L. Hall, Ed.D, superintendent, 130 Trinity Avenue, SW, Atlanta, Georgia 30303. Tel: 404-802-2820.

Des Moines Independent School District—Linda Lane, superintendent, 1801 16th Street, Des Moines, Iowa 50314-1902, Tel: 515-242-7837.

Detroit Public Schools—Beverly A. Gray, Ed.D, curriculum development, Albert Kahn Building, 7430 2nd Avenue, 3rd Floor, Detroit, Michigan 48202, Tel: 313-873-7705.

Houston Independent School District—Dr. Abelardo Saavedra, superintendent, 3830 Richmond Avenue, Houston, Texas 77027. Tel: 713-892-6300.

Los Angeles Unified—Roy Romer, superintendent, 333 South Beaudry Avenue, 24th Floor, Los Angeles, California 90017, Tel; 213-241-7000.

New York City Public School District—Laura Kotch, executive director of curriculum development, 52 Chambers Street, New York, New York 10007, Tel; 212-374-0396.

POTENTIAL FUNDING SOURCES

Funding (\$3.25 million) for the HERO pilot program will be sought from one or a combination of the following sources upon proposal finalization.

—U.S. Congressional Defense (O-1) “Civilian Education and Training” earmark for fiscal year 2007 submitted to the Senate Defense Appropriations Subcommittee chaired by Senator Ted Stevens (R-AK) with ranking member Sen. Daniel Inouye (D-HI) sponsored by appropriations committee member Senator Tom Harkin (D-IA) with support from finance committee chairman Senator Charles Grassley (R-IA). Note: MHF President Morris has testified four times before the committee winning \$8.5 million in three earmarks for Fort Des Moines Memorial Park between 1998–2002.

—Corporate Prime Defense Contractor foundations of top industry companies will be approached including: Northrop Grumman, Lockheed Martin, General Dynamics, Raytheon, Boeing, etc.

Senator INOUE. Our next witness is the Deputy Director of the American Legion, Mr. Dennis Duggan.

STATEMENT OF DENNIS DUGGAN, DEPUTY DIRECTOR, AMERICAN LEGION

Mr. DUGGAN. Good morning, Senator Inouye. It is good to see you again, sir.

Senator INOUE. Welcome, sir.

Mr. DUGGAN. On behalf of the Nation’s largest organization of wartime veterans, the American Legion is always grateful to you and members of the subcommittee, in order to present its views on defense appropriations for fiscal year 2007. We have always valued your leadership, as well as your extensive experience as a veteran, sir, and the most highly decorated one, at that, in assessing and authorizing adequate appropriations for a strong national defense, especially during this challenging war on terrorism, in which are Active, Reserves, and National Guard, are fighting, and are being wounded and killed practically daily.

Although the President’s 2007 defense budget represents about 3.9 percent of the gross domestic product, we understand, we have been reminded, particularly by the Army, that past defense budgets during time of war and in some buildups have been nearly twice that percentage at about 8 percent of gross domestic product.

We are aware that there is an accompanying supplemental budget also to pay for the cost of the war, as well.

This defense budget has several—in fact, a number of major, major, hefty objectives; that is, to continue to advance ongoing efforts to prevail in the global war on terror, defend the homeland against threats, maintain America’s military superiority, and to support servicemembers and their families.

The administration’s proposed 2.2 percent pay raise in the face of an increasing inflation rate, we believe needs to be raised to 2.7 percent in the Senate, as was previously done in the House.

As mentioned previously, the American Legion also believes that the Army and Marine Corps manpower strength should be statutorily increased to 30,000 more for the Army, 1,000 for the Marine Corps, and some 17,000 for the National Guard.

With the Army's recruiting picture somewhat improved, the Army has indicated that they have been trying to recruit actually for an increased authorization, and they are making some progress in that regard.

Likewise, TRICARE fees for working military retirees under the age of 65 should not be increased, we believe. We believe that should be set aside, and for sure not increased for fiscal year 2007. What we are saying here is that the defense health program, as originally programmed, we believe should be fully funded.

Likewise we believe, though, that the premium-based TRICARE health care plan—and I know this will be expensive—should be extended to drilling reservists and guardsmen, or what they call a Select Reserve, a measure which we believe passed the Senate last year, but not the House.

We are particularly supportive of a bill also, and it was sponsored by Senator Boxer from California, and recognizably, this is an authorization issue and not strictly an appropriations one. But it would provide for the posthumous awarding of purple hearts for American prisoners of war who died in or due to hostile captivity. Amazingly, that provision is not provided for in service or Purple Heart regulations. And we would like to see it taken back, applied to any member of the Armed Forces who was held as a prisoner of war in any conflict after December 7, 1941.

Finally, Senator Inouye, we would ask that the defense prisoner of war (POW) missing in action (MIA) personnel office be fully funded now and in the future years, so they can continue in their essential function of attempting to achieve full accounting, mainly through excavations, in Vietnam and Korea.

Mr. Chairman, this concludes my statement, and again we appreciate this opportunity very much, and thank you for all you do for the national defense of this country.

Senator INOUE. I thank you very much. Your recommendation on POW purple hearts and the MIA is not only reasonable; I think it should be done right away.

Mr. DUGGAN. Okay, sir.

Senator INOUE. Thank you, sir.

Just in case some of you are wondering why this empty chamber, at this moment the House and Senate Members are gathering to listen to the speech of the new prime minister of Israel. And so I'm here to listen to you.

[The statement follows:]

PREPARED STATEMENT OF DENNIS MICHAEL DUGGAN

Mr. Chairman: The American Legion is grateful for the opportunity to present its views on defense appropriations for fiscal year 2007. The American Legion values your leadership in assessing and authorizing adequate funding for quality-of-life (QOL) features of the Nation's Armed Forces to include the Active, Reserve and National Guard forces and their families, as well as quality of life for military retirees and their dependents.

Since September 2001, the United States has been involved in the war against terrorism in Operations Iraqi Freedom and Enduring Freedom. American fighting men and women are again proving they are the best-trained, best-equipped and best-led military in the world. As Secretary of Defense Donald Rumsfeld has noted, the war in Iraq is part of a long, dangerous global war on terrorism. The war on terrorism is being waged on two fronts: overseas against armed insurgents and at home protecting and securing the homeland. Casualties in the shooting wars, in terms of those killed and seriously wounded, continue to mount daily. Indeed, most

of what we as Americans hold dear is made possible by the peace and stability that the Armed Forces provide by taking the fight to the enemy.

The American Legion adheres to the principle that this Nation's Armed Forces must be well-manned and equipped, not just to pursue war, but to preserve and protect the peace. The American Legion strongly believes past and current military downsizing were budget-driven rather than threat-focused. Once Army divisions, Navy warships and Air Force fighter squadrons are downsized, eliminated or retired from the force structure, they cannot be reconstituted quickly enough to meet new threats or emergency circumstances. The Active-Duty Army, Army National Guard and the Reserves have failed to meet their recruiting goals, and the Army's stop-loss policies have obscured retention and recruiting needs. Clearly, the Active Army is struggling to meet its recruitment goals. Military morale undoubtedly has been adversely affected by the extension and repetition of Iraq tours of duty.

The administration's fiscal year 2007 budget requests more than \$441 billion for defense or about 17 percent of the total budget. The fiscal year 2007 defense budget represents a 6.8 percent increase in defense spending over current funding levels. It also represents about 3.9 percent of our Gross National Product. Active duty military manpower end-strength is now over 1.41 million. Selected Reserve strength is about 863,300 or reduced by about 25 percent from its strength levels during the Gulf War of 14 years ago.

Mr. Chairman, this budget must advance ongoing efforts to prevail in the global war on terrorism, defend the homeland against threats, maintain America's military superiority, and to support servicemembers and their families. A decade of over-use of the military and past under-funding, necessitates a sustained investment. The American Legion believes the budget must continue to maintain Army end-strengths, fully fund Tricare programs, accelerate improved Active and Reserve Components' quality of life features, provide increased funding for the concurrent receipt of military retirement pay and VA disability compensation ("Veterans Disability Tax") and elimination of the offset of survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) that continues to penalize military survivors.

If we are to win the war on terror and prepare for the wars of tomorrow, we must take care of the Department of Defense's greatest assets—the men and women in uniform. They do us proud in Iraq, Afghanistan and around the world. They need our help.

In order to attract and retain the necessary force over the long haul, the Active Duty force, Reserves, and National Guard continue to look for talent in an open market place and to compete with the private sector for the best young people this Nation has to offer. If we are to attract them to military service in the Active and Reserve Components, we need to count on their patriotism and willingness to sacrifice, to be sure, but we must also provide them the proper incentives. They love their country, but they also love their families—and many have children to support, raise and educate. We have always asked the men and women in uniform to voluntarily risk their lives to defend us; we should not ask them to forego adequate pay and allowances, adequate health care and subject their families to repeated unaccompanied deployments and sub-standard housing as well. Undoubtedly, retention and recruiting budgets need to be substantially increased if we are to keep and recruit quality servicemembers.

The President's fiscal year 2007 defense budget requests over \$10.8 billion for military pay and allowances, including a 2.2 percent across-the-board pay raise. This pay raise is inadequate and needs to be substantially increased. It also includes billions to improve military housing, putting the Department on track to eliminate most substandard housing by 2007—several years sooner than previously planned. The fiscal year 2006 budget further lowered out-of-pocket housing costs for those living off base. The American Legion encourages the subcommittee to continue the policy of no out-of-pocket housing costs in future years and to end the military pay differential with the private sector.

Together, these investments in people are critical, because smart weapons are worthless to us unless they are in the hands of smart, well-trained soldiers, sailors, airmen, marines and coast guard personnel.

The American Legion National Commander has visited American troops in Europe, Iraq, Guantanamo Bay, and South Korea as well as a number of installations throughout the United States, including Walter Reed Army Medical Center and Bethesda National Naval Medical Center. During these visits, he was able to see firsthand the urgent, immediate need to address real quality of life challenges faced by servicemembers and their families. Severely wounded servicemembers who have families and are convalescing in military hospitals clearly need to continue to receive the best of care, particularly for PTSD, and the DOD interface with the VA

must be seamless. Also, the medical evaluation board process needs to be expedited so that military severance and disability retirement pays will be more immediately forthcoming. The soldiers' best interests must be fairly represented before the medical evaluation boards. Our national commanders have spoken with families on Women's and Infants' Compensation (WIC), which is an absolute necessity to larger military families. Quality-of-life issues for servicemembers, coupled with combat tours and other operational tempos, play a role in recurring recruitment and retention efforts and should come as no surprise. The operational tempo and lengthy deployments, to include multiple combat tours, must be reduced or curtailed. Military missions were on the rise before September 11 and deployment levels remain high. The only way to reduce repetitive overseas tours and the overuse of the Reserves is to recruit and fill authorized Army endstrengths and perhaps Reserve endstrengths for the services.

Military pay must be on a par with the competitive civilian sector. Activated Reservists must receive the same equipment, the same pay and timely health care as Active Duty personnel. The Reserve Montgomery GI Bill must be as lucrative as the MGI Bill for Active Duty personnel. If other benefits, like health care improvements, commissaries, adequate quarters, quality child care and impact aid for DOD education are reduced, they will only serve to further undermine efforts to recruit and retain the brightest and best this Nation has to offer.

To step up efforts to bring in enlistees, all the Army components are increasing the number of recruiters. The Army National Guard sent 1,400 new recruiters into the field last February. The Army Reserve is expanding its recruiting force by about 80 percent. If the recruiting trends and the demand for forces persist, the Pentagon under current policies could eventually "run out" of Reserve forces for war zone rotation, a Government Accountability Office expert warned. The Pentagon projects a need to keep more than 100,000 Reservists continuously over the next 3 to 5 years. The Defense Appropriations bill for fiscal year 2005 provided the funding for the first year force level increases of 10,000. The Army's end-strength increased 30,000 and the Marine Corps end-strength increased 3,000.

Army restructuring would have increased the number of Active Army maneuver brigades by 30 percent by fiscal year 2007. Neither Active Duty nor National Guard combat brigades should be reduced. Clearly, reducing combat units during wartime should not be the bill payer for modernization.

The budget deficit is projected to be \$427 billion which is the largest in U.S. history, and it appears to be heading higher perhaps to \$500 billion. National defense spending must not become a casualty of deficit reduction.

FORCE HEALTH PROTECTION (FHP)

As American military forces are again engaged in combat overseas, the health and welfare of deployed troops is of utmost concern to The American Legion. The need for effective coordination between the Department of Veterans Affairs and the DOD in the force protection of U.S. forces is paramount. It has been 15 years since the first Gulf War, yet many of the hazards of the 1991 conflict are still present in the current war.

Prior to the 1991 Gulf War deployment, troops were not systematically given comprehensive pre-deployment health examinations nor were they properly briefed on the potential hazards, such as fallout from depleted uranium munitions they might encounter. Record keeping was poor. Numerous examples of lost or destroyed medical records of Active Duty and Reserve personnel were identified. Physical examinations (pre/and post-deployment) were not comprehensive and information regarding possible environmental hazard exposures was severely lacking. Although the government had conducted more than 230 research projects at a cost of \$240 million, lack of crucial deployment data resulted in many unanswered questions about Gulf War veterans' illnesses.

The American Legion would like to specifically identify an element of FHP that deals with DOD's ability to accurately record a servicemember's health status prior to deployment and document or evaluate any changes in his or her health that occurred during deployment. This is exactly the information VA needs to adequately care for and compensate servicemembers for service-related disabilities once they leave active duty. Although DOD has developed post-deployment questionnaires, they still do not fulfill the requirement of "thorough" medical examinations nor do they even require a medical officer to administer the questionnaires. Due to the duration and extent of sustained combat in Operations Iraqi Freedom and Enduring Freedom, the psychological impact on deployed personnel is of utmost concern to The American Legion. VA's ability to adequately care for and compensate our Nation's veterans depends directly on DOD's efforts to maintain proper health records/

health surveillance, documentation of troop locations, environmental hazard exposure data and the timely sharing of this information with the VA.

The early signs of PTSD must be detected early-on and completely treated by the military and the VA. The American Legion strongly urges Congress to mandate separation physical exams for all servicemembers, particularly those who have served in combat zones or have had sustained deployments. DOD reports that only about 20 percent of discharging servicemembers opt to have separation physical exams. During this war on terrorism and frequent deployments with all their strains and stresses, this figure, we believe, should be substantially increased.

MILITARY QUALITY OF LIFE

Our major national security concern continues to be the enhancement of the quality of life issues for Active Duty servicemembers, Reservists, National Guardsmen, military retirees and their families. During the last congressional session, President Bush and the Congress made marked improvements in an array of quality of life issues for military personnel and their families. These efforts are vital enhancements that must be sustained.

Mr. Chairman, during this period of the war on terrorism, more quality of life improvements are required to meet the needs of servicemembers and their families as well as military retiree veterans and their families. For example, the proposed 2.2 percent pay-raise needs to be significantly increased. The 4.4 percent military comparability gap with the private sector needs to be eliminated; the improved Reserve MGIB for education needs to be completely funded as well; combat wounded soldiers who are evacuated from combat zones to military hospitals need to retain their special pays and base pay and allowances continued at the same level so as not to jeopardize their family's financial support during recovery. Furthermore, the medical evaluation board process needs to be expedited and considerate of the soldiers' best interest so that any adjudicated military severance or military disability retirement payments will be immediately forthcoming; recruiting and retention efforts, to include the provision of more service recruiters, needs to be fully funded as does recruiting advertising. The Defense Health Program and, in particular, the Tricare healthcare programs need to be fully funded.

The Defense Department, Congress and The American Legion all have reason to be concerned about the rising cost of military healthcare. But it is important to recognize that the bulk of the problem is a national one, not a military specific one. It is also extremely important, in these days of record deficits, that we focus on the government's unique responsibility and moral obligation to fully fund the Defense Health program, particularly its Tricare programs, to provide for the career military force that has served for multiple decades under extraordinarily arduous conditions to protect and preserve our national welfare. In this regard, the government's responsibility and obligations to its servicemembers and military retirees go well beyond those of corporate employers. The Constitution puts the responsibility on the government to provide for the common defense and on the Congress to raise and maintain military forces. No corporate employer shares such awesome responsibilities.

The American Legion recommends against implementing any increases in healthcare fees for uniformed services and retiree beneficiaries. Dr. William Winkenwerder, Assistant Secretary of Defense (Health Affairs), briefed The American Legion and other VSOs/MSOs that rising military healthcare costs are "impinging on other service programs." Other reports indicate that the DOD leadership is seeking more funding for weapons programs by reducing the amount it spends on military healthcare and other personnel needs. The American Legion believes strongly that America can afford to, and must, pay for both weapons and military healthcare. The American Legion also believes strongly that the proposed defense budget is too small to meet the needs of national defense. Today's defense budget, during wartime, is less than 4 percent of GDP, well short of the average for the peacetime years since WWII. Defense leaders assert that substantial military fee increases are needed to bring military beneficiary costs more in line with civilian practices. But such comparisons with corporate practices is inappropriate as it disregards the service and sacrifices military members, retirees and families have made in service to the Nation.

The reciprocal obligation of the government to maintain an extraordinary benefit package to offset the extraordinary sacrifices of career military members is a practical as well as moral obligation. Eroding benefits for career service can only undermine long-term retention and readiness. One reason why Congress enacted Tricare for Life is that the Joint Chiefs of Staff at the time said that inadequate retiree healthcare was affecting attitudes among active duty troops. The American Legion

believes it was inappropriate to put the Joint Services in the untenable position of being denied sufficient funding for current readiness needs if they didn't agree to beneficiary benefit cuts.

Reducing military retirements budgets, such as Tricare healthcare, would be penny-wise and pound-foolish when recruiting is already a problem and an overstressed and overstrengthened force is at increasing retention risks. Very simply the DOD should be required to pursue greater efforts to improve Tricare and find more effective and appropriate ways to make Tricare more cost-effective without seeking to "tax" beneficiaries and making unrealistic budget assumptions.

The American Legion applauds Congress for extending Tricare Reserve Select coverage to all members of the Selected Reserve. DOD is relying on the Guard and Reserve more heavily and deployments are becoming longer and more frequent as they are indispensable parts of our Armed Forces, and many Reservists and their families have no medical insurance.

Likewise, military retiree veterans as well as their survivors, who have served their country for decades in war and peace, require continued quality of life improvements as well. First and foremost, The American Legion strongly urges that FULL concurrent receipt and Combat-Related Special Compensation (CRSC) be authorized for disabled retirees whether they were retired for longevity (20 or more years of service) or military disability retirement with fewer than 20 years. In particular, The American Legion urges that disabled retirees rated 40 percent and below be authorized CRPD and that disabled retirees rated between 50 percent and 90 percent disabled be authorized non-phased-in concurrent receipt. Additionally, The American Legion strongly urges that all military disability retirees with fewer than 20 years service be authorized to receive CRSC and VA disability compensation provided, of course, they're otherwise eligible for CRSC under the combat-related conditions. The funding for these military disability retirees with fewer than 20 years is a "cost of war" and perhaps should be paid from the annual supplemental budgets.

Secondly, The American Legion urges that the longstanding inequity whereby military survivors have their survivors benefit plan (SBP) offset by the Dependency and Indemnity Compensation (DIC) be eliminated. This "Widows' Tax" needs to be corrected as soon as possible. It is blatantly unfair and has penalized deserving military survivors for years. A number of these military survivors are nearly impoverished because of this unfair provision. As with concurrent receipt for disabled retirees, military survivors should receive both SBP AND DIC. They have always been entitled to both and should not have to pay for their own DIC. The American Legion will continue to convey that simple, equitable justice is the primary reason to fund FULL concurrent receipt of military retirement pay and VA disability compensation, as well as the SBP and DIC for military survivors. Not to do so merely perpetuates the same inequity. Both inequities need to be righted by changing the unfair law that prohibits both groups from receiving both forms of compensation.

Mr. Chairman, The American Legion as well as the Armed Forces and veterans continue to owe you and this subcommittee a debt of gratitude for your support of military quality of life issues. Nevertheless, your assistance is needed in this budget to overcome old and new threats to retaining and recruiting the finest military in the world. Servicemembers and their families continue to endure physical risks to their well-being and livelihood as well as the forfeiture of personal freedoms that most Americans would find unacceptable. Worldwide deployments have increased significantly and the Nation is at war. The very fact that over 300,000 Guardsmen and Reservists have been mobilized since September 11, 2001 is first-hand evidence that the United States Army desperately needs to increase its end-strengths and maintain those end-strengths so as to help facilitate the rotation of Active and Reserve component units to active combat zones.

The American Legion congratulates and thanks congressional subcommittees such as this one for military and military retiree quality of life enhancements contained in past National Defense Appropriations Acts. Continued improvement however is direly needed to include the following:

- Completely Closing the Military Pay Gap with the Private Sector.*—With U.S. troops battling insurgency and terrorism in Iraq and Afghanistan, The American Legion supports a proposed 3.1 percent military pay raise as well as increases in Basic Allowance for Housing (BAH).
- Commissaries.*—The American Legion urges the Congress to preserve full federal subsidizing of the military commissary system and to retain this vital non-pay compensation benefit for use by Active Duty families, Reservist families, military retiree families and 100 percent service-connected disabled veterans and others.

- DOD Domestic Dependents Elementary and Secondary Schools (DDESS).*—The American Legion urges the retention and full funding of the DDESS as they have provided a source of high quality education for military children attending schools on military installations.
- Funding the Reserve Montgomery GI Bill for Education.
- Providing FULL concurrent receipt of military retirement pay and VA disability compensation for those disabled retirees rated 40 percent and less; providing non-phased concurrent receipt for those disabled retirees rated between 50 percent and 90 percent disabled by the VA; and authorizing those military disability retirees with fewer than 20 years service to receive both VA disability compensation and Combat-Related Special Compensation (CRSC).
- Eliminating the offset of the survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) for military survivors.

OTHER QUALITY OF LIFE INSTITUTIONS

The American Legion strongly believes that quality of life issues for retired military members and their families are augmented by certain institutions which we believe need to be annually funded as well. Accordingly, The American Legion believes that Congress and the administration must place high priority on insuring these institutions are adequately funded and maintained:

- The Uniformed Services University of the Health Sciences.*—The American Legion urges the Congress to resist any efforts to less than fully fund, downsize or close the USUHS through the BRAC process. It is a national treasure, which educates and produces military physicians and advanced nursing staffs. We believe it continues to be an economical source of CAREER medical leaders who enhance military health care readiness and excellence and is well-known for providing the finest health care in the world.
- The Armed Forces Retirement Homes.*—The United States Soldiers' and Airmen's Home in Washington, D.C. and the United States Naval Home in Gulfport, Mississippi, have been under-funded as evidenced by the reduction in services to include on-site medical health care and dental care. Increases in fees paid by residents are continually on the rise. The medical facility at the USSAH has been eliminated with residents being referred to VA Medical Centers or Military Treatment Facilities such as Walter Reed Army Medical Center. The Naval Home at Gulfport, Mississippi was destroyed by Hurricane Katrina, The American Legion recommends that the Congress conduct an independent assessment of the USSAH facilities and the services being provided with an eye toward federally subsidizing the Home as appropriate. The facility has been recognized as a national treasure until recent years when a number of mandated services had been severely reduced and resident fees have been substantially increased.
- Arlington National Cemetery.*—The American Legion urges that the Arlington National Cemetery be maintained to the highest of standards. We urge also that Congress mandate the eligibility requirements for burial in this prestigious Cemetery reserved for those who have performed distinguished military service and their spouses and eligible children.
- 2005 Defense Base Realignment and Closure Commission.*—The American Legion was disappointed that certain base facilities such as military medical facilities, commissaries, exchanges and training facilities and other quality of life facilities were not preserved for use by the Active and Reserve components and military retirees and their families. We urge that Walter Reed Medical Center be rebuilt at the National Naval Medical Center and that the Fort Belvoir Medical Facility be expanded.
- Finally, The American Legion urges that the Navy continue to maintain 12 aircraft carriers as the minimum essential.

THE AMERICAN LEGION FAMILY SUPPORT NETWORK

The American Legion continues to demonstrate its support and commitment to the men and women in uniform and their families. The American Legion's Family Support Network is providing immediate assistance primarily to activated National Guard families as requested by the director of the National Guard Bureau. The American Legion Family Support Network has reached out through its departments and posts to also support the Army Wounded Warrior program (AW2). Many thousands of requests from these families have been received and accommodated by the American Legion Family across the United States. Military family needs have ranged from requests for funds to a variety of everyday chores which need doing while the "man or woman" of the family is gone. The American Legion, whose mem-

bers have served our Nation in times of adversity, remember how it felt to be separated from family and loved ones. As a grateful Nation, we must ensure that no military family endures those hardships caused by military service, as such service has assured the security, freedom and ideals of our great country.

CONCLUSIONS

Thirty-three years ago, America opted for an all-volunteer force to provide for the national defense. Inherent in that commitment was a willingness to invest the needed resources to bring into existence and maintain a competent, professional and well-equipped military. The fiscal year 2007 defense budget, while recognizing the war on terrorism and homeland security, represents another good step in the right direction. Likewise our military retiree veterans and military survivors, who in yesteryear served this Nation for decades, continue to need your help as well.

Mr. Chairman, this concludes our statement.

Senator INOUE. Our next witness is the Deputy Director of Government Relations of the National Military Family Association, Ms. Kathleen Moakler.

STATEMENT OF KATHLEEN B. MOAKLER, DEPUTY DIRECTOR, GOVERNMENT RELATIONS, NATIONAL MILITARY FAMILY ASSOCIATION

Ms. MOAKLER. Thank you, Senator Inouye. The National Military Family Association (NMFA) would like to thank you and Chairman Stevens for the opportunity to present testimony to this subcommittee on quality of life issues affecting servicemembers and their families. We thank you for your continued focus on these issues.

In our written testimony we discuss many issues of importance to military families. This morning I will highlight some of the most critical.

Family member readiness is imperative for servicemember readiness. Family readiness requires the availability of coordinated, consistent family support provided by well-trained professionals and volunteers. Adequate child care, easily unavailable preventative mental health counseling, as well as therapeutic mental health care. Employment assistance for spouses, and youth programs that assist parents to effectively address the concerns of their children, especially during times of deployment.

Paramount among these issues is the family's ability to access quality health care in a timely manner and at a cost that is commensurate with the sacrifices made by both servicemembers and families.

This year, with the proposal by DOD to raise TRICARE fees by exorbitant amounts, families are concerned. They see the proposal as an effort to change an earned entitlement to health care into an insurance plan. We appreciate congressional recognition that more study is needed before increases are imposed. NMFA is most concerned however about the \$735 million shortfall that will exist because DOD deducted this from the budget proposal in anticipation of fee increases. NMFA urgently requests that this amount be reinstated to maintain quality health care for our servicemembers and their families.

As the length and danger of deployments increase, there is a greater need for confidential preventative mental health services. NMFA believes that Government-provided access to appropriate services for both servicemembers and their families need to be available for the long term.

In 2005, NMFA received almost 1,600 responses to its web survey on the cycles of deployment. The message from military families came through loud and clear: Families cannot, nor should they have to make it through a deployment alone. Though much has been done to improve existing deployment support programs and develop new initiatives, deployment support requires consistent funding, training of family readiness support volunteers, and information and support provided across the board. Military Onesource, DOD's virtual assistance program, continues to be an excellent resource for military families. NMFA is pleased that DOD has committed to funding the counseling provided under the Onesource contract, and appreciates congressional support for this program.

NMFA recently asked military service family program personnel what they needed to meet the challenges their families faced. Each identified unfunded requirements within their service budgets, and requested additional dedicated resources for family readiness. Common in all requests was the need for additional funding to improve outreach and support to Active duty, National Guard, and Reserve families, through programs and increased staff, enhanced counseling services and resources, the ability to make childcare more available, and the ability to provide additional support for volunteers.

NMFA asks Congress to provide the services with sufficient resources to sustain robust quality of life and family support programs through the entire deployment cycle, and recommends that at least \$20 million be allocated to the individual military service, operations, and maintenance accounts to be directed toward these programs, with more dedicated to services bearing the largest deployment burden.

Thank you for your kind attention this morning, and I'm ready to answer any questions you may have.

Senator INOUE. I thank you very much. How large is your membership?

Ms. MOAKLER. We represent all military family members, whether they are members of our organization or not.

Senator INOUE. Thank you very much.

Ms. MOAKLER. You're welcome.

[The statement follows:]

PREPARED STATEMENT OF KATHLEEN B. MOAKLER

Mr. Chairman and distinguished Members of this subcommittee, the National Military Family Association (NMFA) would like to thank you for the opportunity to present testimony on quality of life issues affecting servicemembers and their families. Once again, we thank you for your focus on many of the elements of the quality of life package for servicemembers and their families: housing, health care, family support, and education.

FAMILY READINESS

Servicemember readiness is imperative for mission readiness. Family readiness is imperative for servicemember readiness. Family readiness requires the availability of coordinated, consistent family support provided by well trained professionals and volunteers; adequate child care; easily available preventative mental health counseling as well as therapeutic mental health care; employment assistance for spouses, and youth programs that assist parents to more effectively address the concerns of their children, particularly during stressful times. However, no one issue is more important to family readiness than the family's ability to access quality health care

in a timely manner and at a cost that is commensurate with the sacrifices made by both servicemembers and families.

Health Care

NMFA thanks this subcommittee for continued funding to provide for a robust military health care system. This system must continue to meet the needs of servicemembers and the Department of Defense (DOD) in times of armed conflict. It must also acknowledge that military members and their families are indeed a unique population with unique duties, who earn an entitlement to a unique health care program.

The proposal by DOD to raise TRICARE fees by exorbitant amounts has resonated throughout the beneficiary population. Beneficiaries see the proposal as a concentrated effort by DOD to change their earned entitlement to health care into an insurance plan. NMFA appreciates the concern shown by Members of Congress since the release of DOD's proposals regarding the need for more information about the budget assumptions used to create the proposals, the effects of possible increases on beneficiary behavior, the need for DOD to implement greater efficiencies in the Defense Health Care Program (DHP), and the adequacy of the DHP budget as proposed by DOD. We appreciate the many questions Members of Congress are asking about these proposals and urge Congress to continue its oversight responsibilities on these issues.

NMFA believes DOD has many options available to make the military health system more efficient and thus make the need for large increases in beneficiary cost shares unnecessary. We encourage DOD to investigate cost saving measures such as: a systemic approach to disease management, a concentrated marketing campaign to increase use of the TRICARE Mail Order Pharmacy, eliminating contract redundancies, delaying the recompetition of the TRICARE contracts, speeding implementation of the Uniform Formulary process, and optimizing military treatment facilities.

NMFA is especially concerned about DOD's proposal to create a TRICARE Standard enrollment fee. The precursor to TRICARE Standard, the basic benefit provided for care in the civilian sector, was CHAMPUS, which was then, as TRICARE Standard is now, an extension of the earned entitlement to health care. Charging a premium (enrollment fee) for TRICARE Standard moves the benefit from an earned entitlement to an opportunity to buy into an insurance plan. Also, because TRICARE Prime is not offered everywhere, Standard is the only option for many retirees and their families and survivors who need to access their military health care benefit.

In the current debate about whether or not to raise beneficiary fees for TRICARE, NMFA believes it is important to understand the difference between TRICARE Prime and TRICARE Standard and to distinguish between creating a TRICARE Standard enrollment fee and raising the Standard deductible amount. TRICARE Prime has an enrollment fee for military retirees; however, it offers enhancements to the health care benefit: lower out-of-pocket costs, access to care within prescribed standards, additional preventive care, assistance in finding providers, and the management of one's health care. In other words, enrollment fees for Prime are not to access the earned entitlement, but for additional services. These fees, which have not changed since the start of TRICARE, are \$230 per year for an individual and \$460 per year for a family.

DOD's proposal to increase TRICARE Prime enrollment fees, while completely out-of-line dollar wise, is not unexpected. In fact, NMFA was surprised DOD did not include an increase as it implemented the new round of TRICARE contracts last year. NMFA does have concerns about the amount of DOD's proposed increases for TRICARE Prime and the plan to impose a tiered system of enrollment fees and TRICARE Standard deductibles. We believe the tiered system is arbitrarily devised and fails to acknowledge the needs of the most vulnerable beneficiaries: survivors and wounded servicemembers.

Acknowledging that the annual Prime enrollment fee has not increased in more than 10 years and that it may be reasonable to have a mechanism to increase fees, NMFA has presented an alternative to DOD's proposal should Congress deem some cost increase necessary. NMFA suggests DOD apply the cumulative retiree cost of living adjustment (COLA) to the base annual Prime enrollment fee of \$230 for an individual and \$460 for a family. Using the 31.4 percent cumulative COLA for the years from 1995 through 2006, the annual fee would rise to approximately \$302 for a single retiree and \$604 for a family. If DOD thought \$230/\$460 was a fair fee for all in 1995, then it would appear that raising the fees simply by the percentage increase in retiree pay since then is also fair. NMFA also suggests that, to avoid another "sticker shock," fees be raised annually by the same percent as the retiree COLA. NMFA further believes adjusting the current fees over a 2-year period would

decrease the effect of “sticker shock” and allow families to adjust their budgets. We are aware the current system does require retirees/survivors with smaller incomes to pay a higher percentage of their pension/annuity for Prime than those with higher incomes; however, we believe the benefits of simply updating the current fees are greater for almost all concerned than devising another option, especially an arbitrarily-designed tier system. NMFA also suggests it would be reasonable to adjust the TRICARE Standard deductibles in the same manner: cumulative COLA for the years since 1995 and then tie future increases to the percent of the retiree annual COLA.

NMFA applauds DOD’s proposal to encourage migration to the TRICARE Mail Order Pharmacy (TMOP) by removing cost shares for generic medications. NMFA and other associations have long encouraged DOD to launch a concentrated marketing effort to promote use of the TMOP, as it provides significant savings to beneficiaries as well as huge savings to the Department. The proposed beneficiary cost share increases in the pharmacy retail network program (TRRx) are not as exorbitant as the proposals for increases in Prime enrollment fees, the premium to access TRICARE Standard, or the increase in Standard deductibles, but do represent a 67 percent increase for all beneficiaries. If some additional cost share for TRRx is instituted, NMFA believes it should not be implemented until all of the medications available through TRRx are also available through TMOP and DOD joins the associations in actively and strongly promoting use of the TMOP.

It is imperative that adequate funding be restored to the Defense Health Budget should Congress reject TRICARE fee increases for this year. Based on beneficiary input—most recently in an NMFA web survey completed by approximately 600 respondents—NMFA believes the military health system is operating close to the financial edge and that the strains of meeting the military mission and providing care to active duty families, military retirees, their families, and survivors are taking a toll on the system, especially in the direct care system. Beneficiaries repeatedly tell NMFA of difficulties in obtaining timely appointments and that prescribed access standards are not being met for enrolled TRICARE Prime beneficiaries at military treatment facilities (MTFs). No one is more cognizant of the need for superior health care to be provided to servicemembers in harm’s way than their families. In addition, no one is more willing to change providers or venues of care to accommodate the need for military health care providers to deploy than the families of those deployed. However, a contract was made with those who enrolled in Prime. Beneficiaries must seek care in the manner prescribed in the Prime agreement, but in return they are given what are supposed to be guaranteed access standards.

MTFs must have the resources and the encouragement to ensure their facilities are optimized to care for the most beneficiaries possible and must be held accountable for meeting stated access standards. If funding or personnel resource issues are the reason access standards are not being met, then assistance must be provided to ensure MTFs are able to meet access standards, support the military mission, and continue to provide quality health care. NMFA urgently requests that the \$735 million deducted by DOD from the budget proposal for the Defense Health Program to reflect its savings due to increased TRICARE fees be reinstated.

As servicemembers and families experience numerous lengthy and dangerous deployments, NMFA believes the need for confidential, preventative mental health services will continue to rise. The Services must balance the demand for mental health personnel in theater and at home to help servicemembers and families deal with unique emotional challenges and stresses related to the nature and duration of continued deployments. NMFA remains concerned about access to mental health care, both preventative and therapeutic, for the long haul. Unfortunately the costs of war may linger for servicemembers and their families for many years. It is imperative that whether or not the member remains on active duty and entitled to military health care there are provisions for both servicemembers and their families to access appropriate mental health services paid for by their government.

Caring for Military Children and Youth

Frequent deployments and long work hours make the need for quality affordable and accessible child care critical. We thank Congress for making additional funding available for child care since the beginning of the global war on terror. Currently, DOD estimates it has a shortage of 31,000 child care spaces within the system, not counting the demand from the mobilized Guard and Reserve community. While efforts are being made to bridge this gap, thanks in part to congressional funding for child care over the past few years, innovative new strategies are needed—sooner rather than later. We congratulate the Navy for the incredible 24-hour centers they have opened in Norfolk and Hawaii. These centers provide a home-like atmosphere for children of sailors working late night or varying shifts. More of these centers

are needed, but they need to be funded at a level that enables them to provide the same quality of care as the standard the Navy has established in its first two centers. Providing high quality, after-hours care for service members working long hours in support of the mission is a cost of that mission.

Families continually tell NMFA that respite and drop-in care is in critically short supply worldwide. Families who cannot access military child development centers or family child care providers talk about the expense and difficulty they face in finding quality, affordable care. Programs such as Military Child Care in Your Neighborhood and Operation Military Child Care, which assist military families in finding and paying for child care, are welcome pieces of the solution, but are insufficient to completely meet the needs of our families.

Older children and teens cannot be overlooked. Schools want to be educated on issues affecting military students. Teachers and administrators want to be sensitive to the needs of military children. To achieve this goal they need tools. Parents are the primary advocates for their children and they also want the resources to help them accomplish this task. NMFA is working to meet this need through programs such as our Operation Purple summer camps and a pilot after school program for children of deployed servicemembers.

Schools serving military children, whether DOD or civilian schools, need the resources to meet military parents' expectation that their children receive the highest quality education possible. Because Impact Aid funding from the Department of Education is not fully funded and has remained flat in recent years, NMFA recommends increasing the DOD supplement to Impact Aid to \$50 million to help districts better meet the additional demands caused by large numbers of military children, deployment-related issues, and the effects of military programs and policies such as family housing privatization. Initiatives to assist parents and to promote better communication between installations and schools should be expanded across all Services.

Spouse Employment

DOD has sponsored a variety of programs, including a partnership with Monster.com, to promote spouse employment. Spouses can also receive career counseling through Military OneSource. However, with 700,000 active duty spouses, the task of enhancing military spouse employment is too big for DOD to handle alone. Improvements in employment for military spouses and assistance in supporting their career progression will require increased partnerships and initiatives by a variety of government agencies and private employers. NMFA was concerned by recent press reports chronicling the end of a Department of Labor grant program that provided employment assistance to military spouses at several installations across the United States. We urge Congress to ensure funds are available to assist the military Services in initiatives to encourage more private employers to step up to the plate and form partnerships supporting military spouse employment and career progression. We encourage DOD to reach out to potential employers and acquaint them with the merits of hiring members of this talented and motivated work force. DOD must also encourage military spouses to use all available resources to educate themselves about factors to consider regarding employment benefits, to include investments, health care, portability and retirement.

What's Needed for Family Readiness?

NMFA recognizes and appreciates the continued focus that all the Services are placing on the issue of family readiness. In particular, the increased access to information for family members has had a tremendous positive impact on their ability to sustain "normal" lives while dealing with the issues that arise in military life. There is, however, still much to be done. DOD must continue to refine and improve family readiness programs not only because it is the right thing to do, but also to retain highly trained and qualified servicemembers.

NMFA has found Military OneSource, DOD's virtual assistance program, to be an excellent resource for military families. OneSource provides 24/7 access to counselors and information through the web (www.militaryonesource.com) and toll-free phone number. Because it is available 24/7, families do not have to wait for the installation family center to open or for someone to return a call. It also helps returning servicemembers and families access local community resources and receive up to six free face-to-face mental health visits with a professional outside the chain of command. NMFA is pleased DOD has committed to funding the counseling provided under the OneSource contract and appreciates congressional support for this program. This counseling is not medical mental health counseling, but rather assistance for family members in dealing with the stresses of deployment or reunion. It can be an important preventative to forestall more serious problems down the road.

FAMILIES AND DEPLOYMENT

From April through November, 2005, NMFA received 1,592 responses to its web survey on the Cycles of Deployment. The message from military families came through loud and clear: families cannot, nor should they have to, make it through a deployment alone. They expect family support to be available to all military families, regardless of their Service component or where the family lives. Respondents acknowledged they had a role to play in their own family readiness; however they looked to their commands, their unit volunteers, and their communities to recognize their sacrifice and help them make it through a deployment.

NMFA could not agree more. Although much has been done to improve existing deployment support programs and develop new initiatives to meet emerging needs, deployment support requires consistent funding, training of family readiness/support volunteers, and information and support provided across installations, services, and components. Deployment support programs must also have the potential to be “purple.” According to our survey respondents, “The Military” has established an expectation that the uniformed services are family friendly. Families assume all the support systems should work together. They do not know (and do not really care) who is in charge of what, who is paid or not. How far the family lives from the unit does not really matter, nor do service or component distinctions. What does matter is that the promised support and information are provided.

The Services are making strides in providing more staffing—whether uniformed or civilian—to support the logistics of family support, but NMFA believes they must have additional resources to meet ongoing deployment needs and be ready to meet emerging ones. NMFA recently asked family readiness professionals from each Service what they needed to meet the challenges their families faced. In addition to initiatives funded at the Defense-wide level, each identified unfunded requirements within their Service budgets and requested additional dedicated resources for family readiness in their individual Service Operations and Maintenance accounts. Common in all requests was the need for additional funding to improve outreach, communication, and support to Active Duty, National Guard, and Reserve families; increase the availability of counseling resources; make child care services more available; and provide additional support for volunteers.

Higher stress levels caused by open-ended and multiple deployments require a higher level of community support. We ask Congress to provide the Services with sufficient resources to sustain robust quality of life and family support programs during the entire deployment cycle: pre-deployment, deployment, post-deployment, and in that critical period between deployments. To ensure a solid, but by no means gold-plated family readiness program to support families throughout this cycle, NMFA recommends additional funding be provided in the individual military Service Operations and Maintenance accounts to be directed toward enhancing family support initiatives such as outreach, counseling, aligning Guard and Reserve support programs with their active counterparts, child care, and providing assistance and training for family support volunteers. NMFA recommends that at least \$20 million be allocated to each Service Operations and Maintenance account, with more dedicated to Services bearing the largest deployment burden.

FAMILIES AND TRANSITION

Transitions are part of the military life. For the individual military family, transitions start with the servicemember's entrance in the military and last through changes in duty station until the servicemember's separation or retirement from the service. Another transition comes with the injury or death of the servicemember. National Guard and Reserve families face a transition with each call-up and demobilization of the member. The transition to a restructured military under Service transformation initiatives, Global Rebasing, and Base Realignment and Closure (BRAC) will affect servicemembers, their families, and their communities.

Transformation, Global Rebasing, and BRAC

As the Global Rebasing and the BRAC process are implemented, military families look to Congress to ensure key quality of life benefits and programs remain accessible. Members of the military community, especially retirees, are concerned about the impact base closures will have on their access to health care and the commissary, exchange, and MWR benefits they have earned. They are concerned that the size of the retiree, survivor, Guard, and Reserve populations remaining in a location will not be considered in decisions about whether or not to keep commissaries and exchanges open. In the case of shifts in troop populations because of Service transformation initiatives, such as Army modularity and changes in Navy home ports, or the return of servicemembers and families from overseas bases, community

members at receiving installations are concerned that existing facilities and programs may be overwhelmed by the increased populations.

Quality of life issues that affect servicemembers and families must be considered on an equal basis with other mission-related tasks in any plan to move troops or to close or realign installations. Maintaining this infrastructure cannot be done as an afterthought. Ensuring the availability of quality of life programs, services, and facilities at both closing and receiving installations, and easing servicemembers and families' transition from one to another, will take additional funding and personnel. NMFA looks to Congress to ensure that DOD has programmed for costs of family support and quality of life as part of its base realignment and closure calculations from the beginning and receives the resources it needs. DOD cannot just program for costs of a new runway or tank maintenance facility. It must also program in the cost of a new child development center or new school, if needed.

NMFA cannot emphasize enough the urgency for DOD and Congress to allocate resources now to support communities involved in movements of large numbers of troops. The world in which the American overseas downsizing occurred a decade ago no longer exists. Troop movements and installation closings and realignments today occur against the backdrop of the ongoing war on terror and a heavy deployment schedule. The military of today is more dependent on contractors and civilian agencies to perform many of the functions formerly performed by uniformed military members. Changes in the military health care system and the construction and operation of military family housing will have an impact on the ability of an installation to absorb large numbers of servicemembers and families returning from overseas. Increased visibility of issues such as the smooth transition of military children from one school to another and a military spouse's ability to pursue a career means that more family members will expect their leadership to provide additional support in these areas.

We thank Congress for providing funds to assist schools in meeting the additional costs that come with the arrival of large numbers of military students. We believe this DOD funding—\$7 million appropriated for this year—will be needed in larger amounts for several years until districts are able to secure resources from other Federal, State or local resources. We want these districts to welcome military children and not blame them for cutbacks in services because the schools could not receive DOD funds to assist them in supporting these children.

NMFA looks to Congress to ensure DOD's plans for these troop shifts will maintain access to quality of life programs and support facilities until the last servicemember and family leaves installations to be closed. In the same manner, we ask you to ensure that housing, schools, child development and youth programs, and community services are in place to accommodate the surge of families a community can expect to receive as a result of the movement of troops to a new location.

Survivors

We believe the obligation as articulated by President Lincoln, “. . . to care for him who shall have borne the battle and for his widow and his orphan,” is as valid today as it was at the end of the Civil War. NMFA appreciates the work done this year by DOD and Services to improve the education of casualty assistance officers and to make sure survivors are receiving accurate information in a timely manner. While we still hear from some widows that they received wrong or incomplete information from their casualty assistance officer, these problems are quickly resolved when surfaced to the higher headquarters. We are concerned, however, about the widows or parents who still do not know who to call when there is a problem.

A new DOD publication is now available on the DOD Military Homefront website (www.militaryhomefront.DOD.mil) for each surviving spouse and/or parent outlining the benefits available to them. This on-line document can be easily updated as changes occur. It will be supplemented by Service-specific information. NMFA also looks forward to the results of the GAO study on the casualty notification and assistance process.

NMFA believes the benefit change that will provide the most significant long term advantage to the surviving family's financial security would be to end the Dependency Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). DIC is a special indemnity (compensation or insurance) payment that is paid by the Department of Veterans Affairs (VA) to the survivor when the servicemember's service causes his or her death. It is a flat rate monthly payment of \$1,033 for the surviving spouse and \$257 for each surviving child. The SPB annuity, paid by the Department of Defense (DOD) reflects the longevity of the service of the military member. It is ordinarily calculated at 55 percent of retired pay. Those who give their lives for their country deserve more fair compensation for their surviving spouses. NMFA

urges Congress to authorize legislation to eliminate the offset and to provide funding necessary to implement such legislation.

Wounded Service Members Have Wounded Families

Post-deployment transitions could be especially problematic for injured servicemembers and their families. NMFA asserts that behind every wounded servicemember is a wounded family. Spouses, children, parents, and siblings of service members injured defending our country experience many uncertainties. Fear of the unknown and what lies ahead in future weeks, months, and even years, weighs heavily on their minds. Other concerns include the injured servicemember's return and reunion with their family, financial stresses, and navigating the transition process to the VA. When designing support for the wounded/injured in today's conflict, the government, especially the VA, must take a more inclusive view of military families. Those who have the responsibility to care for the wounded servicemember must also consider the needs of the spouse, children, and the parents and siblings of single servicemembers.

COMPENSATION AND BENEFITS

NMFA appreciates the pay raises for servicemembers over the past several years. They serve as both an acknowledgement of service and recognition of the need for financial incentives as a retention tool. As DOD prepares its Quadrennial Review of Military Compensation, NMFA hopes that Congress, in evaluating its recommendations, considers the effects of those recommendations on the whole pay and compensation package. Changes in individual elements of that package can have unintended consequences on other elements or on the package as a whole. And, while pay raises are important, equally important is the need to maintain the non-pay benefit package that makes up such a vital part of military compensation.

Funding for Commissaries, MWR and Other Programs

Commissaries, exchanges, recreational facilities and other Morale, Welfare, and Recreation (MWR) programs are an integral part of military life and enhance the overall quality of life for servicemembers and their families. Respondents to NMFA's recent survey on military benefits spoke emphatically about the value of commissaries, exchanges, and MWR programs. This spring, as in previous years, NMFA has been dismayed to hear from families and installation leaders that installations are being forced to cut MWR services, reduce child development center hours, and limit access to facilities because of the shortage of base operating funds. At high deployment installations, just when families needed them the most, they are routinely being asked to do without. Commanders should not have to make a choice between paying the installation utility bills or providing family support services. While we understand the Services have obligated additional funds to installation operations accounts, we still hear from families that some services are being cut back or that these accounts are being funded at less than 100 percent of the need. We urge increased funding for installation operations so that valuable support programs remain available to communities undergoing the multiple stresses of deployment and high operations tempo at home.

FAMILIES AND COMMUNITY

Military families are members of many communities. NMFA has heard how these communities want to help the uniformed service families in their midst. As the sacrifice of servicemembers and families continue in the global war on terror, many States have implemented military family friendly programs and passed legislation to support families. NMFA applauds the States assisting servicemembers and their families with in-State tuition, unemployment compensation for spouses, licensing reciprocity, and education and sports provisions for military children. The DOD State Liaison office works to promote these policies and publicizes them on the DOD website USA4MilitaryFamilies.org, a web forum for sharing information about State and local initiatives to support military families.

Concern for deployed servicemembers from North Carolina, and compassion for their loved ones left behind, prompted the creation of a unique partnership to help the combatants' families, particularly those in remote areas. The Citizen-Soldier Support Program (CSSP) is a collaborative effort, funded by Congress through a DOD grant, and coordinated by the University of North Carolina at Chapel Hill. CSSP is designed to mobilize communities and make them aware of the needs of local military families so people can reach out and help when help is needed. The program is designed as a preventative measure, as opposed to a crisis-response structure, to help with little things before they become big things. The support program uses existing agencies within counties and communities to broadcast the needs

of military families. Other States have expressed interest in starting similar programs. We hope North Carolina will be the training center to expand the program to other States and communities.

NMFA recommends increased funding for community-based programs, including the North Carolina Citizen-Soldier Support Program, to reach out to meet the needs of geographically dispersed servicemembers and their families.

NMFA would like to thank these military community members, especially the community organizations, schools, youth groups, fraternal and service groups, and churches, who reach out the military families in their midst and offer them support, a hug, a listener, a lawn mowed, a tire changed. They too are part of the tapestry of support. By keeping military families strong, they are ensuring the force will remain strong.

Senator INOUE. Our next witness is Brigadier General Stephen Koper, retired, President of the National Guard Association of the United States. General Koper, welcome, sir.

STATEMENT OF BRIGADIER GENERAL STEPHEN KOPER, UNITED STATES NATIONAL GUARD (RETIRED), PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General KOPER. Thank you, Senator Inouye, and thanks to you, Chairman Stevens, and members of the subcommittee for the opportunity to testify before you again today. The National Guard Association thanks you for your many years of outstanding support to the National Guard.

I want to share with you a couple of critical resources so necessary for the National Guard to carry out its growing role in the Nation's defense. It comes as no surprise to this subcommittee that these items are holdovers from our testimony 1 year ago.

While we are encouraged by the establishment of TRICARE Reserve Select 2 years ago, a program where members earn medical coverage through deployments, and then the addition of a tiered system which provides for two more categories of health care coverage for the Guard and Reserve, we do not believe it offers the final answer. More importantly, we have created a system of haves and have-nots within the Guard and Reserve, each category of member having a level of merit for health care coverage as reflected by a higher or lower premium rate.

This is the sixth year that our association has brought the health care issue before you. We appreciate the efforts made here on the Hill to provide for our soldiers and airmen, and we hope that you will join with the House in providing language that would bring us to a simple one level of premium program for all members of the Guard and Reserve who are members of drilling units.

Another issue of serious concern is full-time manning for the Army National Guard. While already engaged in conflicts worldwide, the Army National Guard continues to prepare for future missions. The vision of a more responsive force capable of full spectrum dominance to meet threats whenever and wherever they arise is a reality for the National Guard. The National Guard Association has worked with Congress to effect an Army National Guard full-time manning ramp to 71 percent over a 10-year period by 2012.

The United States Army validated the ramp and began funding in fiscal year 2003, and has continued funding this requirement through fiscal year 2006.

The National Guard Association believes there is a requirement to reach the 71 percent of full-time manning level by 2010, versus

the target of 2012. The full-time manning issue will bear even closer scrutiny as the Army National Guard continues to transform, modularize, and reset. No matter what final decisions are made on Guard end strength and force structure, the availability of full-time manning is paramount to the Guard's continued success.

I want to turn now to a concern that goes to the very heart of the National Guard. Bold and innovative Members of the Senate and the House and have recently introduced Senate 2658 and its companion, H.R. 5200, the National Defense Enhancement and National Guard Empowerment Act of 2006. This legislation offers solution to the institutional bias within the Active components that has plagued the National Guard, or militia, since the birth of the Republic. In our view, this situation can no longer be swept under the rug. We must do all that we can to provide the American people the most cost-effective defense structure. Certainly we believe that structure in many cases is the National Guard.

The Department of Defense announced this week its opposition to all sections of S. 2658, and launched a campaign in Congress to either delay consideration of the legislation by referring it to the Commission on the National Guard and Reserve, or to dismiss the bill completely on the grounds that neither the Chairman of the Joint Chiefs, nor the Secretary of Defense, believe the changes are either necessary or warranted.

Unfortunately, this same dismissive response to the Guard reaching out to be heard as strategic level force structure, policy, and funding decisions are being made, is the very reason this legislation is needed. Senior Pentagon officials will openly tell you that the Guard has been and is at the table, and that except for a few isolated incidences, their inputs are being regularly factored into decisionmaking.

If that were true, then why wasn't the Guard in the huddle for the Quadrennial Defense Review, and other high-level budget debates that ultimately led to proposed cuts of 17,000 personnel in the Army Guard, and 14,000 less in the Air National Guard? The fact of the matter is that senior Guard leadership has only been involved in Pentagon decisionmaking as an afterthought, requiring the Adjutants General, Governors, Congress, this association, and others, to launch vigorous campaigns to reverse decisions that were made without adequate Guard input. Action by the Senate was necessary to remind the Army of this very fact earlier this year.

The Guard's only goal is to have a seat at the table, and a relative voice in the decisions that affect our readiness. Based on the Pentagon's standard response to these entreaties, we now have the National Guard Empowerment Act of 2006 as a means to achieve the level of Defense Department involvement we have earned and deserve.

In closing, NGAUS would ask that this subcommittee lend its full support to favorable consideration of S. 2658. While the Secretary of Defense is wont to say the war on terror could not be fought without the National Guard, clearly a serious disconnect still exists. Senator Inouye, our thanks to you and Chairman Stevens and the subcommittee, for the opportunity. I'll be glad to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF STEPHEN M. KOPER

Chairman Stevens, Members of the committee, thank you for this opportunity to testify before you again today and the National Guard Association thanks you for your many years of outstanding support to the National Guard.

I want to share with you a couple of those critical resources so necessary for the National Guard to carry out its growing role in the Nation's defense. It comes as no surprise to this committee that these items are hold-overs from our testimony 1 year ago.

At the top of that list of resources is access to health care. The National Guard Association believes every member of the National Guard should have the ability to access TRICARE coverage, on a reasonable cost-share basis, regardless of duty status.

While we are encouraged by the establishment of TRICARE Reserve Select 2 years ago, a program where members "earn" medical coverage through deployments, and the addition of the "tiered system" which provides for two more categories of health care coverage for the Guard and Reserve, we don't believe it offers the final answer. More importantly, we have created a system of haves and have-nots within the Guard and Reserve, each category of member having a level of merit for health care coverage as reflected by a higher or lower premium rate.

This is the sixth year that our association has brought the health care issue before you. We appreciate the efforts made here on the Hill to provide for our soldiers and airmen. From the beginning we have felt that there were some underlying justifications for our health care proposal:

- Healthcare coverage for our members is a readiness issue. Guard members called to duty are expected to be "ready for duty".
 - TRICARE coverage for all would finally end the turbulence visited on soldiers and their families who are forced to transition from one health care coverage to another each time they answer the Nation's call.
 - Access to TRICARE would also be a strong recruitment and retention incentive.
- In an increasingly challenging recruiting/retention environment, TRICARE could make a significant difference.

Currently TRICARE language to accompany H.R. 5122 (NDAA) is in place. This section would provide coverage under the TRICARE Standard program to all members of the Selected Reserves and their families while in a non-active duty status. Participants would be required to pay a premium that would be 28 percent of the total amount determined by the Secretary of Defense as being reasonable for the TRICARE coverage. Further, it would repeal the three tiered cost share TRICARE program for reserves established by the fiscal year 2006 National Defense Authorization Act. We believe this is the appropriate solution. We are seeking similar language from the long-time TRICARE stalwarts here in the Senate. We earnestly request this committee's support for such action.

Another issue of serious concern is full time manning for the Army National Guard. While already engaged in conflicts worldwide, the Army National Guard continues to prepare for future missions. The vision of a more responsive force capable of full-spectrum dominance to meet threats whenever and wherever they arise is a reality for the National Guard.

The National Guard Association of the United States has worked with Congress to affect an Army National Guard full-time manning ramp to 71 percent over a 10-year period (by 2012). The United States Army validated the ramp and began its funding in fiscal year 2003 and has continued funding this requirement through fiscal year 2006. The National Guard Association of the United States believes there is a requirement to reach the 71 percent full-time manning level by 2010 versus the current target of 2012.

The full-time manning issue will bear close scrutiny as the Army National Guard continues to transform, modularize and reset. No matter what final decisions are made on Guard end strength and force structure, the availability of full-time manning is paramount to the Guard's continued success.

This committee has always been particularly sensitive to the equipment needs of the National Guard and generous in funding the National Guard and Reserve Equipment Account (NGREA). Mr. Chairman, each and every dollar that has been appropriated over the years in this account has purchased combat capability. This account is absolutely essential to both the Army and Air National Guard and we thank you for your continued support of NGREA.

I want to turn now to a concern that goes to the very heart of the National Guard. Bold and innovative Members of the Senate and House have recently introduced S. 2658 and its companion H.R. 5200, The National Defense Enhancement and National Guard Empowerment Act of 2006. This legislation offers solutions to the insti-

tutional bias within the active components that has plagued the National Guard (militia) since the birth of the Republic. In our view, this situation can no longer be swept under the rug. We must do all that we can to provide the American people with the most cost effective defense structure. Certainly we believe that structure, in many cases, is the National Guard.

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Unfortunately, this same dismissive response to the Guard reaching out to be heard as strategic level force structure, policy, and funding decisions are being made is the very reason this legislation is needed. Senior Pentagon officials will openly tell you that the Guard has been and is "at the table" and that except for a few isolated incidences, their inputs are being regularly factored into strategic decision-making. If that were true, then why wasn't the Guard "in the huddle" for the Quadrennial Defense Review (QDR) and other high level budget debates that ultimately led to proposed cuts of 17,000 personnel in the Army National Guard and 14,000 less in the Air National Guard.

The fact of the matter is that senior Guard leadership has only been involved in Pentagon decisionmaking as an afterthought, requiring the adjutant's general, governors, Congress and NGAUS to launch vigorous campaigns to reverse decisions that were made without adequate Guard input. Action by the Senate was necessary to remind the Army of this very fact earlier this year.

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In closing, NGAUS would ask that this committee lend its full support to favorable consideration of S. 2658. While the Secretary of Defense is wont to say, "The War on Terror could not be fought without the National Guard", clearly a serious disconnect still exists.

Mr. Chairman, Members of the committee, I sincerely thank you for your time today and am happy to answer any questions.

Senator INOUE. I thank you very much, General. What are the latest statistics relating to recruiting and retention in the Army National Guard?

General KOPER. The Army National Guard recruiting slope is definitely strongly up. We did suffer a minor setback in April. However, we believe, the Chief of the National Guard Bureau has said in testimony, he believes they will meet the 350,000 authorized strength by the end of the fiscal year. They have a tremendously innovative Guard Recruiting Assistant Program (G-RAP) recruiting program that is doing wonders. Individual guardsmen are bringing other recruits in and receiving bonuses for that, and true to the American spirit, they are great marketeers. They are doing a pretty fantastic job.

Senator INOUE. That is encouraging. Thank you very much, sir.
General KOPER. Thank you, sir.

ADDITIONAL SUBMITTED STATEMENTS

Senator INOUE. That is the last of the witnesses.

If there are any additional statements from witnesses, they will be included in the record.

[The statements follow:]

PREPARED STATEMENT OF THE NATIONAL BRAIN INJURY RESEARCH, TREATMENT, &
TRAINING FOUNDATION

My name is Dr. George Zitnay, and I am the founder of the National Brain Injury Research, Treatment and Training Foundation (NBIRTT)¹ and a co-founder of the Defense and Veterans Head Injury Program (DVHIP). On behalf of the thousands of military personnel sustaining brain injuries, I respectfully request \$19 million be provided in the Department of Defense (DOD) Appropriations bill for fiscal year 2007 for the Defense and Veterans Head Injury Program (DVHIP). This request includes the \$7 million in the DOD's POM, and an additional \$12 million to allow the important work of the program to continue during this critical time in the war on terrorism.

TRAUMATIC BRAIN INJURY IS THE SIGNATURE INJURY OF THE WAR ON TERRORISM

Over 1,500 military personnel involved in the global war on terror have been seen and treated by DVHIP. At Walter Reed alone, over 650 soldiers with brain injuries from Iraq and Afghanistan have been treated. Forty percent of those injured in a blast/explosion and seen at Walter Reed had a traumatic brain injury. A little more than half (50 percent) of these injuries are moderate to severe and will require life long support.

One of the greatest challenges the military health care and veterans systems face is to assure that no one falls through the cracks. More than ever we need congressional support to provide for active duty soldiers and veterans who suffered a brain injury in Iraq and Afghanistan, as a result of explosions, penetrating head injury, crashes, and other assaults.

Improved body armor, the significance of even mild brain injury, and the high frequency of troops wounded in blasts all lead to blast-induced TBI being an important health issue in this war. Many of the soldiers and veterans with brain injury treated by DVHIP also have Post Traumatic Stress Disorder and other medical complications.

THE DEFENSE AND VETERANS HEAD INJURY PROGRAM (DVHIP)

The DVHIP is a component of the military health care system that integrates clinical care and clinical follow-up, with applied research, treatment and training. The program was created after the first Gulf War to address the need for an overall systemic program for providing brain injury specific care and rehabilitation within DOD and DVA. The DVHIP seeks to ensure that all military personnel and veterans with brain injury receive brain injury-specific evaluation, treatment and follow-up.

Clinical care and research is currently undertaken at seven DOD and DVA sites and two civilian treatment sites.² In addition to providing treatment, rehabilitation and case management at each of the nine primary DVHIP centers, the DVHIP includes a regional network of additional secondary veterans' hospitals capable of providing TBI rehabilitation, and linked to the primary lead centers for training, referrals and consultation. This is coordinated by a dedicated central DVA TBI coordinator and includes an active TBI case manager training program.

DVHIP continues to ensure optimal care, conduct clinical research, and provide educational programs on TBI for Active Duty military and veterans. All DVHIP sites have maintained and many have increased treatment capacity. This has been a direct response to the influx of patients seen secondary to Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). WRAMC receives more casualties from theater than all of the other military treatment facilities (MTFs) in the continental United States. Patients are often seen at WRAMC within a week or two after injury and many of these patients have multiple injuries (e.g., TBI, traumatic amputations, shrapnel wounds, etc.).

To meet the increased demand, screening procedures were developed by DVHIP headquarters and clinical staff. The DVHIP clinical staff reviews all incoming casualty reports at WRAMC and screens all patients who may have sustained a brain injury based on the mechanism of injury (i.e., blast/explosion, vehicular accident, fall, gunshot wound to the head, etc.). DVHIP screening is catching TBI patients

¹ NBIRTT is a non-profit national foundation dedicated to the support of clinical research, treatment and training.

² Walter Reed Army Medical Center, Washington, DC; James A. Haley Veterans Hospital, Tampa, Florida; Naval Medical Center San Diego, San Diego, California; Minneapolis Veterans Affairs Medical Center, Minneapolis, Minnesota; Veterans Affairs Palo Alto Health Care System, Palo Alto, California; Virginia Neurocare, Inc., Charlottesville, Virginia; Hunter McGuire Veterans Affairs Medical Center, Richmond, Virginia; Wilford Hall Medical Center, Lackland Air Force Base, Texas; Conemaugh Health System, Johnstown, Pennsylvania.

that might otherwise go undetected, posing a potential threat to patients and, in the case of premature return to Active Duty, military readiness.

To date, DVHIP staff has accomplished the following:

Clinical Care

Developed the Military Acute Concussion Evaluation (MACE) for use in all operational settings, including in-theater.

Developed management guidelines for mild, moderate, and severe TBI in-theater.

Established a telemedicine network linking DVHIP's military and VA sites.

Initiated a care coordination capacity for persons with TBI in regions remote from one of the DVHIP core sites. Still needed (and planned if funding is available) are greater treatment capacity, particularly at the community reentry level, and an expanded care coordination system that meets the special needs of persons with TBI and is widely distributed across the country.

Research

Commenced multiple new projects and collaborations focused on defining and understanding blast-related TBI.

Continued active medication treatment trials for TBI-related symptoms.

Presented preliminary scientific reports on patterns of TBI emerging from OIF and OEF.

Initiated development of a clinical platform for the testing of a promising novel rehabilitation intervention for TBI based on animal experiments with environmental enrichment.

Still needed (and planned if funding is available) are more DVHIP-based investigators and other research personnel to address further the many TBI-related issues emerging from OIF and OEF.

Education and Training

Developed a syllabus for training first responders in the management of moderate and severe TBI in-theater.

Developed the first two modules of a course for first responders and other clinicians in the assessment and management of mild TBI.

Initiated a public awareness campaign on TBI called "Survive, Thrive, & Alive," the centerpiece of which is a documentary on TBI in military and veterans that will be released this summer.

Developed an outreach team to train clinical personnel at non-DVHIP sites in the assessment and management of mild TBI.

Still needed (and planned if funding is available), is to build on the public awareness campaign and develop a broadly available multimedia educational capacity for military and veteran TBI patients, their families, clinicians, and all other persons who are touched by this significant public health problem.

OUR INJURED TROOPS NEED SUPPORT

There is no cure for brain injury. That is why the research being carried out by DVHIP is critical. We must find a way through research to help our injured soldiers with brain injury to return to as near normal life as possible.

Since many of the soldiers with brain injuries will have life long needs resulting from their injuries, we need to make sure community services are available wherever the soldier lives. This will be done through local case management program and linkage to DVHIP sites.

DVHIP has reached out to screen troops returning from the field to make sure no one with a brain injury falls through the cracks. Teams from DVHIP have been sent to Fort Dix, Fort Campbell, Fort Knox, Camp Pendleton, Fort Carson, Fort Irwin, Fort Bragg, Tripler Army Medical Center and others as requested by base commanders. Teams have also traveled to Landstuhl Regional Medical Center in Germany to provide evaluation and treatment on an ongoing basis. The DVHIP is an important tool to assure a continuum of care, but the program requires additional resources to assure that no TBI is overlooked or misdiagnosed.

\$19 MILLION IS NEEDED IN FISCAL YEAR 2007 FOR THE DVHIP

The DVHIP needs a plus up of at least \$12 million to care for these injured soldiers and their families. Last year Congress instructed the DVHIP to move to Fort Detrick. This has been accomplished. Our request for the DVHIP is simple. In addition to the \$7 million in the POM, the DVHIP needs a minimum of \$12 million dedicated to the work of the DVHIP to provide state-of-the-art care to brain injured soldiers regardless of where they live, and to continue our scientific research aimed at improving outcomes from brain injury, especially from blast injuries.

Please support \$19 million for the DVHIP in the fiscal year 2007 Defense Appropriations bill under AMRMC, Fort Detrick to continue this important program.
Thank you.

PREPARED STATEMENT OF VIETNAM VETERANS OF AMERICA

Chairman Stevens, ranking member Inouye, and distinguished Senators of the Defense Subcommittee of the Committee on Appropriations, on behalf of VVA National President John P. Rowan and all of our members, we thank you for giving Vietnam Veterans of America (VVA) the opportunity to make our views known about the fiscal needs of America's service persons and our soon-to-be veterans.

THE SEARCH FOR AMERICA'S MIA/POWS

First and foremost, I wish to note that the highest priority of VVA for 25 years has been, achieving the fullest possible accounting of those who are still unaccounted for in Vietnam. Today there are 1,805 missing and unaccounted for since the end of the Vietnam War since 1975; 1,380 in Vietnam, 364 in Laos, 54 in Cambodia and 7 in PRC territorial waters. VVA commends the Defense Prisoners of War and Missing in Action Office (DPMO) for their outstanding work in assisting with the recovery of our missing Americans.

The Joint POW/MIA Accounting Command (JPAC) budget for 2006 fell about \$3.6 million short and caused the cancellation and scaling back of many investigative and recovery operations. VVA urges Congress to ensure JPAC receives the dedicated funding level of \$65 million in fiscal year 2007 and that JPAC funding be a mandatory single line item budget just as DIA's Stoney Beach Team and DPMO so that these accounting operations don't have to compete with other funding priorities.

Mr. Chairman, every President since President Gerald Ford has noted that the Nation's highest priority is the fullest possible accounting for our Missing in Action (MIAs), whether they be Prisoners of War or that this activity be recovery of remains, and returning these remains to American soil. In any case, resolution for the families involved is essential and we urge this distinguished body, as we approach Memorial Day and as "Rolling Thunder" is bearing down on the Capitol in honor of POW/MIAs, and to press for the fullest possible accounting of our MIAs and POWs, to ensure that the resources are there to do the job right.

TRICARE

VVA strongly opposes the inordinate and unfair increases being discussed for TriCare recipients. These increases would impose yet another disincentive for patriotic Americans to serve their career in uniform defending our Nation, and do great injustice to those who have already done so, and to their families.

DOD claims rising health costs impinge on weapons programs. The Joint Chiefs endorse the fee hikes because their leaders tell them that this is the only way there will be enough money to fund needed weapons systems, new equipment, and other materiel needed for the defense of the Nation.

For senior Department of Defense leadership to juxtapose caring for service members and former service members when they become veterans with acquiring hardware is so outrageous that it should be cause for public chastisement by the President. If memory serves, the leadership of the Senate Armed Services Committee did rebuke that official at the first public declaration, in a bi-partisan manner. Yet the persistent pattern that would translate this unfortunate attitude into policy and practice continues unabated. You have the ability to call a halt to this affront to the men and women of our Armed Forces by stopping the proposed sharp increases in TriCare cost-shifting to the service members and their families.

Those who prepare the Defense budget request assume the changes will save money by causing hundreds of thousands of retirees to stop using their earned military benefits. This is a morally wrong policy. Top DOD leaders continue to say fees should bring military closer to civilian practices. Military service is not analogous to civilian-sector jobs. Some of those who maintain that it is would better understand if they had personally had the honor and privilege of serving our country in the military, particularly during wartime. Any comparison with private sector benefits and health care practices is simply mistaken and inappropriate.

Traditionally, providing first rate military medical and retirement benefits have helped make up for the pay differentials with the private sector, and serve as something of a reward for enduring many years of often very difficult service. The medical care of retirees is not low-cost or no-cost. Rather, it is a "pre-paid" medical cost by virtue of a hard 20 years or more of military service and sacrifice. Recruiting prob-

lems today show few Americans are willing to pay that heavy premium for that benefit.

VVA notes that the DOD proposed increases for health care would far outstrip annual retired pay increases and would greatly erode retired compensation value. Again this year, as was the case in the last few years, Congress wisely has refused to accept VA health fee increases for veterans who are not service connected disabled who had served as few as 2 years.

Tripling and quadrupling fees for those who served their best adult years in uniform would be even more inappropriate than charging non-career veterans exorbitant fees at VA. Our government has a moral obligation to provide benefits commensurate with the extraordinary commitments it demands from career service members.

VVA notes that dramatically raising TriCare to what for many retirees will be virtually unaffordable levels will also drive many retirees, particularly those who are service-connected disabled, into what is already an overburdened and under-funded VA healthcare system. While the care at VA is excellent when access is gained, there just are not enough personnel to meet the demand as it is. The additional burden of driving retirees to that system will only displace the burden in an inappropriate manner.

Although we would certainly hope this is not the case, perhaps it is the explicit or inadvertent wish of some at DOD to foist their responsibilities for the health of service members and former service members off onto the VA in a less than responsible manner. Whether this is the intent or not, it would certainly be the effect. However, we trust that this subcommittee will not allow such tactics, recognizing that caring for the men and women who have faithfully and honorably served our Nation is in fact an indispensable element of the essential cost of national defense, and keeping America free.

ELIMINATE THE "WIDOWS" TAX

VVA strongly urges that fiscal year 2007 must be the year that we as a Nation move to eliminate the "widow's tax." I speak of course of the situation in which there is a dollar-for-dollar reduction in Dependency and Indemnity Compensation (DIC) vs. the Survivor Benefits Plan (SBP) annuity payments. VVA encourages the Senate not wait for the Veterans' Disability Benefits Commission report to do what is so clearly the right thing. VVA urges that you end the dollar-for-dollar deduction of VA benefits for service-connected deaths from survivors' SBP annuities.

Further, we urge that you move the effective date of the 30-year paid-up SBP coverage to October 1, 2005, (this measure affects retired military who pay for SBP). VVA believes that there is no justification for further delay in eliminating what is essentially an unjust tax on widows of our service members.

RESEARCH: EXTRACORPOREAL SHOCKWAVE THERAPY (ESWT)

The number and variety of burns and other terrible wounds afflicting OIF/OEF veterans have caused great problems with regenerating tissue and skin over significant sections of the bodies of our wounded soldiers and marines. VVA participated in a briefing last weekend with Admiral Donald Arthur, Surgeon General of the Navy, and many key staff of the Walter Reed Army Medical Center and the National Naval Medical Center (Bethesda) regarding ESWT or a private company, Tissue Regeneration Technologies (TRT), which is bringing this technology to the United States, made this compelling presentation. All are interested in bringing this hopeful new technology to our wounded.

The MTS 180 multiwave device is quite simple to use, takes minimal time and effort to apply, and most importantly has been demonstrated clearly to do no harm. There will be a direct benefit for U.S. soldiers wounded in battle should this be approved. TRT believes, as does the clinical staff at WRAMC and NNMC, that the multiwave device can provide much quicker healing of the war wounds presented and thus save limbs from amputation and have each young man and woman return to a more normal life with their families after their duty in the military. The device promises to have a huge impact on those patients who have a difficult time recovering from wounds received in the line of duty.

Research on this therapy worldwide has demonstrated ingrowth of new blood vessels in areas lacking such, destruction of bacterial pathogens, production of growth factors and other processes that lead to healing of tissues (bone and skin) in a rapid fashion. TRT has agreed to donate a device to the WRAMC, assist in writing the protocol, and provide Dr. Wolfgang Schaden (with TRT) expertise, training and guidance for a study involving those wounded men and women. The Henry M. Jackson Foundation has agreed to assist in supporting this effort. The end goal, should the

device prove efficacious, would be to provide devices on the field of battle that would readily support limb- and life-saving therapy.

What is needed is approximately \$17 million specifically designated large-scale study that would involve WRAMC, NNNMC, and hopefully the Uniformed Services University (USU), and the National Institutes of Health (NIH) in assembling a combined Institutional Review Board (IRB), and for actually conducting a rigorous clinical outcomes study of this seemingly extraordinary tool.

An additional benefit of ensuring that this is collaborative effort or with a common protocol IRB is to set the stage for many other vitally needed clinical research projects that are likely to directly and immediately help to provide even more magnificent care than our grievously wounded are already receiving today. The cooperation of the Department of Veteran Affairs is all that is needed to make this a complete loop, and assist with strengthening the continuum of care for the seriously wounded and injured.

DISPOSITION OF THE AIR FORCE HEALTH STUDY (AFHS) DATA AND SPECIMENS

The Air Force Health Study (AFHS), more commonly known as the "Ranch Hand Study," is coming to a close. This study, which has spanned more than 25 years (1979 to the end date of September 30, 2006), has produced a wealth of data about the participants. In addition, there are more than 60,000 blood and tissue samples (biospecimens) that the AFHS never had the time or resources to even test, much less analyze.

In response to the mandate of being directed to do so pursuant to Public Law 108-183, the Secretary of Veterans Affairs contracted with the Institute of Medicine (IOM) of the National Academies of Sciences to consider the question of whether this data and biospecimens should be retained for future analysis and additional study; and, if so, where the repository of these biospecimens and data sets should be, in order that the integrity of the data and physical samples be preserved and that the chain of custody be maintained.

The IOM recommended three possible sites for this repository, assuming that arrangements and permission can be obtained from the National Archives: one of the two Epidemiological Information and Research Centers (ERICs) of the Department of Veterans Affairs; and, the Medical Follow-Up Agency (MFUA) of the Institute of Medicine.

Vietnam Veterans of America testified that the only one of these three that everyone could have full confidence in was MFUA, as it has a history of exemplary and impartial scientific work extending back to at least World War II. However, any of these three options need additional resources to take on this burden. The IOM estimated that it will take up to \$300,000 per year to manage and support the custodian's data management responsibilities, and approximately the same amount to care for the biospecimens. First-year costs would be higher because of the transfer and set-up costs.

The time is short, and the funds to maintain the data and biospecimens must be available on October 1, 2006 in order to maintain the chain of custody, keep the freezers on for the biospecimens, and handle all the myriad activities that must be done. Further, the IOM recommended that a minimum of 5 years would be needed, with at least \$250,000 for small grants, to discover whether the repositied material and data are of the unique scientific value they are assured to have.

For all of the reasons outlined above, VVA strongly urges the subcommittee to make available \$1 million for fiscal year 2007, with a commitment of \$800,000 in each of the succeeding 4 fiscal years, and direct that the data be transitioned to the Medical Follow-Up Agency (MFUA) of the Institute of Medicine (IOM) of the National Academies of Science (NAS). Further, VVA asks that report language direct the Air Force to ensure that there is no lapse in the transition, and that the physical integrity and chain of custody be fully maintained, whether by Air Force personnel or by the current contractors working on the AFHS.

HEALTH CARE SCREENING FOR DEPLOYING AND RETURNING TROOPS

The force readiness plan being developed by the Pentagon at the behest of Congress must include a full medical examination, to include a blood draw and a psychosocial history by a qualified clinician, for all troops prior to their deployment overseas and upon their redeployment. This must include a face-to-face mental health care encounter. VVA is greatly perturbed by reports of troops on heavy medications being sent to the war zones, and of those who receive mental health profiles while in Iraq or Afghanistan being sent back into combat situations.

The traditional role of military medicine has always been "Force Readiness," i.e., how quickly can service members be returned to full duty with a minimal expendi-

ture of resources, and delivery of treatment as far forward as possible. In the past 10 years, there has been an effort to shift to a model of "Force Health Protection" that seeks to safeguard to long-term health of the individual service member and reduce or avoid severe health consequences of military service in the future. However, when there is a situation such as exists today, where virtually every service member (or member of the National Guard or Reserves) is needed to maintain the mission, "Force Readiness" trumps all other considerations.

MENTAL HEALTH AND PTSD

The problem is that sending troops back into the war zone for a forced second or third tour, including those who already have Post-Traumatic Stress (PTSD) problems, is to ensure that the severity and chronicity of the problems that these individuals will suffer in the future will be much more acute. News reports that many who are already on medication, including psychotropic and/or heavy anti-depression medications because of mental health problems stemming from their previous tour(s), are also being forced to deploy yet again are really disturbing.

DOD has long discriminated against anyone who has come forth to report any such problems, causing service members who wish to stay in the service and wish to be promoted not to seek help from military medical personnel, but rather to self medicate and/or seek help at their own expense from civilian sources. Now it seems that DOD wants to have it both ways, i.e., not promote these service members but still send them back to the war zone knowing this will worsen and/or exacerbate their condition. How many suicides or breakdowns in the field will it take to stop this shortsighted approach?

Similarly disturbing are reports that both Army and Navy physicians have been forbidden to use the diagnosis of Post Traumatic Stress Disorder, which is in the Diagnostic and Statistical Manual (DSM-IV), as a valid diagnosis. Rather, we understand that military physicians at many sites are instructed to use "combat stress," or "personality disorder," or other euphemisms in their notes, despite the fact that these euphemisms are not defined, validated, or recognized by the American Psychiatric Association (APA), the American Medical Association (AMA), or any other legitimate medical entity. This is apparently being done despite the fact that many of these individuals clearly meet all or many of the 14 classic symptoms of PTSD. Why would anyone do that? The answer is that because it is not a recognized diagnosis, it does not qualify the service member for a medical retirement.

Because our newest veterans appear to be suffering the psychological stresses and disorders in far greater numbers than even the Vietnam generation, it is imperative that after deployments a system of acute stress counseling and PTSD counseling be emplaced, a system that is funded by DOD and delivered by VA personnel and private practitioners. What is needed is some sort of "firewall." If the individual gets better, then he or she will pass their pre-deployment face-to-face mental health encounter, and be stronger for having admitted to the problem and getting effective help. If they are experiencing mental health difficulties, then that same clinical encounter will screen them out, whether they have sought treatment or not.

This counseling must be made available to Reservists and members of the National Guard and their families in addition to active-duty troops when they have returned. As about 60 percent of the Guard and Reserve members live in towns of 2,500 or less, there needs to be creative solutions in order to get these folks the help they and their families so often need. To treat PTSD in the service member or veteran, one must treat the whole family or the chances of success are greatly diminished. Currently there is little or nothing being done for the Guard and Reserve members, or their families, who are far from any military hospital, or even a VA facility.

In this same regard, reports persist that the problem documented by Senators Bond and Leahy (co-chairs of the National Guard and Reserve Caucus in the Senate) 3 years ago that National Guard and Reserve troops were waiting inordinately long periods for medical care at military medical facilities has not gone away, and in fact is again becoming widespread. Much of the problem, VVA believes, is that like most of the military, the military medical organizational capacity has been too far downsized in the name of "streamlining" and "modernizing." We urge the subcommittee to increase the funding allocation for the number of physicians and allied healthy care personnel for fiscal year 2007, with appropriate report language that directs DOD to track the care and waiting periods of these individuals, who are so vital to the total force concept, to ensure that they are not being treated as "second class citizens" in the military medical system, thereby worsening the medical conditions of these soon-to-be veterans.

MILITARY SEXUAL TRAUMA

It has become clear in the last decade that sexual harassment and sexual abuse are far more rampant than what had been acknowledged by the military. Reported instances of sexual harassment and abuse represent only the tip of the proverbial iceberg. While we are pleased that both the Departments of Defense and Veterans Affairs seem now to be taking this seriously, finally explicitly acknowledging sexual trauma as a crime under the Uniform Code of Military Justice (UCMJ) in the Defense Authorization Act of 2005, there is still a long road to travel to change the current atmosphere that conditions victims of sexual abuse to not report this abuse to authorities. VVA urges you to include report language directing a comprehensive review of the penalties for military sexual trauma under the Uniform Code of Military Justice to determine if the penalties are commensurate with the offenses, and to act to ensure uniform enforcement in all branches of the military, and to explore such mechanisms to achieve quality assurance on uniformity of enforcement such as a worldwide Internet address and a nationwide toll-free number, that would be staffed by counselors 24/7 trained to effectively assist, counsel, and refer service members (or family members) who have been the victim of sexual assault. VVA believes that only by means of such a mechanism that is not dependent on local command can there be uniformity of quality assistance and equal application of justice.

Further, VVA urges that report language direct DOD to do a better job of establishing a continuum of care for victims with the VA, so that these individuals go from the military into appropriate care at the VA nearest to their home.

NATIONAL VIETNAM VETERANS LONGITUDINAL STUDY (NVVLS)

While it is not specifically within the purview of this subcommittee, VVA brings to your attention the requirement in Public Law 106-419, The Veterans' Benefits and Health Care Improvement Act of 2000, that the VA contract to do a follow-up to the National Vietnam Veterans Readjustment Study, done some 20 years ago. Several of the distinguished Senators on this subcommittee are also on the Military Construction and VA Subcommittee, and all of the distinguished Senators are on the full Appropriations Committee. VA has delayed, dithered, and is now refusing to do the replication of the earlier study, utilizing the very same people—veterans who served in Vietnam, veterans who served in the Vietnam Era but who did not serve in Southeast Asia, and a non-veteran cohort matched for socio-economic and educational factors. The VA is now refusing to do the study, and is in defiance of the law and of the Congress. VVA believes that some in the VA and the Office of Management and Budget do not want to complete this study because of what they believe the results will be in terms of lifetime mortality and morbidities of combat veterans. As such, they are being contemptuous of the law and the Congress by their continued refusal.

As the Judiciary is loath to do so in cases such as this (where there is a dispute between the other two branches of government such as a study mandated by the Congress and the Executive branch does not do it), only the Congress can compel the Executive branch to complete this legally mandated study, and the only means to that is by means of the appropriations process. This study, known as the National Vietnam Veterans Longitudinal Study (NVVLS), must be funded—and the VA compelled to immediately re-initiate this statutorily mandated study and bring it to an early and proper conclusion.

The NVVLS represents the last best chance we have of understanding the nature and scope of the health problems of Vietnam veterans. The results of this study will also greatly assist Congress in planning not just for the health care needs of Vietnam veterans, but anticipating the long-term health care problems of our troops risking their lives in Iraq, Afghanistan, and elsewhere in the world today.

Line item funding for this study and strong explicit report language are needed to compel the VA to fulfill its responsibility to comply with the mandate set by Congress.

TRANSITION ASSISTANCE PROGRAM MUST BE MANDATORY FOR COMMANDERS

The greatest barrier to benefits and entitlements that soon-to-be separated veterans face is that they simply do not know about them. The "Transition Assistance Program" (TAP) has been developed in the past 20 years to help remedy this situation. Unfortunately, this program is very uneven. This is due partly because it is an ancillary duty for most of the people involved, whether they be from the VA, the State workforce development agency (funded by the Department of Labor-Veterans Employment and Training Service), or others in the veterans service matrix. The most important thing that this committee can do is direct that sufficient resources

be allocated for this program, and that successfully and effectively mounting TAP sessions for all personnel be made a mandatory item on the Officer Efficiency Report and evaluation for commanders.

It is imperative for their future and the well-being of the Nation that the transition from service member to fully employed veteran be achieved in the overwhelming majority of cases. This includes providing all the assistance needed especially for disabled veterans, to be able to obtain and sustain meaningful employment at a living wage. Much of the key to accomplishing this goal is simply provides useful information and educating the departing service member. Former service members who successfully transition into civilian life are the very best recruiters the services have, and a better-administered TAP program will greatly aid that effective and speedy transition.

Mr. Chairman, this concludes my remarks. Again, VVA thanks you for the opportunity to present our views here today regarding a number of essential points regarding the fiscal year 2007 Defense Appropriations legislation.

PREPARED STATEMENT OF THE COALITION OF EPSCoR/IDEA STATES

Mr. Chairman and Members of the subcommittee, thank you for the opportunity to submit this testimony regarding the Department of Defense basic scientific research program and the Defense Experimental Program to Stimulate Competitive Research or "DEPSCoR."

I am Royce Engstrom, Provost and Vice President for Academic Affairs at the University of South Dakota. I am also chair of the Coalition of EPSCoR/IDEA States, which is a non-profit organization that promotes the importance of strong science and technology research infrastructure, and works to improve the research competitiveness of States that have historically received less federal research funding. Previously, I was Vice President for Research at USD. I mention my background because I have had the opportunity to observe from several career points that there is great truth in the concept that all States and regions have impressive science and technology resources that can benefit mission agencies like the Department of Defense.

I am submitting this statement on behalf of the Coalition of 24 EPSCoR States in support of increasing the fiscal year 2007 budgets of both the Department of Defense's science and engineering research program for basic research, and an important component of that program, DOD's Experimental Program to Stimulate Competitive Research (DEPSCoR). These States have one-fifth of the Nation's academic science and engineers and represent an important resource for developing the pool of S&T talent that can serve DOD.

First, I would like to thank the chairman and the rest of the subcommittee for your leadership and long-term support of the Defense Departments science and technology programs. America's uniformed men and women benefit greatly from the high tech products produced through DOD funding. Academic basic research is the first step in the process of bringing discovery in the research labs to applied research and ultimately to development and product creation and availability for the front line.

The Coalition of EPSCoR/IDEA States strongly support increasing the Department's budget for basic research. The coalition urges the Congress and the administration to provide a significant investment in the Science and Technology (S&T) programs of the Department of Defense. The EPSCoR/IDEA States are in full agreement with the recommendation contained in the National Academies (NAS) report, *Rising Above the Gathering Storm*, and call for a 10-percent increase in basic defense research in fiscal year 2007.

DOD-funded research is an essential component to meeting both the economic and security challenges facing our Nation now and in the future. In the past, national defense investments in science and engineering have helped to create a well-trained cadre of U.S. scientists and engineers and have provided important educational opportunities for several generations of soldiers, veterans, and citizens while strengthening our national and economic security.

DEPSCoR is a small, but significant, part of this larger, multi-faceted DOD research program. The coalition recommends that Congress appropriate \$20 million to the Department of Defense budget for the DEPSCoR Program in fiscal year 2007. DEPSCoR was initially authorized by section 257 of the National Defense Authorization Act of 1995 (Public Law 103-337), and was created to help build national infrastructure for research and education by funding research activities in science and engineering fields that are important to national defense. DEPSCoR's objectives are: (1) To enhance the capabilities of institutions of higher education in DEPSCoR

States to develop, plan, and execute science and engineering research that is competitive under the merit review systems used for awarding federal research assistance; and (2) To increase the probability of long-term growth in the competitively awarded financial assistance that DEPSCoR universities in eligible States receive from the Federal government for science and engineering research.

I would now like to highlight a few “DEPSCoR-funded” success stories of research projects that have and are, presently, contributing to our national defense interests. In my own State of South Dakota, three significant research projects at the South Dakota School of Mines and Technology are under investigations through the DEPSCoR program. In one project, aluminum nanoparticles are being studied for their unique energy release characteristics, which can increase the metal acceleration from an explosive weapon. The particles also have potential use in primers, low-collateral warheads, and solid propellant additives. In another project, novel polycarbonate polymers are being developed for incorporation into transparent armor for face shields, goggles, and windshields. Finally, scientists are developing new “spintronic” devices that combine electronic, magnetic, and optical properties into a single chip, resulting in powerful devices that operate on a fraction of the energy of today’s devices and with much less weight.

Projects from other EPSCoR states include:

- The University of Alaska Fairbanks’ researchers at the Institute of Arctic Biology are examining the central human nervous system with potential applications for reducing the severity of combat casualties by extending the window of opportunity for transport to medical facilities.
- The University of Hawaii at Manoa’s researchers are using DEPSCoR funding to improve tropical cyclone forecasts for the Joint Typhoon Warning Center, which is DOD’s operational center for tropical cyclone forecasting in the Pacific and Indian Oceans.
- University of Kentucky researchers are working on a novel high-throughput Piezoelectric Technology, and have built and tested working prototypes and signal processing software. This will allow, for the first time, high-throughput genetic approaches that may answer fundamental questions about sleep and wake behavior. In turn, this knowledge is likely to suggest both new pharmacological and non-pharmacological approaches to deal with performance decrements from sleep disruptions that are so common during military operations.
- University of Montana researchers are working to understand the cause of oxidative stress in war fighters. This will have a direct impact on every soldier working in extreme environments while carrying heavy equipment. Often these men and women suffer from short-term impairment of metabolic function and cognitive ability. Long-term effects of oxidative stress include neurodegenerative disease and cancer. Understanding this condition in military personnel will allow for the design of treatment protocols to minimize this aberrant metabolic state and its subsequent short- and long-term health effects.
- University of Nevada, Las Vegas researchers are working to further the number of applications for wireless sensor networks in military surveillance and civilian areas. For DOD, the use of unmanned surveillance and monitoring systems using wireless sensor networks is of great practical importance, bringing energy efficiency, scalability, dependability, and security to military efforts. These characteristics obviously also can enhance civilian endeavors as well.
- North Dakota State University is conducting research aimed at lengthening the life of ship structures. This research will lead to significant savings in military spending on marine fuel, maintenance and replacement of ships.

Again, these are only a few of the many DEPSCoR-funded research initiatives that add to our national body of knowledge on varying national security issues.

DEPSCoR awards are provided to mission-oriented individual academic investigators to conduct research that has practical military applications. However, the program as it is currently implemented has not taken into account the significant benefits that can be derived from pooling individual investigators efforts into “centers” of research that meet the ever-increasing challenges and needs of the Department of Defense and the Services.

The DEPSCoR States propose restructuring the program into two components. The first component would retain the current structure whereby the single investigators are invited to compete for research awards in areas identified by the Department and the Services. The second and new component would award funding to mission-oriented “centers.” These centers of defense excellence would be interdisciplinary areas and would build defense research capacity.

To achieve important defense research objectives of both the components of the program, the DEPSCoR States suggest that the program be funded at \$20 million for fiscal year 2007 with \$10 million obligated to the individual investigator awards

and \$10 million for the mission-oriented centers initiative. This twin approach to funding will enhance the Department's ability to tap into the best ideas that the DEPSCoR States have to offer in support of the Nation's security needs.

In conclusion, it is important that DOD is able to utilize the resources of all States and regions universities and the science and technology talent that reside in these institutions. DEPSCoR works to enable these resources to be available to advance the DOD mission. DEPSCoR is a wise and worthwhile investment of scarce public resources, and will continue to contribute research that supports national defense needs. Thank you for your consideration of this request.

PREPARED STATEMENT OF FLORIDA STATE UNIVERSITY

Mr. Chairman, I would like to thank you and the Members of the subcommittee for this opportunity to present testimony before this committee. I would like to take a moment to briefly acquaint you with Florida State University.

Located in Tallahassee, Florida's capitol, FSU is a comprehensive Research I university with a rapidly growing research base. The university serves as a center for advanced graduate and professional studies, exemplary research, and top-quality undergraduate programs. Faculty members at FSU maintain a strong commitment to quality in teaching, to performance of research and creative activities, and have a strong commitment to public service. Among the current or former faculty are numerous recipients of national and international honors including Nobel laureates, Pulitzer Prize winners, and several members of the National Academy of Science. Our scientists and engineers do excellent research, have strong interdisciplinary interests, and often work closely with industrial partners in the commercialization of the results of their research. Florida State University had over \$182 million this past year in research awards.

Florida State University attracts students from every State in the Nation and more than 100 foreign countries. The university is committed to high admission standards that ensure quality in its student body, which currently includes National Merit and National Achievement Scholars, as well as students with superior creative talent. We consistently rank in the top 25 among U.S. colleges and universities in attracting National Merit Scholars to our campus.

At Florida State University, we are very proud of our successes as well as our emerging reputation as one of the Nation's top public research universities.

Mr. Chairman, let me briefly tell you about the projects we are pursuing this year. The first project is an FSU-led DARPA project that involves several other State universities in Florida. The work will focus on an Integrated Cryo-cooled High Power Density System, particularly as it relates to these systems and their applications in electric power systems. The objective of this multi-university research program is to achieve cryo-cooled high power densities through improved management and integration within the electric power system of heat generation and removal. This systems approach to solving this critical issue begins with identifying the enabling technologies needed, and then pursuing new systems approaches to advance the enabling technologies necessary for solution of these problems. Immediate applications could be with various electric drive systems currently under development by the various services and would include electric-drive ships, land vehicles, and other emerging electric drive power systems.

The research activities supported within this project will be directed in several areas that include development of new materials that could be included in conductors, semi-conductors, and insulation that would become critical components in cryothermal systems and system components. The systems integration approach will be critical to this entire effort at FSU. We are requesting \$3,000,000 for this very important new project.

Our next project is entitled Nanotubes Optimized for Lightweight Exceptional Strength (NOLES)/Composite Materials, and is a continuing project with the U.S. Army. The U.S. Army's objective of developing a lighter fleet of fighting and personnel vehicles may be achieved through the diminutive single-walled carbon nanotubes that (1) are the strongest fiber known, (2) have a thermal conductivity two times higher than pure diamond, and (3) have unique electrical conductivity properties as either semi-conducting or metallic based on their structure. Work under previous Army funding has led the development and production of lightweight multifunctional composite structures. These structures are uniquely-created by resins impregnated with carbon nanotubes; these new composite materials hold the promise of creating structures, which, pound for pound, will be the strongest ever known, and hence offer maximum personnel and vehicle protection. Benefits are apparent not only to defense, but also throughout the commercial world.

Partnered with the Army Research Laboratory and a number of defense companies, Florida State University's team of multi-disciplinary faculty and students has developed unique computational, analytical, and experimental capabilities in the field of nano-composite research. This research is leading to vital defense applications. For instance, in a partnership with Lockheed Martin Missiles and Fire Control-Orlando, FSU researchers are developing nanotube/polycarbonate (CNT/PC) composites that are expected to exhibit outstanding properties for an armor program. Initial testing showed that the FSU CNT/PC materials demonstrated favorable properties and deserved further investigation. The FSU researchers recently delivered the second batch of test materials. Additional field tests of the materials have been scheduled. In addition, FSU's nanotube composites are being tested for missile wings, UAVs, thermal management and missile guidance systems by Boeing, Lockheed Martin, Northrop Grumman, and Raytheon.

Three foci are envisioned for fiscal year 2007: (1) to develop nanotubes as a material platform for a new generation of devices and systems, giving special attention to the design and demonstration of defense applications; (2) to use nanotubes and biological polymers in harvesting and conversion of solar and RF energy across the electro-magnetic spectrum; and (3) to develop processing technology for ultra lightweight, exceptionally strong composite materials to improve glass transition temperature, through-thickness strength and fire retardance. We are requesting \$3,000,000 for this project in fiscal year 2007.

Our third project involves the U.S. Navy, and it examines experts' ability to maintain superior performance under stress. The project is entitled, Refined Assessment and enhances Acquisition of Skilled Performance in the U.S. Navy. It includes a focus on designing assessment and training procedures to enhance performance. This project will be undertaken by FSU's Learning Systems Institute (LSI), which is used for multidisciplinary research on performance; in addition, the Virtual Human Performance Laboratory (vHPL) at LSI will enable the remote assessment and training of Navy fighter pilots. Researchers will utilize the results of studies of expert performance conducted with ONR together with new data on real-world and simulated performance under stress collected to design assessment and training procedures for skilled performance for these key Navy personnel. This research is designed to support "An Evolving Joint Perspective: U.S. Joint Warfare and Crisis Resolution in the 21st Century," and is being conducted in accordance with current CNO guidance. We are requesting \$1,500,000 for this project.

Our final project involves the Integration of Electro-kinetic Weapons into Next-Generation Navy Ships. The U.S. Navy is developing the next generation war ship that will be based on an all-electric platform of propulsion loads and electric power systems with rapid reconfigurable distribution systems for integrated fight-through power (IFTPS). Through the IFTP system, large amounts of energy could be made available to new pulsed power weapon systems and other directed energy weapons. Many challenging technical issues arise before implementing a combat ready system. These include the appropriate topology for the ship electric distribution system for rapid reconfiguration to battle readiness and the energy supply technology for the weapon systems.

The goal of this initiative is to investigate the energy delivery technologies for electro-kinetic weapons systems and investigate the integration and interface issues of these weapons as loads on the ship IFTP through system simulations and prototype tests, and assess the capability and security of various system topologies and control schemes to operate the weapon systems. The results will provide the Navy and its ship-builders with vital information on design of the ship power system and weapon power supplies.

With significant support from the Office of Naval Research (ONR), FSU has established the Center for Advanced Power Systems (CAPS). CAPS has integrated a real-time digital power system simulation and modeling capability and hardware test-bed, capable of testing IPS power system components at ratings up to 5MW, offering unique hardware-in-the-loop simulation capabilities hitherto unavailable anywhere in the world.

In support of the proposed initiative, the National High Magnetic Field Laboratory (NHMFL) will utilize its world-class research expertise and infrastructure for the proposed development. FSU's partnership with University of Florida and Los Alamos National Laboratory is a key part of the NHMFL. This initiative will be also conducted in cooperation with the University of Texas-Austin and University of Missouri-Columbia. Each institution offers unique capabilities in design and prototyping of the energy storage and pulse forming networks needed. We are requesting \$3,000,000 for this project.

Mr. Chairman, we believe the research described above is vitally important to our country and the various military services. We would appreciate your support.

PREPARED STATEMENT OF THE AIR FORCE SERGEANTS ASSOCIATION

Mr. Chairman and distinguished subcommittee Members, on behalf of the 130,000 members of the Air Force Sergeants Association, thank you for this opportunity to offer the views of our members on the fiscal year 2007 funding priorities of the Department of Defense. This hearing will address issues critical to those serving and who have served our Nation. AFSA represents Active Duty, Guard, Reserve, retired, and veteran enlisted Air Force members and their families. Your continuing efforts toward improving the quality of their lives has made a real difference, and our members are grateful. In this statement, I will list several specific goals that we hope this committee will consider funding during fiscal year 2007 on behalf of current and past enlisted members and their families. The content of this statement reflects the views of our members as they have communicated them to us. As always, we are prepared to present more details and to discuss these issues with your staffs.

HEALTH CARE ISSUES

Defense Health Program Funding.—AFSA urges the subcommittee to ensure continued full funding for Defense Health Program needs. AFSA maintains that this Nation can afford to and must be dedicated to funding the weapons systems and the military health care system. We strongly recommend against DOD's desire to establish an annual enrollment fee for TRICARE Standard. We urge the subcommittee to require DOD to pursue greater efforts to improve TRICARE and find more effective and appropriate ways to make TRICARE more cost-efficient without seeking to shift the burden to those who have already paid a great price for their retirement health care benefits. Additionally, the DOD plan is based upon questionable assumptions of prospective changes in human behavior—a dangerous way to steer a fiscal course. Furthermore, if the assumptions upon which the DOD TRICARE plan is based are incorrect, military beneficiaries would likely face an ever-increasing cost for benefits they already paid for by facing unlimited liability for an entire career.

Promoting TRICARE Standard Providers.—One of the great problems with TRICARE itself is that many doctors refuse to participate because it is not worth their while. AFSA urges this subcommittee to designate sufficient funding that will enhance provider participation and thus contribute to denying beneficiaries access to care.

Pharmacy Copayments.—AFSA asks the subcommittee to provide the necessary funding prevent DOD plans to once again change the copayment rates for prescriptions until all medications are available in the mail order program and limiting any future pharmacy copayment increases to the lesser of the percentage increase in basic pay or retired pay, rounded down to the next lower dollar. The coalition recommends eliminating beneficiary copayments in the mail-order pharmacy system for generic and brand name medications to incentivize use of this lowest-cost option and to generate substantial cost savings.

Dental Care Support.—AFSA asks this committee to take a serious look at additional funding for the dental care program for military members and their families. Some members report that the reimbursement rates for providers are not adjusted to the various regions. That being the case, dentists avoid participation in the program. The situation in Alaska, in particular, has been brought to our attention; however, the situation needs to be examined across the board to determine where there are inadequate providers to support the families of military members and the retirees in each region.

Optometry Benefit for Retirees.—The earned career military benefit does not include a funded retiree optometry benefit. This is certainly fundamental to the health and well-being of those who have served, and AFSA requests this subcommittee's consideration toward supporting the implementation of such a benefit.

EDUCATION ISSUES

Increase the value of the MGIB to cover the costs of tuition, books, and fees at an average 4-year college or university. Despite recent increases in the MGIB which brought the value of the MGIB up to \$1,034, more needs to be done. If this Nation is going to have a program that sincerely intends to satisfy the purpose of the program, it certainly should mirror civilian industry by providing a comprehensive educational program and not an insufficient one. According to the "College Report," an annual evaluative report published by the education "industry," average monthly educational costs are more than \$1,500 at this time. This figure reflects the cost of books, tuition, and fees at the average college or university for a commuter student.

Of course, that average cost will increase in the future due to inflation. Payment for full books, tuition, and fees for a 4-year degree with annual indexing to maintain the value of the benefit, at least, ought to be provided for those who make the military a career. In recent months, several members of Congress have expressed interest in developing a new, improve "Total Force MGIB." AFSA supports such an initiative and encourages this subcommittee to espouse it as well.

An MGIB Enrollment Opportunity for VEAP-Era Military Members.—The education program for military members that preceded the Montgomery G.I. Bill (MGIB) was the Veterans Educational Assistance Program (VEAP). This was a program where you put in up to \$2,700 and the government matched the amount you used for education on a 2-for-1 basis. The maximum government contribution was \$5,400. Hundreds of thousands of military members declined enrollment in that program due to very poor educational counseling. Many tell us they were advised by education officials not to enroll in the VEAP since a better program was coming along. Unfortunately, when the MGIB came along, those who didn't enroll in the VEAP were not allowed to enroll in the far-more-beneficial MGIB. DOD estimates last year indicated that there are still serving between 50,000 and 70,000 service members who declined enrollment in VEAP. S. 2091, sponsored by Senator Tim Johnson would correct this unfortunate situation. These members served since the mid 1980s, helped preserve peace, and deserve an opportunity to enroll in the MGIB program. AFSA urges the subcommittee to fund that opportunity.

Correct MGIB Enrollment Procedures.—At basic military training or boot camp, new servicemembers must make a decision. If they want to enroll in the MGIB, they must agree to have \$100 per month deducted from their pay for each of their first 12 months of military service. This is twice as difficult for noncommissioned members because they make roughly half the pay of a newly commissioned officer. We urge the subcommittee to either eliminate the \$1,200 user fee or allow enlisted members to make the payments over a 24-month period.

Allow Transferability of MGIB Benefits to Family Members.—AFSA believes the MGIB benefit is earned, and military members ought to also be able to share the benefit with their family members, if they chose to do so. It would certainly serve to improve the quality of the lives of noncommissioned families. Transferability could be offered as a career incentive. For example, transferability could become an aspect of the program for all enrollees after they complete 12 or 13 years in service.

Full Impact Aid Funding.—Impact Aid is supplemental funding provided to local school districts to compensate for the impact of having military members in that community. Local schools are primarily funded through property taxes. Those military members who reside on base do not pay into the property tax base. Recognizing this, each year Congress has provided supplemental dollars to such school districts. This funding is critical to quality education and the protection of the finances of military families; AFSA urges the subcommittee to continue the great work it has done on this front in recent years.

In-state Tuition Rates for Military Members.—Military members are relocated from one military reservation to another at the pleasure of the government. Of course, servicemembers serve the entire Nation, and every State benefits from their service. Although we believe this issue would not require any additional funding considerations, we urge the subcommittee to do what it can to urge States to provide immediate in-state tuition rates at State colleges and universities as soon as military members and their families are relocated into that State. This should apply to the military members, their spouses, and their children.

COMPENSATION AND PERMANENT-CHANGE-OF-STATION (PCS) ISSUES

Senior NCO Pay Targeting.—AFSA urges the subcommittee to provide the necessary appropriations to allow further pay targeting toward the senior noncommissioned ranks. These members are critical to the success of the military mission, and their roles and responsibilities have increased significantly in recent years. It is no exaggeration to state the many jobs formerly handled by commissioned officers are now handled by senior enlisted members. As such, it is important for the subcommittee to take a critical look at the military pay charts and increase the pay levels of senior noncommissioned officers.

Standard Reenlistment Bonus.—Each time military members reenlist, they commit to subjecting themselves to unlimited liability—putting their lives at risk, if need be, to defend the interests of this Nation. As all men and women, these people are choosing to devote a significant portion of their days on Earth to freedom. The current reenlistment bonus structure is strictly a force manipulation mechanism to adequately man hard-to-fill jobs. AFSA urges the subcommittee to provide the nec-

essary funding which allows a standard reenlistment bonus each time a military member extends their military commitment.

Increased Household Good (HHG) Weight Allowances for Senior NCOs During PCS Moves.—AFSA thanks this subcommittee for role in the modest increase in household goods weight allowances for senior NCOs approved last year. However, we recommend that these allowances be increased even further. Currently, the highest ranking enlisted members (E-9s) who are generally career-committed and have served the Nation for over two decades are afforded approximately the same HHG weight allowances as a commissioned officer who has served only 4 years. An E-7, probably at the average career point of 15 years, is given roughly the same HHG weight allowance as an O-1, just entering military service. HHG weight allowances should have some relation to average time in service, family size, probably accumulation of goods as a family grows, etc. It certainly should not be significantly different for commissioned and enlisted members. We believe the ethical, common-sense, way to provide this allowance would be parallel increases between the commissioned and enlisted rank charts with an E-1 and O-1 receiving the same HHG Weight Allowance, an E-2 receiving the same allowance as an O-2, etc. Such changes would require the support and therefore, funding considerations of this subcommittee.

GUARD AND RESERVE ISSUES

Age 55 Retirement.—What has been true for years has become particularly evident in recent years—that members of the Guard and Reserve are full players in the defense of this Nation. Yet they are the only federal employees that have to wait until age 60 to enjoy their retirement benefits. As it is, their retirement pay is a fraction of that received by retired Active Duty members. Guard and Reserve retirement is based on an accumulation of service points. AFSA believes the right thing to do for the members of the Guard and Reserve is for this subcommittee to designate the necessary appropriations enabling a change to the law and allow these members the receipt of their retirement pay at age 55.

Health Care.—In recent years, Congress has made great strides in addressing the Guard and Reserve health care situation, in part due to the great work of this committee. We urge that you continue along this path and provide a robust plan by expanding the current provisions and decreasing the fees for TRICARE Reserve Select.

RETIREMENT/VETERAN/SURVIVOR ISSUES

Seamless DOD-VA Transition.—AFSA cannot stress enough the importance of properly funding programs that allow common use of medical records between DOD and the Veterans Administration, and to support other aspects of the transition from military service to veteran status. You have made great strides in recent years, and AFSA appreciates them. The issue of a common-sense transition from one status to the other, and the funding of programs to support it, has become even more critical during the time of the global war on terrorism.

Concurrent Retirement and Disability Pay (CRDP) and Combat-Related Special Compensation (CRSC).—Congress has made progress on this matter in each of the last 5 or 6 years, and AFSA urges that it continue. We ask that you support expansion of CRSC for those Chapter 61 retirees (medically retired) who, through no fault of their own, were unable to complete 20 years of service. This would most effectively address those with the most serious disabilities and help to serve those fighting in the current actions in Iraq and Afghanistan.

SBP "Paid Up" Provision.—This subcommittee acted on this several years ago by making this paid up feature effective in 2008. Some of these retirees have now been paying into SBP for many more years than 30. We urge the subcommittee to implement the paid-up provision effective October 1, 2006.

Eliminate the Survivor Benefit Plan (SBP)-Dependency and Indemnity Compensation (DIC) Offset.—Currently, survivors receiving DIC from the VA see a dollar-for-dollar reduction in their SBP payments (provided by DOD). Similar to the CRDP issue, this is a matter that we hope the subcommittee can provide funding for this year.

Allow DIC Survivors to Remarry After Age 55 Without Losing Their DIC Entitlement.—Congress provided some relief to these survivors for setting the remarriage age without losing DIC entitlement at 57. To parallel other federal programs, we urge the subcommittee to change the allowable remarriage age for these survivors at 55.

In conclusion, Mr. Chairman, we thank you for this opportunity to present the views of the Air Force enlisted community. As you work toward your appropriations decisions, the Air Force Sergeants Association and its 130,000 members urge you

to ensure sufficient funding to provide for the integrity of the entire Department of Defense and related programs. Now, more than ever, this funding and this Nation's commitment to our servicemembers must be above reproach. On behalf of all AFSA members, we appreciate your efforts and, as always, are ready to support you in matters of mutual concern.

CONCLUSION OF HEARINGS

Senator INOUE. I thank you all for your testimony this morning, and the subcommittee will stand in recess.

[Whereupon, at 10:49 a.m., Wednesday, May 24, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

	Page
Air Force Sergeants Association, Prepared Statement of the	676
Arthur, Vice Admiral Donald C., M.D., Surgeon General, Department of the Navy, Medical Health Programs, Department of Defense	361
Prepared Statement of	362
Questions submitted to	425
Austin, Lieutenant Colonel Paul N., Certified Registered Nurse Anesthetist, Ph.D., on Behalf of the American Association of Nurse Anesthetists (AANA)	548
Prepared Statement of	549
Barnes, Master Chief Joseph L., United States Navy (Retired), National Exec- utive Secretary, Fleet Reserve Association	614
Prepared Statement of	615
Benge, Seth, Director of Legislation, Reserve Enlisted Association, on Behalf of the Associations for America's Defense (A4AD)	574
Prepared Statement of	576
Bergman, Lieutenant General Jack W., Commander, Marine Corps Reserve, United States Marine Corps, Department of the Navy, Department of De- fense	322
Biographical Sketch of	333
Prepared Statement of	322
Question Submitted to	349
Black, Sherry Salway, Executive Director, Ovarian Cancer National Alli- ance	563
Prepared Statement of	565
Blum, Lieutenant General H Steven, Chief, National Guard Bureau, National Guard, Department of Defense	243, 479
Opening Statement of	247
Prepared Statement of	250
Questions Submitted to	297
Bond, Senator Christopher S., U.S. Senator From Missouri:	
Prepared Statements of	109, 246
Statements of	109, 246
Bradley, Lieutenant General John A., Chief, Air Force Reserve, Department of the Air Force, Department of Defense	334
Prepared Statement of	334
Question Submitted to	350
Bruzek-Kohler, Rear Admiral Christine M., Director, Navy Nurse Corps, De- partment of the Navy, Medical Health Programs, Department of Defense	397
Prepared Statement of	399
Questions submitted to	433
Burns, Senator Conrad, U.S. Senator From Montana:	
Prepared Statements of	21, 439, 481
Questions Submitted by	175, 234, 237
Statements of	180, 244
Chanik, Vice Admiral Marty, Director of Force Structure, Assessments and Resources, Joint Chiefs of Staff, Department of Defense	1
Coalition of EPSCoR/IDeA States, Prepared Statement of the	672
Coane, Rear Admiral Casey, United States Navy (Retired), Executive Direc- tor, Naval Reserve Association	634
Prepared Statement of	635

	Page
Cochran, Senator Thad, U.S. Senator From Mississippi:	
Prepared Statements of	438, 480
Questions Submitted by	18, 20, 161, 171, 232, 236, 298, 349, 350
Cotton, Vice Admiral John G., Chief, Naval Reserve, Department of the Navy, Department of Defense	317
Prepared Statement of	317
Dodgen, Lieutenant General Larry J., Commanding General, U.S. Army Space and Missile Defense Command/U.S. Army Forces Strategic Command, United States Army, Missile Defense Agency, Department of Defense	450
Prepared Statement of	451
Questions Submitted to	477
Domenici, Senator Pete V., U.S. Senator From New Mexico, Questions Submitted by	95, 173, 299, 476, 532
Dorgan, Senator Byron L., U.S. Senator From North Dakota, Statements of	111, 281
Duggan, Dennis, Deputy Director, American Legion	646
Prepared Statement of	647
Feigel, Gene E., Ph.D., President, American Society of Mechanical Engineers (ASME)	588
Prepared Statement of	590
Feinstein, Senator Dianne, U.S. Senator From California, Questions Submitted by	163, 176, 235, 238
Florida State University, Prepared Statement of	674
Hagee, General Michael W., Commandant, Marine Corps, Department of the Navy, Department of Defense	19
Prepared Statement of	64
Questions Submitted to	103
Hahn, Chris, Executive Director, Mesothelioma Applied Research Foundation (MARF)	553
Prepared Statement of	554
Hanson, Captain Marshall, United States Navy Reserve (Retired), Co-Director, National Military Veterans Alliance	568
Prepared Statement of	569
Harvey, Hon. Francis J., Secretary of the Army, Office of the Secretary, Department of the Army, Department of Defense	107
Prepared Statement of	114
Questions Submitted to	166
Helmly, Lieutenant General James R., Chief, Army Reserve, Department of the Army, Department of Defense	303
Prepared Statement of	304
Question Submitted to	350
Hurd, Captain Robert C., U.S. Navy (Retired)	556
Prepared Statement of	558
Ickes, Major General Charles, II, Acting Director, Air National Guard, Department of the Air Force, Department of Defense	279
Question Submitted to	302
Inouye, Senator Daniel K., U.S. Senator From Hawaii:	
Opening Statement of	535
Prepared Statements of	2, 180, 438, 480
Questions Submitted by	97, 101, 105
Statement of	20, 108, 244, 354
James, Lieutenant General Daniel, III, Vice Chief, National Guard Bureau and Director, Air National Guard, Department of Defense, Prepared Statement of	263
Jonas, Hon. Tina, Under Secretary of Defense (Comptroller), Department of Defense	1, 479
Prepared Statement of	5
Kiley, Lieutenant General Kevin C., M.D., Surgeon General, Department of the Army, Medical Health Programs, Department of Defense	353
Prepared Statement of	357
Questions submitted to	423

	Page
Koper, Brigadier General Stephen, United States National Guard (Retired), President, National Guard Association of the United States	661
Prepared Statement of	663
Leahy, Senator Patrick J., U.S. Senator From Vermont, Questions Submitted by	533
Mathewson, John, Executive Vice President, The HSC Foundation	618
Mathewson, Lesli Foster, Weekend Anchor, Channel 9 News, Washington, DC	618
Matz, Major General William M., Jr., United States Army (Retired), Presi- dent, National Association for Uniformed Services (NAUS)	535
Prepared Statement of	537
McCarthy, Lieutenant General Dennis M., United States Marine Corps (Re- tired), Executive Director, Reserve Officers Association of the United States	581
Prepared Statement of	582
Mikulski, Senator Barbara A., U.S. Senator From Maryland, Statement of	245
Moakler, Kathleen B., Deputy Director, Government Relations, National Mili- tary Family Association	653
Prepared Statement of	654
Morris, Robert V., President, Morris Heritage Foundation, Inc	638
Moseley, General T. Michael, Chief of Staff, Office of the Secretary, Depart- ment of the Air Force, Department of Defense	179
Questions Submitted to	236
Mullen, Admiral Michael G., Chief of Naval Operations, Department of the Navy, Department of Defense	19
Biographical Sketch of	62
Prepared Statement of	39
Questions Submitted to	99
National Brain Injury Research, Treatment, & Training Foundation, Prepared Statement of the	665
Obering, Lieutenant General Henry A. "Trey", III, United States Air Force, Director, Missile Defense Agency, Department of Defense	437
Prepared Statement of	442
Questions Submitted to	473
Olanoff, Command Chief Master Sergeant Mark H., United States Air Force (Retired), on Behalf of the Armed Forces Top Enlisted Association	593
Prepared Statement of	594
Pace, General Peter, United States Marine Corps, Chairman of the Joint Chiefs of Staff, Department of Defense	494
Prepared Statement of	496
Pollock, Major General Gale, Chief, Army Nurse Corps, Department of the Army, Medical Health Programs, Department of Defense	387
Biographical Sketch of	396
Prepared Statement of	389
Questions submitted to	432
Polly, Dr. David W., Jr., M.D., on Behalf of the American Academy of Orthopaedic Surgeons	620
Prepared Statement of	621
Rank, Major General Melissa A., Assistant Surgeon General for Nursing Services, Department of the Air Force, Medical Health Programs, Depart- ment of Defense	404
Prepared Statement of	406
Questions submitted to	430
Recker, Dr. Robert, M.D., Director, Osteoporosis Research Center, Creighton University, on Behalf of the National Coalition for Osteoporosis and Related Bone Diseases	626
Prepared Statement of	628
Rumsfeld, Hon. Donald H., Secretary of Defense, Office of the Secretary, Department of Defense	479
Prepared Statement of	487
Scherling, Major General Terry L., Director of the Joint Staff, National Guard Bureau, Department of Defense, Prepared Statement of	270

	Page
Schoomaker, General Peter J., Chief of Staff, United States Army, Office of the Secretary, Department of the Army, Department of Defense	107
Prepared Statement of	114
Questions Submitted to	161
Statement of	150
Shelby, Senator Richard C., U.S. Senator From Alabama, Questions Submitted by	301, 350
Specter, Senator Arlen, U.S. Senator From Pennsylvania, Questions Submitted by	172, 299
Stevens, Senator Ted, U.S. Senator From Alaska:	
Opening Statements of	1, 19, 107, 179, 243, 353, 437, 479
Prepared Statement of	437
Questions Submitted by	16,
93, 99, 103, 166, 232, 297, 301, 302, 423, 425, 427, 430, 432, 433, 473, 477	
Strickland, Dr. William J., Ph.D., Vice President, Human Resources Research Organization, on Behalf of the American Psychological Association	543
Prepared Statement of	545
Strobridge, Colonel Steven P., United States Air Force (Retired), Director, Government Relations, The Military Coalition	597
Prepared Statement of	599
Taylor, Lieutenant General George Peach, Jr., M.D., Surgeon General, Department of the Air Force, Medical Health Programs, Department of Defense	367
Prepared Statement of	369
Questions submitted to	427
Thomas, Dr. Edwin Professor, Founding Director, Institute for Soldier Nanotechnologies, Massachusetts Institute of Technology (MIT)	604
Prepared Statement of	606
Vance, Petty Officer First Class Jessica A., 2006 Naval Sea Cadet of the Year, U.S. Naval Sea Cadet Corps	556
Vaughn, Lieutenant General Clyde A., Vice Chief, National Guard Bureau and Director, Army National Guard, Department of Defense	278
Prepared Statement of	257
Question Submitted to	301
Vietnam Veterans of America, Prepared Statement of	667
Visco, Fran, J.D., President, National Breast Cancer Coalition	629
Prepared Statement of	630
Winter, The Honorable David C., Secretary of the Navy, Department of the Navy, Department of Defense	19
Biographical Sketch of	37
Prepared Statement of	22
Questions Submitted to	93
Wynne, Hon. Michael W., Secretary, Office of the Secretary, Department of the Air Force, Department of Defense	179
Prepared Statement of	183
Questions Submitted to	232

SUBJECT INDEX

DEPARTMENT OF DEFENSE

	Page
Additional Committee Questions	16
Basic Allowance for Housing	16
Budget	7
Contracting	11
Corrosion Costs	18
Costs	14
Of the War	9
Defend the Homeland	6
Department of Defense Fiscal Year 2007 Budget	7
End Strength of Army Guard	8
Funding:	
Flexibility	13
For Veterans	12
Maintain U.S. Military Superiority	6
Military:	
Health Care	7
Pay	6
Oversight	15
Prevail in Irregular Warfare Operations	5
Special Forces	9
Strategic Priorities	5
Summary Statement	2
Supplemental	7
Supporting Service Members and Their Families	6

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

Additional Committee Questions	232
Aging Aircraft	237
Air Force Personnel Cuts	237
Air and Space Power:	
Today—Building on Our Heritage	186
For Tomorrow—Aiming for the Unlimited Horizon	195
Alternate Engine Program	232
Bomber Modernization	215
B-52 cuts	234
Competitor States	237
C-17 Transport:	
And Army Mobility	241
And Strategic Airlift Requirements	239
General Issues	238
500 Missiles	234
ICBM Force Reduction	234
Introduction—Heritage to Horizon	184
Joint Cargo Aircraft:	
Program Allied Participation	236
And Multinational Operations	236
Joint Strike Fighter	232
Competitive Procurement	233
Keesler Training Pipeline	233

	Page
Personnel End Strength Reductions	236
Robust Nuclear Earth Penetrator	235
Sled Test:	
Assistance From Sandia	235
Status	235
Spaced-based Infrared Systems High Program	233
Summary—Heritage to Horizon	208
Supplemental Funding	232

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

Acronyms	147
Additional Committee Questions	161
All Volunteer Force	113
Army:	
Force Generation Model (ARFORGEN)	153
Heritage and Education Center	172
Modular Force	112, 163
Transformation and the C-17 Aircraft Program	164, 170
Army National Guard:	
End Strength	171
Force Structure	152
Balancing Risk: The Tension Between Current and Future Demands	144
Base Realignment and Closure (BRAC)	169, 172
Business Transformation	167
Civil War in Iraq	165
Depot Funding	157
Equipment:	
Modernization	155
Readiness	171
Future Combat Systems (FCS)	113, 166, 161
Hyperbaric Treatment	161
Improvised Explosive Devices	173
Integrated Global Presence and Basing Strategy (IGPBS)	169
Intra-theater Airlift	162
Iraq's Influence in Iraq	166
Joint:	
Cargo Aircraft (JCA)	159
Common Missile (JCM)	159
Tactical Radio System (JTRS)	170
Light Utility Helicopter (LUH)	172
Mission: Providing Forces and Capabilities	126
Modularity	166
National Guard	175
National Museum of the United States Army/Army Heritage and Education Center—Complementary Projects	173
Preserving Peace and Freedom for the Nation	146
Provide Infrastructure and Support to Enable the Force to Fulfill Its Strategic Roles and Missions	142
Provide Relevant and Ready Landpower for the 21st Century Security Environment	130
Purpose and Organization of the 2006 Army Posture Statement	114
Quadrennial Defense Review	153
Receipt of Supplemental Funds	171
Recruiting and Retention:	
Budget for Fiscal Year 2007	157
Incentives	156
Resetting the Force	167
Restructuring the Force—AC/RC Rebalance	169
Retention	150
Science and Technology (S&T) Investments	174
Soldiers	175
Stryker Brigade Combat Teams	156
Sustain an All-Volunteer Force Composed of Highly Competent Soldiers That Are Provided an Equally High Quality of Life	139
TRICARE	154

	Page
The Army Plan to Enable Mission Accomplishment	128
The Army Vision: Relevant and Ready Landpower in Service to the Nation	125
Train and Equip Soldiers to Serve as Warriors and Grow Adaptive Leaders	135
Training of Iraqi Security Forces	163, 177
Troop Reductions	165, 166
Training of Iraqi Security Forces	166
2006 Army Posture Statement Executive Summary	115
21st Century Security Environment: An Era of Uncertainty and Unpredict- ability	119
Unfunded Requirements	160
Unmanned Aerial Vehicles (UAVs)	158
War Costs	176
Warfighter Information Network—Tactical (WIN-T)	169

DEPARTMENT OF THE NAVY

Additional Committee Questions	93
Basic Allowance for Housing (BAH) Budget Shortfall	99
Building the Future Force	47
Capabilities Development	74
Changing the Way We Fight	30
Cost Estimate to Reset the Force	103
C-130 Cancellation	97
Declining Budget and the 313 Ship Navy	99
Developing 21st Century Leaders	54
Equipment	28
Fiscal Year 2007 Budget Priorities	23
Funding for Recruiting and Retention Incentives, Bonuses and Advertising	99
Health Benefit:	
Cost—Affect on Recruiting/Retention	103
Costs	102
Improving Business Practices	35
KC-130 Inventory Objective	105
LPD-17 Amphibious Ship	87
Long Wavelength Array	97
MV-22	83
Osprey	104
Magdalena Ridge Observatory	97
Marine Corps:	
End Strength	84
Equipment Replacement	88
Recruitment	89
Reserve	88
Special Operations Command	105
Training	89
Mental Health Care	82
Naval Workforce	25
Navy Expeditionary Combat Command	80
Equipping Strategy	94
Global War on Terror	93
Navy High Energy Laser Testing	96
Operations	26
Pacific Missile Range Facility (PMRF) Performance	102
Preparing for the Future: The Last Year	67
Recruiting and Retention	85
Reserve Health Benefits	105
Resetting the Force and Preparing for the Next Contingency	65
Restore Private Shipyards	102
SEAL Recruiting	101
SEALs Effect on End Strength	94
Sea-based Missile Defense	101
Selective Reenlistment Bonuses	105
Service Members' Absentee Votes	90
Shape Our 21st Century Workforce	29
Shipbuilding:	
And Operations Costs	97
Plan	87
Special Operations Forces	81

	Page
Steaming Days	83
Supplemental:	
Funding:	
And USMC Equipment Reset	104
For V-22	104
Request	86
Sustaining Readiness	42
313 Ship Plan	100
Unmanned Combat Air Vehicles (UCAV)	90, 100
War Definition	92
Water Purification Program	95

MEDICAL HEALTH PROGRAMS

Additional Committee Questions	423
Addressing Billet Shortfalls and Meeting Mission	433
Aeromedical Evacuation	371
Base Realignment and Closure	368
Changes in Navy Medicine	364
Clinical Successes	409
Combat Casualty Care	363
Deployment Health	372
Deployments	371
And Quality of Care	364
EMEDS	370
Education Programs and Policies	402
Emerging Missions	365
Expeditionary Nursing	407
Force Health Protection	362
Global War on Terrorism	370
Hurricanes Katrina and Rita	408
Installations as our Flagships	358
Medical Recruiting	365, 427
Goals	433
Mental Health	364
Mid-level Leadership/Senior Leadership Development	403
Our Way Ahead	412
Partnership With the Department of Veterans Affairs	363
People	374
Post Traumatic Stress:	
Disorder	428, 430
Return to Duty	434
Readiness and Clinical Proficiency	399
Recapitalization	374
Recruiting:	
And Retention.....	357, 410, 429, 430
Goals	428
Requirements and Force Shaping	401
Research	411
And Development	359
Skill Sustainment	410
Sustain the Benefit	359
Sustaining the Benefit/Health Care Costs	366
TRICARE	375
Technological Edge	373

MISSILE DEFENSE AGENCY

Additional Committee Questions	473
Air and Missile Defense:	
Battalions	454
An Overview of the Fiscal Year 2007 Army Budget Submission	453
Air, Space, and Missile Defense Command and Control	456
Airborne Laser	459
Arrow Program	466
Ballistic Missile Defense System	477
Building Confidence Through Spiral Testing	444
Command and Control	468

	Page
Completing the:	
Fielding of Block 2004	443
Next Increment—Block 2006	446
Counter-Rocket, Artillery, Mortar (C-RAM)	457
Countermeasures	461
Cruise Missile Defense	455
Directed Energy Initiatives	457
Evolving Security Environment	442
Expendable Launch Vehicle Program	470
Ground-based:	
Midcourse Defense Quality Control	462
Missile Defense	474
Integrated AMD System of Systems	453
International Participation	448
Kinetic Energy Interceptor Program	460, 463
Layered Defense	465
Missile Defense	467
Approach—Layered Defense	442
Flight Testing	458
Moving Toward the Future—Block 2008 and Beyond	447
Multiple Kill Vehicle Funding	464
Operational Readiness	458
Sea Based X-Band	471
Terminal:	
High-Altitude Area Defense Program	460
Phase Ballistic Missile Defenses	454
USSTRATCOM JFCC-IMD	452
Value of Test Ranges to Missile Defense Agency (MDA)	475, 476
X-Band Radar Security	471

NATIONAL GUARD

Additional Committee Questions	297
Air National Guard F-15 Modernization	285
America's 21st Century Minutemen—Always Ready, Always There!	250
Emergency:	
Power Sources for the National Guard	300
Preparedness for Natural Disasters	286
Equipment:	
Funding	283
Readiness	284
Wear and Depletion	294
Hollaran Air Force Base: F-22 Construction	289
Joint Staff Overview	270
Kirtland National Guard's Role With F-16 Squadrons	299
Length of Deployment	293
Mission Readiness	295
National Guard:	
And Playas	300
And Reserves Operation Tempo	281
And the Army's Air Defense Artillery	300
End Strength and Force Structure	282
Role in the Quadrennial Defense Review	285
Seat on the Joint Chiefs of Staff	289, 294
National Guard's Role in Border Security	300
Retention in the Army National Guard	288
Role of the National Guard	296
State Adjutants General	277
Total Force Integration and North Dakota	292

OFFICE OF THE SECRETARY

Accelerate Transformation	498
Acquisition Process	504
Additional Committee Questions	532
Ballistic Missile Defense	489
Base Realignment and Closure Commission	526
Border Security	506, 510

	Page
Defense Health Program	505
Democracy in Iraq	519
Domestic Surveillance	504
Earmarks	523
Federal Aviation Administration Coordination on Unmanned Aerial Vehicles	527
Global Posture	487
Improve the Quality of Life of our Service Members and our Families	501
Intelligence Management	524
Iraq	491
Iraqi Government Formation	511
Leadership Approaches	489
Managing the Force	488
Meeting New Challenges	484
Mental Health	493
Military Draft	530
National Guard.....	483, 517
On the Border	488
Navy	484, 489
New Organizations	489
Operations and Maintenance	484
Progress in Iraq.....	486, 503
Resistance to Change	490
Retired Generals' Criticism	529
Satellite Programs	502
Secretary's Opening Statement	482
Shifting our Emphasis	491
Special Operations	489
Strengthen Joint Warfighting	499
Supplemental:	
Funding	494
Request	492
Tanker Recapitalization	513
The Long War	490
Transformation	482
Treatment of Detainees	522
Troop Withdrawal	516, 521
U.S. Army	487
War Planning	489
Weapons Systems	488
Win the War on Terrorism	497

RESERVES

Activation:	
Impact	326
Philosophy	326
Time Limits	349
Additional Committee Questions	349
Army Reserve History	305
Base Realignment and Closure	337
Changing Demand Signals—New and Non-Traditional Missions	319
Closing	340
Equipment.....	327, 343
Shortfalls	347
Equipping the Force	312
Family Support	337
Fiscal Year:	
2006 NGREA	339
2007 Funding	340
Historical Background and Today	305
Homeland Contingency Support	335
Managing Change	306
Manning the Force	313
Marine Corps Reserve Capabilities	327
Mission Contributions 2005	335
Modular Support Brigades	350
One Tier of Readiness	338

	Page
Our People: Mobilization vs. Volunteerism	336
Personnel Reductions	350
Providing Trained and Ready Units	308
Purpose and Organization of the Posture Statement	304
Quality of Life	330
Readiness	321
Reconstitution	340
Recruiting.....	320, 344
And Retention.....	329, 336, 343, 345
Return on Investment	324
Shaping the Reserve Force	336
Size and Shape of the Force	320
Strategic Overview	306
The Way Ahead	317
Today's Army Reserve	304
Transformation	322
Your Marine Corps Reserve Today	323